Document de référence **2012**

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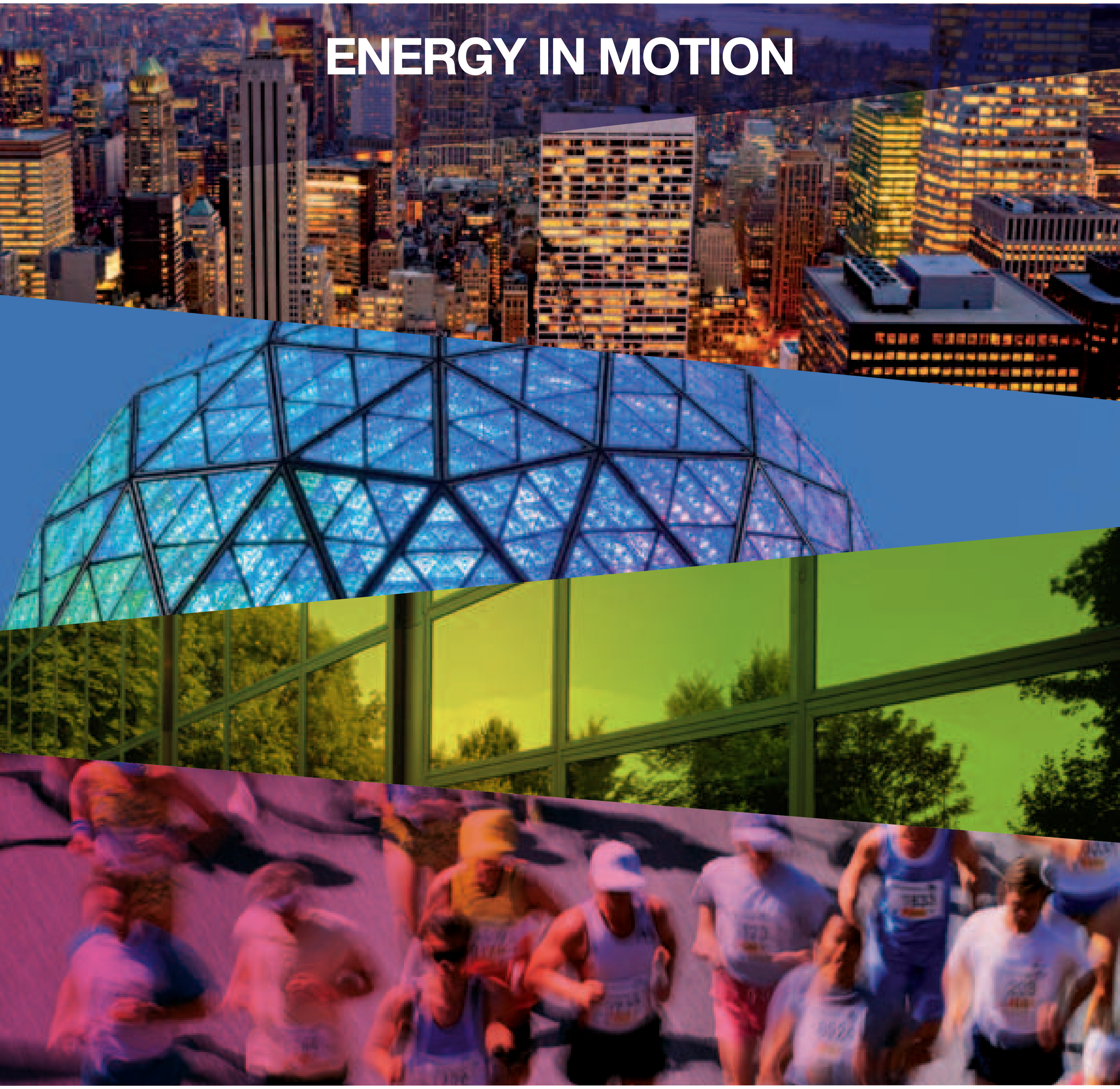
ENERGY IN MOTION



ENERGY IN MOTION

Rexel

Rexel, Company with limited liability *(société anonyme)*
with a Management Board and Supervisory Board
with a share capital of €1,359,616,145

Registered office:
189-193, boulevard Malesherbes –
75017 Paris
479 973 513 R.C.S. Paris

2012 ANNUAL REPORT *DOCUMENT DE RÉFÉRENCE*

This *Document de Référence* was filed with the *Autorité des marchés financiers* on March 13, 2013, in accordance with Article 212-13 of the General Regulations of the *Autorité des marchés financiers.* It may be used in connection with any financial transaction if completed by a *note d'opération* in respect of which the *Autorité des marchés financiers* has granted a visa. This *Document de Référence* has been prepared by the issuer and its signatories therefore assume responsibility for its contents.

Copies of this *Document de Référence* are available at no cost at the registered office of Rexel, 189-193, boulevard Malesherbes, 75017 Paris – France. This *Document de Référence* is also available on the Internet site of Rexel (**www.rexel.com**) and on the Internet Site of the *Autorité des marchés financiers* (**www.amf-france.org**).

1 OVERVIEW OF THE REXEL GROUP 7

1.1 Selected consolidated financial data . . . 8
1.2 History and development . . . 10
1.2.1 Company name . . . 10
1.2.2 Place of registration and registration number . . . 10
1.2.3 Date and term of incorporation . . . 10
1.2.4 Registered office, legal form and applicable law . . . 10
1.2.5 Rexel Group history . . . 10
1.3 Recent Acquisitions and Disposals . . . 11
1.4 Business and Strategy . . . 11
1.4.1 The Rexel Group's markets . . . 12
1.4.2 Professional distribution of low- and ultra-low voltage products . . . 15
1.4.3 The Rexel Group's competitive advantages . . . 21
1.4.4 The Rexel Group's strategy . . . 24
1.4.5 Other activities of the Rexel Group – Digital Products International . . . 27
1.4.6 Research and development, patents and licenses . . . 27
1.5 Organization . . . 28
1.5.1 Organizational chart . . . 28
1.5.2 Principal subsidiaries as of December 31, 2012 . . . 28
1.6 Property and equipment . . . 31
1.7 Investments . . . 32
1.7.1 Completed investments . . . 32
1.7.2 Principal investments in progress . . . 32
1.7.3 Principal planned investments . . . 32
1.8 Regulations . . . 33
1.8.1 Product liability . . . 33
1.8.2 Environmental regulations . . . 33

2 RISK FACTORS AND INTERNAL CONTROL 35

2.1 Risk Factors . . . 36
2.1.1 Risks relating to the Rexel Group's industry . . . 36
2.1.2 Legal and regulatory risks . . . 39
2.1.3 Risks relating to the Rexel Group's financing . . . 40
2.1.4 Market risks . . . 42
2.2 Insurance . . . 44
2.3 Internal control and risk management procedures . . . 45
2.3.1 Internal control organization . . . 45
2.3.2 Internal communication of relevant and reliable information . . . 47
2.3.3 Risk management system . . . 47
2.3.4 Control activities . . . 48
2.3.5 Steering and monitoring of the internal control system . . . 49
2.3.6 Internal control procedures relating to the preparation and treatment of accounting and financial information . . . 49

3 CORPORATE RESPONSIBILITY 51

3.1 Employees of the Rexel Group . . . 52
3.1.1 Number of employees and analysis of workforce . . . 52
3.1.2 Recruitment . . . 54
3.1.3 Turnover of employees . . . 54
3.1.4 Organization and management of working hours . . . 55
3.1.5 Compensation and benefits . . . 56
3.1.6 Labor relations . . . 56
3.1.7 Health and safety . . . 57
3.1.8 Training and skills management . . . 58
3.1.9 Diversity / Equal opportunities . . . 59
3.1.10 Rexel's ethical commitment . . . 60
3.1.11 Methodology note . . . 60
3.2 Rexel's community involvement . . . 61
3.2.1 Relationships with the stakeholders . . . 61
3.2.2 Impact on the social and economic development of the territories . . . 62
3.2.3 Charity and patronage . . . 63
3.3 Environmental information . . . 64
3.3.1 Environmental policy of the Rexel Group . . . 64
3.3.2 Risk management and regulatory compliance . . . 66
3.3.3 Environmental aspects of the Rexel Group's activities . . . 67
3.3.4 The energy efficiency and renewable energy solutions offer . . . 72
3.3.5 Methodology note & Summary table . . . 72
3.4 Report of the independent third party . . . 76

4 RESULTS OF OPERATIONS AND FINANCIAL POSITION OF THE REXEL GROUP 79

4.1 General overview . . . 80
4.1.1 Rexel Group overview . . . 80
4.1.2 Seasonality . . . 80
4.1.3 Effects of changes in copper price . . . 81
4.1.4 Comparability of the Rexel Group's operating results . . . 81
4.2 Consolidated results . . . 83
4.2.1 Rexel's consolidated financial results . . . 83
4.2.2 Europe . . . 86
4.2.3 North America . . . 87
4.2.4 Asia-Pacific . . . 88
4.2.5 Latin America . . . 90
4.2.6 Other operations . . . 91
4.3 Cash flow statement . . . 92
4.3.1 Cash flow from operating activities . . . 93
4.3.2 Cash flow from investing activities . . . 93
4.3.3 Cash flow from financing activities . . . 94
4.4 Sources of financing . . . 95
4.5 Outlook . . . 96
4.5.1 Rexel Group 2012 outlook and estimates . . . 96
4.5.2 Rexel Group outlook for 2013 . . . 96
4.5.3 Rexel Group medium-term outlook . . . 96
4.6 Significant changes in the issuer's financial or commercial position . . . 96

5 CONSOLIDATED FINANCIAL STATEMENT 97

5.1 Consolidated Financial Statements as of December 31, 2012 . . . 98
5.2 Statutory auditors' report on the consolidated financial statements for the financial year ended december 31, 2012 . . . 161

6 COMPANY FINANCIAL STATEMENTS 163

6.1 Company financial statements for the financial year ended December 31, 2012 . . . 164
6.2 statutory auditors' report on the company financial statements for the financial year ended December 31, 2012 . . . 183

7 CORPORATE GOVERNANCE 185

7.1 Management and Supervisory Bodies . . . 186
7.1.1 Management Board . . . 186
7.1.2 Supervisory Board . . . 191

7.1.3 Supervisory Board Committees . . . 210
7.1.4 Executive Committee . . . 214
7.1.5 Statements concerning the Management Board and Supervisory Board . . . 215
7.1.6 Conflicts of interest . . . 215
7.1.7 Service agreements between Management Board and Supervisory Board members and Rexel or one of its subsidiaries . . . 215

7.2 Implementation of the AFEP MEDEF corporate governance code of listed companies . . . 216

7.3 Compensation of corporate officers . . . 218
7.3.1 Compensation and benefits in kind . . . 218
7.3.2 Compensation, indemnities or benefits due or that may become due as a result of the assumption, termination or change in the functions of corporate officers . . . 228
7.3.3 Other benefits . . . 231
7.3.4 Pension, retirement or similar benefits . . . 231

7.4 Market ethics charter . . . 232

7.5 Related party transactions . . . 233
7.5.1 Principal related party transactions . . . 233
7.5.2 Special reports of the statutory auditors in relation to related party agreements . . . 238

8 ADDITIONAL INFORMATION 249

8.1 Shareholders . . . 250
8.1.1 Principal shareholders . . . 250
8.1.2 Share capital and voting rights . . . 251
8.1.3 Shareholders' voting rights . . . 266
8.1.4 Control structure . . . 266
8.1.5 Agreements potentially leading to a change of control . . . 266
8.1.6 Dividend policy . . . 268

8.2 Share capital . . . 269
8.2.1 Subscribed share capital and authorized but unissued share capital . . . 269
8.2.2 Securities not representative of share capital . . . 273
8.2.3 Treasury shares and purchase by Rexel of its own shares . . . 273
8.2.4 Other securities conferring access to the share capital . . . 275
8.2.5 Terms governing any right of acquisition and/or any obligation attached to the capital subscribed but not paid-up . . . 275
8.2.6 Share capital of Rexel Group companies subject to an option or in respect of which an agreement has been made that provides for placing such share capital subject to an option . . . 275
8.2.7 Changes in share capital . . . 276
8.2.8 Pledges, guarantees and security interests . . . 279

8.3 BY-LAWS (*STATUTS*) . . . 279
8.3.1 Corporate purpose (article 3 of the by-laws) . . . 279
8.3.2 Management and supervisory bodies (articles 14 to 25 of the by-laws) . . . 280
8.3.3 Rights and obligations attached to shares (articles 8, 9, 11, 12 and 13 of the by-laws) . . . 284
8.3.4 Changes to shareholders' rights . . . 284
8.3.5 Shareholders' meetings (articles 27 to 35 of the by-laws) . . . 285
8.3.6 Provisions likely to have an impact on the control of Rexel . . . 286
8.3.7 Ownership threshold disclosures and identification of shareholders (articles 10 and 11 of the by-laws) . . . 286
8.3.8 Special provisions governing changes to share capital (article 7 of the by-laws) . . . 287

8.4 Other elements that may have an impact in case of tender offer . . . 288
8.4.1 Control mechanisms in relation to employee shareholding . . . 288
8.4.2 Agreements entered into by Rexel to be amended or terminated in case of change of control . . . 288

8.5 MATERIAL AGREEMENTS . . . 289

8.6 Documents available to the public . . . 289
8.6.1 Legal documents . . . 289
8.6.2 2012 annual financial report . . . 289
8.6.3 The annual document . . . 290

8.7 Person responsible for the *Document de Référence* . . . 291
8.7.1 Person responsible for the Document de Référence . . . 291
8.7.2 Responsibility statement . . . 291
8.7.3 Person responsible for financial communication . . . 292
8.7.4 Indicative financial information timetable . . . 292

8.8 Statutory auditors . . . 292
8.8.1 Principal Statutory Auditors . . . 292
8.8.2 Deputy Statutory Auditors . . . 293
8.8.3 Fees paid to Statutory Auditors . . . 293

9 ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 22, 2013 295

9.1 Reports of the Management Board . . . 296
9.1.1 Management Report of the Management Board . . . 296
9.1.2 Report of the Management Board on the share subscription or purchase options . . . 296
9.1.3 Report of the Management on the free share allocations . . . 296
9.2 Report of the Supervisory Board to the ordinary and extraordinary shareholders' meeting of May 22, 2013 . . . 296

9.3 Report of the Chairman of the Supervisory Board on the operation of the Supervisory Board and on internal control . . . 298
9.3.1 Report of the Chairman of the Supervisory Board on the operation of the Supervisory Board and on internal control for the Financial year 2012 . . . 298
9.3.2 Report of the Statutory Auditors . . . 298

9.4 Resolutions submitted to the shareholders' meeting of May 22, 2013 . . . 300
9.4.1 Report of the Management Board . . . 300
9.4.2 Text of the draft resolutions to be submitted to the ordinary and extraordinary shareholders' meeting of May 22, 2013 . . . 312

10 CORRELATION TABLES 323

*This Document de Référence was prepared in connection with Rexel's disclosure obligations and for the purpose of the Rexel's ordinary and extraordinary shareholders' meeting convened for May 22, 2013 (the **"Shareholders' Meeting"**).*

*In this Document de Référence, **"Rexel"** refers to the company Rexel. References to **"Rexel Développement"** are to Rexel Développement S.A.S., a direct subsidiary of Rexel. References to **"Rexel Distribution"** are to Rexel Distribution, an indirect subsidiary of Rexel, which merged into Rexel Développement during the 2011 financial year. The **"Rexel Group"** and the **"Group"** refer to Rexel and its subsidiaries and, before 2005, to Rexel Distribution and its subsidiaries.*

This *Document de Référence* contains information about the Rexel Group's markets and competitive position, including information relating to market size and market share. Unless otherwise stated, this information is based on the Rexel Group's estimates and is provided solely for indicative purposes. To the Rexel Group's knowledge, there are no authoritative external reports in relation to the market providing comprehensive coverage or analysis of the professional distribution of low and ultra-low voltage electrical products. Consequently, the Rexel Group has made estimates based on a number of sources, including internal surveys, studies and statistics from independent third parties or professional federations of electrical products distributors, specialist publications (such as Electrical Business News and Electrical Wholesaling), figures published by the Rexel Group's competitors and data from operational subsidiaries. These various studies, which the Rexel Group considers reliable, have not been verified by independent experts. The Rexel Group does not guarantee that a third party using other methods to analyze or compile market data would obtain the same results. In addition, the Rexel Group's competitors may define their markets differently. The data relating to market share and market size included in this *Document de Référence* thus do not constitute official data.

This *Document de Référence* contains information on the intentions, objectives and prospects of development of the Rexel Group. Such information should not be interpreted as a warranty that the facts stated will occur. Such information is based on data, assumptions, and estimates that the Rexel Group considers reasonable. They are likely to change or be modified due to the uncertainties of the economic, financial, competitive or regulatory environment.

The forward-looking statements provided in this *Document de Référence* are made as of the date of this *Document de Référence*. Excluding any applicable legal or regulatory requirements, the Rexel Group does not make any commitment to publish updates of the forward-looking statements provided to reflect any changes in its targets or events, conditions or circumstances on which such forward-looking statements are based. The Rexel Group operates in a competitive environment subject to rapid change. Therefore it is not able to anticipate all risks, uncertainties or other factors that may affect its activities, their potential impact on its activities or the extent to which the occurrence of a risk or combination of risks could have significantly different results from those set out in any forward-looking statements, it being noted that such forward-looking statements do not constitute a projection or guarantee of actual results.

OVERVIEW OF THE REXEL GROUP 1

RISK FACTORS AND INTERNAL CONTROL 2

CORPORATE RESPONSIBILITY 3

RESULTS OF OPERATIONS AND FINANCIAL POSITION OF THE REXEL GROUP 4

CONSOLIDATED FINANCIAL STATEMENTS 5

COMPANY FINANCIAL STATEMENTS 6

CORPORATE GOVERNANCE 7

ADDITIONAL INFORMATION 8

ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 22, 2013 9

CORRELATION TABLES 10

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1 OVERVIEW OF THE REXEL GROUP

1.1 SELECTED CONSOLIDATED FINANCIAL DATA 8

1.2 HISTORY AND DEVELOPMENT 10

1.2.1 Company name 10
1.2.2 Place of registration and registration number 10
1.2.3 Date and term of incorporation 10
1.2.4 Registered office, legal form and applicable law 10
1.2.5 Rexel Group history 10

1.3 RECENT ACQUISITIONS AND DISPOSALS 11

1.4 BUSINESS AND STRATEGY 11

1.4.1 The Rexel Group's markets 12
1.4.2 Professional distribution of low- and ultra-low voltage products 15
1.4.3 The Rexel Group's competitive advantages 21
1.4.4 The Rexel Group's strategy 24
1.4.5 Other activities of the Rexel Group – Digital Products International 27
1.4.6 Research and development, patents and licenses 27

1.5 ORGANIZATION 28

1.5.1 Organizational chart 28
1.5.2 Principal subsidiaries as of December 31, 2012 28

1.6 PROPERTY AND EQUIPMENT 31

1.7 INVESTMENTS 32

1.7.1 Completed investments 32
1.7.2 Principal investments in progress 32
1.7.3 Principal planned investments 32

1.8 REGULATIONS 33

1.8.1 Product liability 33
1.8.2 Environmental regulations 33

1

1.1 SELECTED CONSOLIDATED FINANCIAL DATA

The selected financial data set forth below has been prepared on the basis of the consolidated financial statements of Rexel for the years ended December 31, 2012, 2011 and 2010.

REXEL'S CONSOLIDATED INCOME STATEMENT HIGHLIGHTS

(in millions of euros)	2012	2011 restated(1)	2011	2010
Sales	13,449.2	12,717.1	12,717.1	11,960.1
Gross profit	3,315.0	3,117.5	3,117.5	2,945.6
As a % of sales	*24.6%*	*24.5%*	*24.5%*	*24.6%*
EBITA(2)	767.4	722.3	719.6	615.9
Adjusted EBITA(2)	765.6	728.7	726.0	592.5
As a % of sales	*5.7%*	*5.7%*	*5.7%*	*5.0%*
Operating income	647.4	599.6	596.9	485.4
Net income	318.6	316.0	319.0	229.2
Net income attributable to the Rexel Group	318.1	315.3	318.3	228.5
ROCE(3)	*10.0%*	*11.8%*	*11.5%*	*10.2%*

(1) 2011 data restated to reflect the impact of the change in accounting method resulting from the early adoption in 2012 of revised IAS 19 on accounting for employee benefits (see note 2.2.1 to Rexel's consolidated financial statements for the year ended December 31, 2012, set forth in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*).
(2) 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 (**"Adjusted EBITA"**) is defined as EBITA excluding the estimated non-recurring net impact from changes in copper-based cable prices (see paragraphs 2.1.4.1 "Risks relating to changes in prices of certain raw materials" and 4.1.3 "Effects of changes in copper price" of this *Document de Référence*). EBITA and Adjusted EBITA are not accepted accounting measures with standard and generally accepted definitions. They should not be considered as an alternative to operating income, net income, cash flow from operating activities or as a measure of liquidity. Companies with similar or different activities may calculate EBITA and Adjusted EBITA differently than Rexel.
(3) The calculation of ROCE (Return On Capital Employed) is detailed in the table below.

ROCE is determined as follows:

(in millions of euros)	2012	2011 restated(1)	2011	2010
EBITA	767.4	722.3	719.6	615.9
Amortization of intangible assets recognized upon allocation of the acquisition price	(13.3)	(15.7)	(15.7)	(22.8)
Assumed tax(2)	(221.7)	(156.9)	(155.6)	(121.6)
Profitability (A)	**532.4**	**549.7**	**548.3**	**471.5**
Tangible and intangible assets, including goodwill	5,687.7	5,199.6	5,199.6	5,111.0
Inventory	1,426.7	1,240.8	1,240.8	1,203.1
Accounts receivable	2,123.9	2,122.9	2,122.9	2,022.0
Other assets	502.5	476.2	476.2	436.1
Accounts payable	(1,937.2)	(1,903.3)	(1,903.3)	(1,866.2)
Other current liabilities	(703.7)	(708.9)	(708.9)	(623.9)
Employee benefits, provisions and other non-current liabilities	(474.7)	(438.0)	(323.8)	(330.7)
Adjustment of goodwill in connection with Rexel acquisition in 2005(3)	(1,322.0)	(1,322.0)	(1,322.0)	(1,322.0)
Capital employed (B)	**5,303.2**	**4,667.3**	**4,781.5**	**4,629.4**
ROCE (A) / (B)	***10.0%***	***11.8%***	***11.5%***	***10.2%***

(1) 2011 data restated to reflect the impact of the change in accounting method resulting from the early adoption in 2012 of revised IAS 19 on accounting for employee benefits (see note 2.2.1 to Rexel's consolidated financial statements for the year ended December 31, 2012, set forth in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*).
(2) Assumed tax is calculated by applying to the sum of the preceding elements the effective tax rate of the Rexel Group for the relevant period (tax on income divided by the net income before tax and share of profit of associates).
(3) Elimination of goodwill and of the intangible assets recorded in connection with the acquisition of the Rexel Group by investors in 2005. This amount was calculated once only in 2005 and is not adjusted in subsequent financial periods, in particular in respect of changes in the exchange rates.

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The following table sets forth a reconciliation of EBITA and Adjusted EBITA with operating income:

(in millions of euros)	2012	2011 restated(1)	2011	2010
Operating income	647.4	599.6	596.9	485.4
(–) Other income(2)	(15.9)	(39.6)	(39.6)	(16.1)
(+) Other expenses(2)	122.6	146.6	146.6	123.8
(+) Amortization of intangible assets recognized on the occasion of purchase price allocations	13.3	15.7	15.7	22.8
= EBITA	**767.4**	**722.3**	**719.6**	**615.9**
(+) / (–) Non-recurring effect resulting from changes in copper-based cable prices(3)	(1.8)	6.4	6.4	(23.4)
= Adjusted EBITA	**765.6**	**728.7**	**726.0**	**592.5**
Adjusted EBITA margin	5.7%	5.7%	5.7%	5.0%

(1) 2011 data restated to reflect the impact of the change in accounting method resulting from the early adoption in 2012 of revised IAS 19 on accounting for employee benefits (see note 2.2.1 to Rexel's consolidated financial statements for the year ended December 31, 2012, set forth in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*).
(2) See notes 7.1 and 7.2 to Rexel's consolidated financial statements for the year ended December 31, 2012, set forth in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*.
(3) See paragraphs 2.1.4.1 "Risks relating to changes in prices of certain raw materials" and 4.1.3 "Effects of changes in copper price" of this *Document de Référence*.

REXEL'S CONSOLIDATED CASH FLOW STATEMENT HIGHLIGHTS

(in millions of euros)	2012	2011	2010
Operating cash flow(1)	748.5	739.3	580.2
Changes in working capital requirements	(37.2)	(69.9)	42.0
Cash generated from operating activities before net interest and income taxes	711.3	669.4	622.2
Net capital expenditure	(83.8)	(68.4)	(52.4)
Free cash flow before net interest and income taxes(2)	627.5	601.0	569.8

(1) Before interest, taxes and changes in working capital requirements.
(2) Free cash flow before net interest and income taxes is defined as the change in net cash flow from operating activities before net financial interest expense and income taxes paid, less net capital expenditure.

REXEL'S CONSOLIDATED BALANCE SHEET HIGHLIGHTS

	DECEMBER 31,			
(in millions of euros)	2012	2011 restated(1)	2011	2010
Non-current assets	5,910.2	5,437.8	5,454.1	5,390.7
Working capital requirements	1,433.5	1,231.6	1,231.6	1,192.2
Shareholders' equity	4,117.6	4,041.9	4,150.8	3,834.4
Net indebtedness	2,599.2	2,078.2	2,078.2	2,273.3
Other non-current liabilities	626.9	549.3	456.7	475.2

(1) 2011 data restated to reflect the impact of the change in accounting method resulting from the early adoption in 2012 of revised IAS 19 on accounting for employee benefits (see note 2.2.1 to Rexel's consolidated financial statements for the year ended December 31, 2012, set forth in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*).

A description of the Rexel Group's indebtedness and credit ratings is provided in paragraph 4.4 "Sources of financing" of this *Document de Référence*.

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1.2 HISTORY AND DEVELOPMENT

1.2.1 Company name

Rexel's company name is "Rexel".

1.2.2 Place of registration and registration number

Rexel is registered with the commercial registry *(Registre du commerce et des sociétés)* of Paris under number 479 973 513 RCS Paris.

1.2.3 Date and term of incorporation

Rexel was incorporated on December 16, 2004, as a simplified joint stock company *(société par actions simplifiée)* for a term of ninety-nine years expiring on December 16, 2103, except if the term is extended or if the company is subject to early dissolution.

Rexel was converted into a French *société anonyme* with a Management Board and a Supervisory Board by a resolution of the ordinary and extraordinary shareholders' meeting of February 13, 2007.

1.2.4 Registered office, legal form and applicable law

Rexel registered office is at 189-193, boulevard Malesherbes, 75017 Paris, France (tel: +33 (0)1 42 85 85 00).

Rexel is a *société anonyme* under French law with a Management Board and a Supervisory Board, governed by the legal and regulatory provisions of Book II of the French Commercial Code.

1.2.5 Rexel Group history

Rexel Distribution was created in 1967 under the name of Compagnie de Distribution de Matériel Electrique (CDME), adopting the name Rexel in 1993 and then Rexel Distribution in 2007.

Rexel Distribution was first listed on the *Second Marché* of the Paris stock market on December 8, 1983 and was admitted to trading on the *Premier Marché* of the Paris stock market in 1990. In 1990, Pinault-Printemps-Redoute ("PPR") became Rexel Distribution's majority shareholder following the acquisition of Compagnie Française de l'Afrique Occidentale (C.F.A.O.), of which CDME, renamed Rexel and then Rexel Distribution, was a subsidiary.

Pursuant to a purchase agreement signed on December 10, 2004, PPR, acting through its subsidiary Saprodis S.A.S., transferred a controlling stake of 73.45% of Rexel Distribution's share capital to a consortium of private equity funds comprising Clayton Dubilier & Rice, Eurazeo S.A. and Merrill Lynch Global Private Equity (renamed BAML Capital Partners). This sale was followed by a standing offer, a public buyout offer followed by a compulsory squeeze-out, following which Rexel Distribution's shares were delisted from the regulated market of NYSE Euronext in Paris on April 25, 2005. Rexel's shares were admitted for trading on the regulated market of NYSE Euronext in Paris market on April 4, 2007.

The Rexel Group first developed its business of the professional distribution of low and ultra-low voltage electrical products in France. It then began to expand internationally through acquisitions.

Further to the implementation of these restructuring and reorganization measures between 2002 and 2003, in 2004 the Rexel Group focused on stepping up its organic growth, with the main aim of developing its services offering – which became one of Rexel Group's priorities – and increasing the number of local sales and marketing initiatives. The Rexel Group also continued to optimize its operating structure in terms of both its sales and marketing networks and support functions, particularly logistics and IT.

Organic growth has been coupled with a selective acquisitions strategy. The Rexel Group has acquired companies with a regional, national or international presence, allowing it to strengthen its position in targeted regions, as well as companies established in emerging markets offering strong growth potential. Between 2006 and 2012, the Rexel Group carried out 50 consolidating acquisitions, representing approximately €1,950 million in sales, as well as two transforming acquisitions: the acquisition of GE Supply in 2006 and the acquisition of the Hagemeyer group in 2008.

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1.3
RECENT ACQUISITIONS AND DISPOSALS

The acquisitions and divestitures carried out during the financial years ended December 31, 2010 and December 31, 2011 are described in the *Document de Référence* filed with the *Autorité des marchés financiers* on April 11, 2011 under number D.11-0272 and in the *Document de Référence* filed with the *Autorité des marchés financiers* on March 15, 2012 under number D.12-0164, respectively.

The acquisitions and divestures carried out during the financial year ended December 31, 2012 are described in note 3.1 of the Notes to Rexel's consolidated financial statements for the financial year ended on December 31, 2012 set forth in chapter 5 "Consolidated financial statements" of this *Document de Référence*. The acquisitions and divestitures carried out after December 31, 2012 are described in paragraph 4.6 "Significant changes in the Issuer's financial or commercial position" of this *Document de Référence*.

1.4
BUSINESS AND STRATEGY

The Rexel Group believes that it is one of the leading low- and ultra-low voltage electrical products distributors worldwide based on its 2012 sales and number of branches. At December 31, 2012, the Rexel Group had operations in 37 countries across four areas: Europe, North America, Asia-Pacific and Latin America.

The consolidated sales of the Rexel Group for 2012 amounted to €13,449.2 million, 56% of which were generated in Europe, 32% in North America, 10% in Asia-Pacific and 2% in Latin America. Based on 2012 sales, the Rexel Group believes that it is the top distributor in the Asia-Pacific region, and number two in Europe and in North America. The Rexel Group recorded an Adjusted EBITA in 2012 representing 5.7% of the 2012 consolidated sales.

The Rexel Group serves a wide range of contractors and of end-users, which it divides into four customer categories: contractors (60% of its 2012 sales), industrial companies (22% of its 2012 sales), commercial market companies, including municipalities and public entities (7% of its 2012 sales), as well as an "other customers" category, which includes resellers and large do-it-yourself stores (11% of its 2012 sales). The Rexel Group's customers install the electrical products that it distributes in three end-markets: the industrial, commercial building and residential building markets. Its products are used in new installations and construction, as well as in the maintenance or renovation of existing installations and buildings.

The Rexel Group distributes a broad range of technical solutions and services aimed at responding to all of the needs of electrical contractors, as well as direct industrial and commercial customers. The Rexel Group's product offering is composed of seven product families indicated below with their respective percentage of 2012 sales: electrical installation equipment (44% of sales); cables and conduits (25% of sales); lighting (18% of sales); security and communication (6% of sales); climate control (4% of sales); tools (2% of sales); and white and brown products (1% of sales). The Rexel Group adds value to its offering by providing related services, including logistics, technical assistance and training services.

As of December 31, 2012, the Rexel Group's branch network consisted of 2,335 branches organized around various commercial banners and had 30,416 employees.

The operating sectors on which the consolidated financial statements of the Rexel Group are based are presented in note 4 to the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2012, set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*.

1.4.1 The Rexel Group's markets

1.4.1.1 The professional distribution of low and ultra-low voltage electrical products market

Characteristics of the professional distribution market

Significant market size

Based on its estimates, the Rexel Group believes that the market for professional distribution of low and ultra-low voltage electrical products amounted to approximately €165 billion worldwide in 2012, up by approximately 2% over 2011, at constant foreign exchange rates.

In addition to the products sold by professional distributors, there are at least four other distribution channels for low and ultra-low voltage electrical products:

– manufacturers who directly sell products to industrial and commercial customers. These sales are essentially made in connection with large infrastructure projects or large contracts (industrial construction sites, for example) where size and technical specifications justify a direct relationship between the manufacturer and the end-user;

– large do-it-yourself stores that distribute products directly to end-users through general purpose commercial areas. These stores are characterized by a limited offering of electrical products and generally target the residential market; and

– distributors of electrical equipment specialized in e-commerce;

– distributors specialized in certain market segments, particularly low voltage eletrical equipment.

The valuation of this market does not include various services that go beyond the mere distribution of electrical products, including the conduct of energy audits or complementary logistical services such as inventory management.

A growing market

The Rexel Group believes that its market will continue its strong growth over the long term, in line with increasing energy consumption. Overall, this expected upward trend is due to a combination of a number of macroeconomic factors, including:

– the development of access to electricity linked to demographic growth and distribution;

– energy issues awareness; and

– increased demand for comfort and safety.

In addition to macroeconomic factors, the Rexel Group believes that the market for the professional distribution of low and ultra-low voltage electrical products is supported by a combination of other factors, including:

– continuous technological innovation (e.g., home automation) and a modernization of existing materials. Customers are looking for products with high added value that offer increased functionality, in particular with regard to security, comfort and energy saving, which leads to a high rate of renewal of product references;

– a regulatory environment that is evolving and different from country to country. Changes in security standards and energy consumption are notable factors in the replacement of equipment;

– the development of technical assistance and maintenance services, as a result of the technological evolution of products and a growing demand for value added products from customers;

– the development of solutions aiming at reducing energy consumption or launching the production of new energy solutions;

– the consolidation of global players customers looking for identical services across all their markets; and

– the emergence of growing market sub-segments requiring comprehensive solutions with strong added value, such as the oil & gas and mining markets.

A generally more mature market in countries with developed economies

The characteristics of the professional distribution of low and ultra-low voltage electrical products sector vary with regard to the maturity of the market. In emerging market countries, depending on their development stage, the market, with a more substantial part of large infrastructure projects, is served by manufacturers which sell their products directly to the end user. Developed economy countries present a more favorable environment to the professional distribution model, the preferred interface between manufacturers and end users, primarily because of the more diffused needs of industry and construction, a higher comfort level linked to higher purchasing power or more stringent regulation.

The development of new markets

The worldwide market for the professional distribution of low and ultra-low voltage electrical products could benefit from the development of certain emerging markets. Economic development could enable distributors to participate in the distribution of their products and the development of value-added services.

On the basis of a multi-criteria analysis of the different emerging markets (taking into account, for example, market potential, ease of access to customers, strategic importance of local suppliers, standardization of equipment, importance of multi-brand distributors and the existing state of professional distribution), the Rexel Group believes that some countries or regions, including China, Brazil and the Middle East, offer, in the long run, a major growth opportunity with a distribution market that still represents a relatively small portion of end-consumption.

Finally, the Rexel Group believes that the role of professional distributors is strengthened by the development of customers' expectations, these customers being focused on the improvement of service levels in terms of procurement capacities, availability of products and reduction of energy consumption.

Renewal of product offering that supports price increases

The continuous development and renewal of the Rexel Group's product offering to include products with higher added value tends to support the steady growth of average prices. This trend is particularly noticeable in the more technical product families, such as industrial automation, lighting, security and communication products. Price increases also occur as a result of changes in product safety and energy savings standards, which tend to lead to product renewals and more sophisticated product ranges (for example: scheduled outage of incandescent bulbs which bolsters sales of low-consumption bulbs and the development of renewable energy, wind or photovoltaic solutions).

A fragmented market

At the worldwide level, the market for the professional distribution of low and ultra-low voltage electrical products is characterized by a large number of distributors. The Rexel Group believes that through its network of 2,335 branches it held a market share of approximately 8% in 2012.

The level of market consolidation is extremely varied from country to country. More specifically, in the United States, the market can be divided into two categories: 7 distributors with a multi-regional scope (including the Rexel Group), which the Rexel Group believes represent approximately 40% of all sales made in 2012, and an extremely fragmented group of distributors with a regional scope, as the top 200 distributors, including the 7 largest, represent only 60% of the market. This results, in particular, from the geographic breadth of the market and the historical presence of distributors active only in specific local markets. By contrast, in certain countries such as France, The Netherlands, Australia, the United Kingdom, Scandinavia or Canada, a large portion of the market is occupied by a limited number of distributors, due to the strong historical presence of distributors who have consolidated and structured these markets.

The Rexel Group estimates that, in 2012, approximately 25% of worldwide sales in the market for the professional distribution of low and ultra-low voltage electrical products were made by 8 major distributors: Rexel, Sonepar and Consolidated Electrical Distributors, acting on the principal world markets, Graybar Electric Company, W.W. Grainger and WESCO International, which principally operate in North America, and Solar and Ahlsell, which principally operate in Northern continental Europe.

The remaining approximately 75% of worldwide sales on the market for the professional distribution of low and ultra-low voltage electrical products is generated by a large number of medium-sized businesses that operate on a national, regional or local level. In certain countries, smaller electrical products distributors are seeking to increase their power by creating purchasing associations. These purchasing associations include national distribution networks as well as independent distributors that manage one or more branches.

The fragmentation of the market for the professional distribution of low and ultra-low voltage electrical products in certain countries, as well as the quest for productivity gains and economies of scale, favor the consolidation of distributors.

Risks related to acquisitions are described in paragraph 2.1.1.2 "Risks relating to acquisitions" of this *Document de Référence.*

Breakdown of the professional distribution market

Geographic breakdown of the professional distribution market

Based on the Rexel Group's estimates, North America constitutes the largest market for professional distribution of low and ultra-low voltage electrical products worldwide, representing approximately 32% of the market in 2012 (€52 billion). In 2012, Europe represented approximately 24% of the market (€40 billion) and the Asia-Pacific region represented approximately 28% of the market (€47 billion, of which Japan represented €12 billion). The other geographic zones (Latin America, Africa and the Middle-East) represented approximately €26 billion.

BREAKDOWN OF THE MARKET FOR PROFESSIONAL DISTRIBUTION OF ELECTRICAL PRODUCTS BY MAJOR COUNTRY(1)

COUNTRY	UNITED STATES	GERMANY	ITALY	FRANCE	UNITED KINGDOM	CANADA	CHINA
Size (billions of euros)	47	8	7	6	3	5	15
Exchange rate (€1)	1.3	1.0	1.0	1.0	0.8	1.3	8.1

(1) Source: Rexel estimates.

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End-markets for the installation of electrical products

The professional distribution of electrical products encompasses three end-markets in which customers of distributors of electrical products operate:

- the commercial building market, hereafter referred to as the "commercial market", which covers the use of electrical products in the construction, expansion, maintenance, renovation and compliance upgrades of stores, schools, office buildings, hotels, community buildings as well as energy production facilities, public networks and transportation infrastructure;
- the industrial market, which covers the use of electrical products in the construction, expansion, maintenance, renovation and compliance upgrades of factories and other industrial sites; and
- the residential building market, hereafter referred to as the "residential market", which essentially covers the use of electrical products in the construction, expansion, renovation and standardization of houses, housing developments, apartment buildings and public housing.

Rexel believes that the breakdown of Rexel Group sales in 2012 by end-markets was as follows:

END MARKET	REPORTED
Commercial	44%
Industrial	33%
Residential	23%

1.4.1.2 The Rexel Group's customers and their markets

The Rexel Group offers solutions and services to a large variety of customers, including contractors, end-users with internal installation departments, parts manufacturers and panel builders. The diversity of the Rexel Group's customer base allows it to not be dependent on a given customer, although the concentration of the Rexel Group's customers can be higher in certain countries or for certain product ranges. The Rexel Group's ten most significant customers accounted for less than 10% of the Rexel Group's sales in 2012.

The Rexel Group's customers are classified into four categories: contractors, industrial companies, commercial companies and other customers.

Contractors

General and specialty contractors represented 60% of the Rexel Group's 2012 sales (22% were generated through large contractors and 38% by small- and medium-sized contractors). The Rexel Group's customer base includes, depending on the type and size of a given project, electricians and small contractors, medium-sized contractors and large contracting companies. These customers are present in each of the Rexel Group's three markets: industrial, commercial and residential.

Industrial companies

Industrial companies, which are the end-users in the industrial market, accounted for 22% of the Rexel Group's 2012 sales. These customers include manufacturers, parts manufacturers, panel builders, the professionals who provide maintenance services for such machines and industrial end-users.

Commercial companies

Commercial companies consist of end-users in the commercial market, including municipalities and public entities, and represented 7% of the Rexel Group's 2012 sales. These customers include companies that operate in the commercial and retail industry, commercial services, public services and housing and transportation infrastructures.

Other customers

The Rexel Group also sells its products to other categories of clients, including resellers and large do-it-yourself stores. These customers generated 11% of the Rexel Group's 2012 sales.

1.4.1.3 Geographic breakdown of the Rexel Group's markets

The Rexel Group's operations are organized around four principal geographic areas (Europe, North America, Asia-Pacific and Latin America). The Rexel Group's 2012 sales amounted to €13,449.2 million, broken down among the various regions as follows:

	IN MILLIONS OF EUROS	IN PERCENTAGE
Europe	**7,448.6**	**56**
– France	2,484.6	18
– United Kingdom	1,042.3	8
– Germany	867.6	6
– Scandinavia	934.6	7
– Benelux	604.1	4
– Others	1,515.4	13
North America	**4,348.6**	**32**
– United States	2,999.0	22
– Canada	1,349.5	10
Asia-Pacific	**1,341.9**	**10**
Latin America	**310.0**	**2**
Total	**13,449.2**	**100**

Europe

Based on its estimates, the Rexel Group was the number two player in the market for the professional distribution of low and ultra-low voltage electrical products in Europe and held a market share of 18% in 2012. The Rexel Group believes that the industrial, commercial and residential markets, respectively, represented 24%, 42% and 33% of its 2012 sales.

As of December 31, 2012, the Rexel Group had operations in 22 European countries. The Rexel Group believes that it is the number one or number two player in 14 of these countries, which account in the aggregate for approximately 70% of the total European market.

North America

According to its estimates and based on its 2012 sales, the Rexel Group's market share in 2012 amounted to approximately 8% of the North American market for the professional distribution of low and ultra-low voltage electrical products. The Rexel Group believes that it is number two in this area, with market shares of 6% in the United States and 25% in Canada.

In North America, the Rexel Group operates essentially in the industrial and commercial markets, and to a lesser extent in the residential market. The Rexel Group believes that the industrial, commercial and residential markets respectively represented 45%, 51% and 5% of its 2012 sales in North America.

Asia-Pacific

Thanks to its position in Australia and New Zealand, based on its estimates and 2012 sales, the Rexel Group believes that it is the leader in the Asia-Pacific region.

The Rexel Group has increased its operations in China within the last few years, and is now one of the main international distributors with operations in China, with €364.9 million in sales in 2012, in a country where the portion of products distributed by structured groups is still low due to the level of maturity of the market. With its early 2011 acquisitions, the Rexel Group now has branches in India. Lastly, the Rexel Group also operates in Indonesia, Malaysia, Singapore, South Korea, Thailand and Vietnam.

Based on its estimates, the industrial, commercial and residential markets respectively represented 45%, 34% and 21% of the Rexel Group's 2012 sales in the Asia-Pacific region.

Latin America

The Latin America region accounts for 2% of Rexel's 2012 sales. It includes distribution of electrical equipment in Chile and, since 2011, Brazil and Peru.

Based on its estimates, the industrial, commercial and residential markets respectively represented 71%, 18% and 11% of the Rexel Group's 2012 sales in the Latin America region.

The Group's strategy is described in paragraph 1.4.4 "The Rexel Group's strategy" of this *Document de Référence*.

The risks related to the general economic environment are described in paragraph 2.1.1.1 "Risks relating to the general economic environment" of this *Document de Référence*.

1.4.2 Professional distribution of low- and ultra-low voltage products

1.4.2.1 A distributor of services and technical solutions

The Rexel Group offers a broad range of products and services that aim to respond to all of the needs of contractors, as well as those of industrial and commercial customers (industrial and commercial companies, municipalities, public entities, parts manufacturers and panel builders). The Rexel Group's service offerings allow its customers to master technological advancements inherent in the product families it distributes and accompanies them over the course of their projects.

Broad product and technical solutions offering

The Rexel Group's product offering, which is classified into seven product families, aims to cover all of the needs of electrical contractors and industrial and commercial customers:

- **electrical installation equipment** (44% of 2012 sales), which includes coupling and circuit protection equipment (such as switches, circuit breakers, meters and fuses); energy conversion and storage equipment (such as transformers, storage batteries, chargers and generators); control equipment (such as industrial automated devices and network control devices); sensors, actuators and consumption devices (such as pumps, fans, ventilators and compressors) as well as solar panels. All of these equipments are key in the electric power consumption control and optimization;
- **cables and conduits** (25% of 2012 sales), which allow for the distribution of electricity and include raceways, moldings and cable trays;
- **lighting** (18% of 2012 sales), which includes lighting sources, such as incandescent or halogen bulbs, low energy consumption light bulbs and fluorescent bulbs, and LED on the one hand, and lighting equipment on the other hand, such as interior and exterior lighting systems, sensors as well as decorative accessories;
- **security and communication** (6% of 2012 sales), which principally includes voice, data and image (VDI) transmission equipment, intruder and fire detection equipment, and monitoring and access control equipment;

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- **climate control** (4% of 2012 sales), which includes ventilation, air conditioning, heating equipment (in particular those relying on renewable energy);
- **tools** (2% of 2012 sales), which include hand tools, electrical tools and measuring instruments; and
- **white and brown products** (1% of 2012 sales), which include household appliances and consumer electronics products.

The product families and percentages above solely relate to the professional distribution of low and ultra-low voltage electrical products. This activity does not include the specific services provided by certain specialized entities of the Rexel Group, such as Gexpro Services in the United States. These other businesses generated less than 2% of the Rexel Group's sales in 2012.

In general, each of these product families has represented a relatively stable percentage of the Rexel Group's sales over the past three years.

The Rexel Group offers a wide range of technical solutions, which allows it to adapt its product offerings to local consumption habits and applicable technical standards as well as technological innovations. As a result, the products portfolio may be increased, especially as part of the MRO (Maintenance, Repair and Operation) contracts. In addition, the renewal rate of listed products is estimated to range between 10 and 15% of the range of products distributed by the Rexel Group each year, depending on the country. The Rexel Group's product offering is generally marketed under their brands, whose national or, depending on the market, local reputation is a significant criterion in contractors' purchasing decisions. Changes in the Rexel Group's product offering are the result of a dynamic and continuous process that takes into account customers' expectations.

In limited market segments identified as well-suited to such products, the Rexel Group also distributes its own-brand products, on which it achieves, on average, margins above those for equivalent product categories distributed under suppliers' brands. The Rexel Group's principal own-brands are Newlec and Sector, for residential and commercial electrical equipment, mainly in the United Kingdom and Germany, Gigamedia for multimedia (voice, data, image) networks and BizLine for tools or other additional products. Newlec is also used in other European countries, especially for climate control engineering, electrical control and lighting equipment.

In addition, the Conectis entity allows to better structure the product offering in the multimedia sector, due to the specific technical nature of the products and the potential for growth of business in these sectors. Initially developed in France, the Conectis offering is being rolled out in other European countries.

Product innovations developed by manufacturers in each product category to respond to changes in customer needs or applicable standards (including energy savings and fire security) allow the Rexel Group to improve the value of its product offering. The most significant technological evolutions that have occurred over the past several years include:

- improvements in cabling systems to support increases in computer networking bandwidth allowed by the introduction of new categories of cable;
- developments in Light Emitting Diode ("LED") technology to apply to lighting. LED technology was previously solely used in signaling systems. This change promotes energy savings, dependability and product life-span;
- developments in biometric control systems in the communication and security sector (fingerprint recognition, voice recognition, etc.);
- migration from analogue to digital transmission, which allows for the installation of a single cable network for all residential needs; and
- products relating to renewable energies (solar panels, heat pumps, etc.).

A service offering adapted to customers' needs

The Rexel Group offers its customers both:

- services directly linked to the provision of technical solutions allowing for the promotion of the electrical equipment product offering; and
- additional services in the fields of logistics and distribution allowing for greater proximity to end-customers and for the satisfaction of all of their needs through a broader offering range as compared to the traditional electrical equipment offering.

Technical solutions services

The Rexel Group has positioned itself as a technical solutions provider for its customers. The Rexel Group enhances its product offerings by providing a number of associated services, including with respect to logistics, technical assistance, training and assistance in project management, especially at the international level. These services are provided by qualified personnel who benefit from continuous training so as to master and stay apprised of technological developments.

The Rexel Group's services include:

- **Technical assistance:** The Rexel Group assists its customers in choosing solutions best adapted to them from the large range of products and services offered. The Rexel Group also prepares technical bids and offers assistance, designing electrical installations and cabling schematics and drafting specifications. The Rexel Group also provides electrical product inventory management for certain of its industrial and commercial customers. These services enhance the Rexel Group's knowledge of its customers' businesses, notably by allowing it to anticipate their needs. The Rexel Group provides these services through teams of experts that are based in its branches and who help sales personnel promote high value-added product families (such as VDI, security, lighting and industrial automation). In some situations, these teams work directly on the customers' premises.

- **The provision of turnkey solutions and savings commitment:** Beyond technical assistance, the Rexel Group brings its customers turnkey solutions and services, in particular in the energy-efficient field, including energy audits, return on investment calculations, financing and insurance solutions as well as support for administrative tasks involved in these projects. The Rexel Group then works in partnership with products and services suppliers and with contractors. In addition, the Rexel Group provides services to its clients in relation to budgetary monitoring and the project organization.
- **Support to large projects:** In the context of large projects, the Rexel Group may provide to its customers certain specific services such as the provision of temporary premises near the project sites or transportation solutions adapted to the timing of the project.
- **Training:** In most of its branches, the Rexel Group regularly schedules training sessions led by its employees, manufacturers and third parties in order to familiarize its customers with innovative or complex products. The Rexel Group has also offered continuous broadcasting of programs in its French branches presenting new products and training through its "Inexel TV" channel.

The Rexel Group's service offerings are generally included in the price of its products and, thus, are not separately billed, which enhances the Rexel Group's role as a distributor. In addition, the Rexel Group's services are provided in the context of a customer loyalty and customer base development policy, especially through the enhancement of the customers' know-how relating to products with recent technical improvements.

Complementary logistics and distribution services

Thanks to its organizational structure, the Rexel Group offers its customers logistics services, such as the quick retrieval of products in its branches (including during off-hours) or rapid on-site delivery.

In addition, the Rexel Group, *inter alia* through its U.S. Services platform, has a high value-added dedicated logistic services offering in the United States in the field of electrical and mechanical products (fittings, bolts, etc.) intended for industrial customers. The Rexel Group now offers its industrial customers in the United States two ranges of logistics services relating to spare parts supply and parts assembly. These services are provided by dedicated entities that combine the following activities:

- inventory management and provision of products on customers' production assembly lines (Production Services); and
- distribution services and spare parts in the field of electrical equipment (Parts Super Center).

These services are provided in the context of long-term contractual joint-development programs with the Rexel Group's customers and allow the Rexel Group to build customer loyalty.

1.4.2.2 The Rexel Group's commercial and marketing organization

A multi-network organization

In certain countries, in particular in most of the countries in which it has significant market share, the Rexel Group relies on its various commercial networks, such as in France, the United States, Canada, the United Kingdom, Australia, New Zealand, The Netherlands, Spain, Austria and Chile. These different networks generally reflect distinct features that are adapted for suppliers or products in a given end-market. This approach allows the Rexel Group to address a broader customer base and offer a broader range of products, while benefiting from economies of scale by sharing common logistics and information technology platforms.

Sales force

At the end of 2012, the Rexel Group's customer-facing employees represented 58% of its total employees.

In order to better respond to customer needs, the Rexel Group's sales activities are organized as follows:

- sales counter representatives, who sell products to customers, principally contractors, who come directly to the Rexel Group's branches;
- telephone representatives, who are responsible for advising customers (e.g., installation schematics) and telephone orders;
- traveling sales representatives, who visit customers in a designated, assigned zone;
- technical/commercial sales representatives, organized in competence centers, who provide technical support for traveling sales personnel and customers and who are specialized by product family or customer type; and
- specialized sales representatives who are essentially dedicated to "key accounts".

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The Rexel Group's sales personnel compensation generally includes fixed and variable components, depending on commercial performance. The variable portion of employees' compensation depends on their geographic area. In the United States, commissions based on gross profit constitute the majority of the compensation paid to employees.

Pricing and terms of sale

The Rexel Group's pricing policy is based on the rates charged by its suppliers in each country. The Rexel Group offers its customers rebates based on certain criteria, such as volume purchased by the customer, the competitive environment and special promotions. In each country, general terms of sale set out the customary framework of the Rexel Group's relationships with its customers. These include the main terms of sale of the products such as the rates and payment terms, as well as termination clauses, transfer of ownership clauses and warranties.

Furthermore, the Rexel Group has entered into framework agreements with "key account" customers, including companies operating in the industrial or commercial markets. The Rexel Group defines "key accounts" as those customers that operate multiple sites on a national or international level and that generate potential annual sales of at least €1 million per customer. The framework agreements entered into with "key accounts" provide for specific sales conditions based on volumes purchased, product availability and delivery timeframes. These agreements are generally entered into in the context of bids and last for two to three years.

Marketing functions

Rexel Group companies' marketing services operate on two levels: on the one hand, downstream, to analyze customer needs and ensure commercial promotion, and upstream, to manage supplier relationships.

Their role includes:

- regional market analysis;
- the analysis of their markets in order to ensure that product ranges evolve in partnership with suppliers;
- the preparation of competition studies, which allows them to adapt their choice of suppliers and products accordingly;
- the definition and setting-up of the services and solutions based on client typology;
- the development of products and customers nomenclatures;
- assistance and advice to sales personnel;
- assistance in the drafting and design of catalogues;
- the implementation of customer loyalty programs; and
- the design and launch of advertising campaigns at the branch level in partnership with suppliers and consistent with national or international product promotions.

Furthermore, the Rexel Group develops and implements marketing tools adapted to its customers' requirements.

At the end of 2012, Rexel decided to strengthen its sales and marketing teams both at group level and at the level of its subsbsidiaries, so as to have dedicated teams in specific markets.

E-commerce

E-commerce, or online commerce, is an access medium for customers that may represent a material part of the Rexel Group's sales in some countries and thus contributes to improving its operating efficiency. E-commerce covers two distinct areas:

- web portals, through which customers of the Rexel Group, contractors in particular, have access to technical information as well as information on stock availability and prices, and are able to prepare their quotes, place orders, check the status of their orders and access their invoices. Mobile versions of these portals are made increasingly available; and
- Electronic Data Interchange (EDI) and e-procurement services, through which larger customers (principally industrial and commercial customers) may connect their purchase information systems directly to Rexel's system enabling them to place orders, receive delivery confirmation and electronic invoices. These services are often tailored for each customer.

Most countries in which the Rexel group is active, including in Latin America and Eastern Europe, already offer one or the other or both of these services. These services have yet to be rolled out only in the Baltic states and Asian countries.

1.4.2.3 Logistic organization of the Rexel Group

Purchases and supply

In order to adapt its purchasing structure to the particularities of each country or to a given geographic zone and to optimize its purchasing terms, the Rexel Group has implemented partnerships with its suppliers on a number of levels:

- at a worldwide level, approximately thirty international suppliers are viewed by the Rexel Group as "strategic suppliers". These suppliers operate in different countries on one or more continents and have joined with the Rexel Group in international development programs;
- in each country, the Rexel Group's subsidiaries negotiate specific purchasing terms with national suppliers; and
- locally, the Rexel Group's branches may also negotiate specific commercial terms with individual suppliers.

In addition, the Rexel Group has a policy of reducing the number of its suppliers with the goal of rationalizing its purchasing policy and strengthening its relationships with its most significant suppliers.

In 2012, the Rexel Group made over 50% of its purchases from its 25 leading suppliers.

The Rexel Group favors the development of sustainable relationships with its strategic suppliers that have the capacity to contribute to the Rexel Group's business growth both globally and locally. The Rexel Group believes that this approach also allows it to benefit from attractive volume pricing, make economies of scale for support services such as marketing and logistics, adapt its product offering to the specificities of each market and improve its gross margin.

The Rexel Group's relationships with its suppliers are governed by short- or medium-term contracts. Product liability is the subject of paragraph 1.8.1 "Product liability" of this *Document de Référence*.

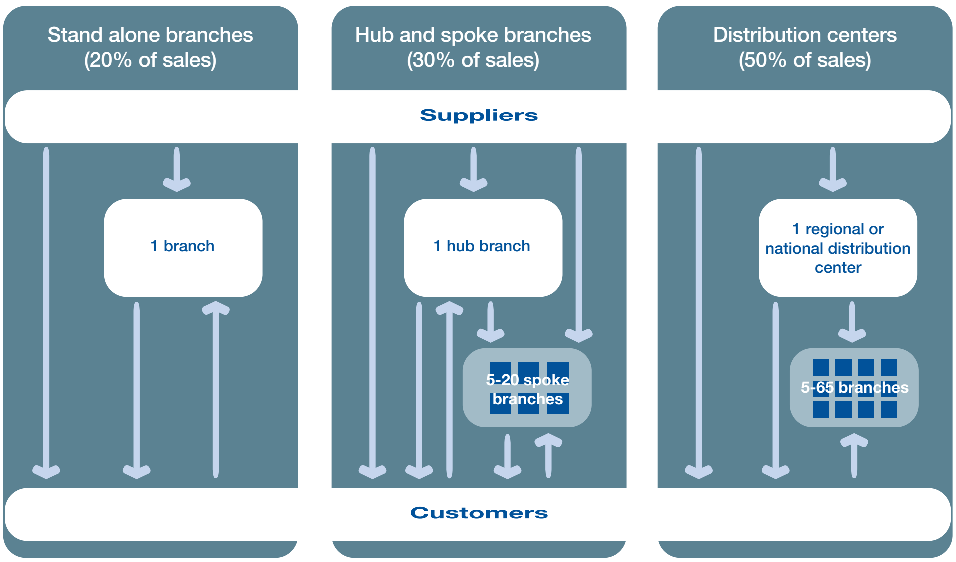
Risks related to commercial dependence are described in paragraph 2.1.1.6 "Risks relating to supplier dependence" of this *Document de Référence*.

Distribution network

The Rexel Group structures its logistics activities around three distribution models: (i) regional or national distribution centers; (ii) "hub and spoke" branches; and (iii) stand-alone branches. The choice of which of these models to use in any given area mainly depends on the characteristics of the region, the concentration of the Rexel Group's customers, the size of the market, the density of its branch network, its product offering, competition and the nature and breadth of services to be provided within the region. The Rexel Group believes that these three distribution models allow it to adapt its services to its customers' needs permitting it to offer a larger range of products. In addition, this logistical organization offers the Rexel Group the ability to adapt its means of distribution to local market characteristics in a cost-effective manner and to better manage its inventory.

The Rexel Group continues to streamline its logistics network since 2010. Steps taken in 2012 have had an impact in The Netherlands and in Sweden, while the first effects in southern Germany and in the State of São Paulo in Brazil are expected to be felt in early 2013.

The following diagrams summarize the Rexel Group's logistics model and its principal characteristics:



	STAND-ALONE BRANCHES	HUB BRANCHES	DISTRIBUTION CENTERS
Number of references (in thousand of units)	2 to 10	5 to 15	20 to 50
Inventory turnover	Approximately 60 days	Approximately 55 days	Less than 50 days
Logistics costs as a percentage of sales(1)	> 7%	6.0 to 7.0%	5.0 to 6.0%

(1) Logistics costs include personnel, inventory and transportation expenses.

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In each of these three models, the Rexel Group makes sales through two distribution types: Rexel Group network sales and direct sales which represented 80% and 20%, respectively, of the Rexel Group's sales in 2012. Direct sales are not significant except in North America, where they represented approximately 40% of the Rexel Group's 2012 sales.

Regional or national distribution centers

Distribution centers are typically located in regions in which the Rexel Group's customer base is highly concentrated. These centers focus exclusively on logistics functions and warehouse a large number of products, which are provided directly by the Rexel Group's suppliers. Sales activities are conducted by branches associated with these regional or national distribution centers. The Rexel Group's regional distribution centers deliver products directly to customers as well as to the associated branches, as needed in order to replenish their stocks for same-day delivery.

The Rexel Group created distribution centers primarily in order to improve service to customers through a wider product offering and a range of tailored services, thus allowing a significant reduction in inventory and costs with strong service commitments: orders may be placed until late in the afternoon for delivery at 7:00 a.m. the next morning.

Warehousing areas are located in regional distribution centers (storage, preparation of customer deliveries and stocking of branches) as well as in branches. The size of a distribution center mainly depends on the number of branches associated with it and the volume of sales and number of product references it handles.

As of December 31, 2012, the Rexel Group had 39 distribution centers in Europe. These centers were located in France, Germany, Austria, Belgium, Finland, Italy, The Netherlands, Norway, Poland, Portugal, Slovenia, Spain, Sweden and the United Kingdom. The 12 distribution centers in France are on average 18,000 square meters in size and each supplies between 25 and 65 branches. The 27 distribution centers in the rest of Europe are on average 7,000 square meters in size and each supplies between 5 and 45 branches.

In North America, the Rexel Group has 3 regional distribution centers in the United States with each supplying between 5 and 45 branches. In Asia-Pacific, the Rexel Group has 1 regional distribution center in New Zealand, supplying a total of 50 branches. There is one regional distribution center in Australia, principally dedicated to imports. The Rexel Group also has national distribution centers in Brazil, Chile and Peru.

Hub and spoke distribution model

In areas with lower customer concentration (notably in North America), the Rexel Group has developed through the implementation of a hub and spoke distribution model. In this model, each hub branch supplies logistics support to satellite branches in addition to carrying out its own commercial activities. The Rexel Group has 93 hub branches worldwide (of which 47 were located in North America, 35 in Europe, 7 in Asia-Pacific and 3 in Latin America) which serve generally between 4 and 20 satellite branches. In North America, the Rexel Group had as of December 31, 2012, 33 hub branches in the United States and 14 in Canada which supply 55 spoke branches in the United States and 199 in Canada.

Stand-alone branches

Stand-alone branches are generally located in areas of low customer concentration or where the use of distribution centers or hub branches would not be economically efficient. Stand-alone branches are thus located in certain regions of North America, as well as in Switzerland and Australia. These branches receive their products directly from the Rexel Group's suppliers and warehouse them on location.

Extensive branch network

As of December 31, 2012, the Rexel Group had 2,335 branches. The following table sets forth the change in the number of the Rexel Group branches between December 31, 2010 and December 31, 2012 by geographic area:

	AS OF DECEMBER 31,		
(number of branches)	**2012**	**2011**	**2010**
Europe	**1,359**	**1,261**	**1,280**
– France	461	424	431
– Outside of France	898	837	849
North America	**619**	**506**	**524**
– United States	401	299	314
– Canada	218	207	210
Asia-Pacific	**261**	**293**	**291**
Latin America	**96**	**68**	**18**
Total	**2,335**	**2,128**	**2,113**

The Rexel Group regularly monitors the appropriateness of its branch network with respect to market demand, which can lead to branch openings, transfers, consolidations or closings.

Transportation

The transportation of the products distributed by the Rexel Group is organized with the aim of improving the quality of customer service while controlling upstream and downstream transportation costs.

In upstream product transportation, products are directly delivered to regional or national distribution centers, hub branches and stand-alone branches by the Rexel

Group's suppliers. In downstream product transportation to its branches or customers, the Rexel Group generally uses external service providers. It also increasingly uses express delivery providers. In certain countries, such as in the United States, Australia, New Zealand, Switzerland, the United Kingdom and Sweden, it also owns its own transportation means, which only account for a limited portion of the distribution.

Risks related to the logistical structure of the Rexel Group are described in paragraph 2.1.1.5 "Risks relating to the Rexel Group's logistical structure" of this *Document de Référence*.

1.4.3 The Rexel Group's competitive advantages

1.4.3.1 A world leadership position

The Rexel Group recorded 2012 sales of €13,449.2 million. As of December 31, 2012, it has 2,335 branches, 30,416 employees and operations in 37 countries.

Based on its estimates, the Rexel Group is one of the leaders in the market for the professional distribution of low and ultra-low voltage electrical products in terms of both sales and number of branches. Based on 2012 sales, the Rexel Group also believes that it is among the top two players in its three main geographic areas: North America, Europe and Asia-Pacific. Also, the countries in which the Rexel Group believes that it holds a market share exceeding 10% account for over 70% of its sales. Furthermore, the Rexel Group believes that it is the number one or number two player in 14 European countries, accounting in the aggregate for approximately 70% of the total European market.

The Rexel Group also estimates that it holds a world market share of 8%, which leaves it room to continue developing its market share, including by external growth, thus becoming one of the main actors in the consolidation of the market for the professional distribution of low and ultra-low voltage electrical products.

The Rexel Group's position allows it to:

- respond to customers operating in several different regions and offer a consistent standard of advice and service worldwide;
- identify and apply best practices relating to management and development within the Rexel Group's network, due to the implementation of a lateral communication process covering the Rexel Group's most important business functions (purchasing, logistics, sales and training);
- benefit from a common logistics model and, at the regional level, IT systems that are shared by several operational platforms;
- take advantage of purchasing conditions that are equal to or better than those of its smaller competitors through the implementation of partnership agreements with its strategic suppliers; and
- better identify external growth opportunities in the countries targeted by the Rexel Group and integrate acquired businesses using a defined process based on its experience.

These strengths contribute to the Rexel Group's competitive advantage compared to smaller or differently organized distributors.

1.4.3.2 Diversified geographic and end-market presence

The Rexel Group estimates its 2012 sales breakdown by end-market and principal geographic area as follows:

	NORTH AMERICA	EUROPE	ASIA-PACIFIC	REXEL GROUP
Commercial	51%	42%	34%	44%
Industrial	45%	24%	45%	33%
Residential	5%	33%	21%	22%

The Rexel Group's presence in a range of different countries on several continents limits its exposure to local economic cycles. Europe, North America and Asia-Pacific accounted for approximately 56%, 32% and 10% of 2012 sales, respectively.

In addition, the balanced breakdown of the Rexel Group's operations among its three end-market segments (industrial, commercial and residential) allows the Rexel Group to limit the impact of a downturn in any given end market within a given country or region.

1.4.3.3 A strong local leadership

The Rexel Group generated approximately 20% of its 2012 sales in countries where it believes that it is the leader in terms of market share. The Rexel Group also believes that it holds a market share exceeding 20% in 15 out of the

37 countries in which it operated in 2012. This strong local presence tends to support growth in profitability, in so far as the Rexel Group estimates that its operating margins are generally higher in those countries where it holds significant market shares.

The Rexel Group's local leadership is principally based on the following factors:

- its ability to offer customers a range of products and services that is adapted to local needs and that is broader than that offered by other independent distributors;
- extensive branch coverage, which permits it to meet its customers' needs where they operate;
- the development of networks comprised of several different brands tends to support an increase in the Rexel Group's market share where it already has a relatively significant share of the market;
- a tailored logistics structure, which is adapted to meet its customers' needs and the density of its markets;
- its capacity to employ qualified personnel who have strong knowledge of their local markets and its ability to provide continuous training to such personnel; and
- its attractiveness to suppliers as a distributor of reference that can promote their products.

1.4.3.4 An offering of high value-added products and services

The Rexel Group offers a very wide range of products. The Rexel Group associates high value-added services to such products, such as support services, product availability, project management or installation design. In particular, the Rexel Group assists its customers in the choice and mastery of installation techniques for the products it distributes, and provides adapted delivery services. These services include:

- logistics chain outsourcing, including in the area of inventory management, assembly, distribution of replacement parts and the outsourcing of logistic services; and
- training, automatic machine programming assistance and help preparing cabling schematics.

The Rexel Group thus distributes an array of products and services that provide installation solutions designed to function in an integrated manner and to satisfy all of its customers' electrical product needs, through:

- The supply of turnkey solutions and the calculation of potential savings, in particular in energy efficiency areas; and
- Large project support, in particular with regards to logistical needs.

To this end, the Rexel Group constantly develops and adapts its product offering in order to take into account innovations suggested by suppliers, technological advancements and customer demand for new products arising from increased needs for comfort, security, ergonomics, home automation, automation and energy performance. The number of new product references offered each year by the Rexel Group varies considerably from one country to the other. It is estimated to range between 10% and 15%, depending on the country concerned.

The Rexel Group has acquired a technical mastery of its product families that tracks the needs of electrical contractors. The close relationships of the Rexel Group with its principal suppliers have enabled it to become the favored interface between contractors and suppliers.

The Rexel Group thus offers a comprehensive range of products and services which is core to the value chain, and which responds to all of its customers' (professional contractors or end-users in the commercial, industrial or residential sectors) and suppliers' (manufacturers) needs.

1.4.3.5 Experienced and skilled personnel

Due to the technical nature of its business, the Rexel Group employs experienced personnel with strong knowledge of its product specifications, local needs and applicable regulations. This know-how and the training offered to its customers allow the Rexel Group to direct its personnel towards higher added-value systems for the end-customer. The Rexel Group therefore acts as a prescriber of technical solutions.

The Rexel Group's employees benefit from an active training policy in the technical and commercial fields, which is performance-oriented. In addition, the Rexel Group seeks to improve the productivity of its support functions, particularly in the administrative services areas, in order to optimize operating costs.

The Rexel Group also seeks to build customer loyalty and to develop its market share.

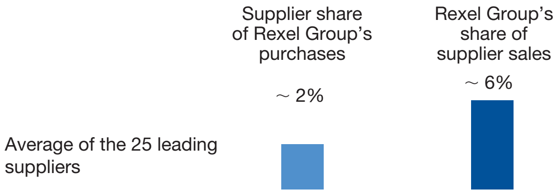
Furthermore, the Rexel Group's management team has broad experience in professional distribution, as well as operational, financial, and mergers and acquisition expertise.

1.4.3.6 Privileged relationships with suppliers

The Rexel Group has organized its supplier relationships around a limited number of strategic suppliers, who are global players in the low and ultra-low voltage electrical products industry, and a certain number of regional and national suppliers.

These privileged relationships allow the Rexel Group to negotiate better commercial terms, to increase productivity, to achieve economies of scale for its logistics operations and to benefit from its suppliers' marketing resources. The Rexel Group's active management of its supplier portfolio has resulted in the gradual concentration of its purchases.

The Rexel Group believes that it has generally favorable interdependent relationships with most of its significant suppliers, thereby limiting the risks inherent in dealing with a limited number of suppliers, as shown by the table below:



Risks related to commercial dependence on suppliers are described in paragraph 2.1.1.6 "Risks relating to supplier dependence" of this *Document de Référence*.

1.4.3.7 An efficient logistical model

The Rexel Group's distribution operations are based on a logistic model that includes distribution centers, "hub and spoke" branches and stand-alone branches. The choice of one of these methods of distribution in a given region depends on a number of factors. As soon as the commercial density allows it, the objective will be the centralization of flows through logistic centers.

The Rexel Group believes that the most centralized logistic model allows it to adapt as much as possible the services to its customers' needs by offering them a broader range of products and also allows it to adapt its distribution system to its local markets at reduced cost.

Risks related to the logistical structure of the Rexel Group are described in paragraph 2.1.1.5 "Risks relating to the Rexel Group's logistical structure" of this *Document de Référence*.

1.4.3.8 An economic model generating high cash flow

The operating profitability of the Rexel Group, together with the strict management of working capital requirements and the low capital intensity of its activities, allows the Rexel Group to generate significant cash flow.

Management's variable compensation depends in part on the optimization of working capital needs, with a view to reduce inventories and customer payment terms through the continuous optimization of logistics and credit management. Working capital requirements gradually decreased as a percentage of sales between 2004 and 2011 before increasing slightly between 2011 and 2012, mainly due to the acquisitions completed in 2012. The launch of a Rexel Group logistic model based on a hub and spoke system of satellite branches and regional distribution centers, as well as the implementation of receivables tracking and prompting software, are examples of initiatives that have reduced the Rexel Group's working capital requirements relative to its overall sales.

The Rexel Group has also maintained gross capital expenditures over the last three years at an annual level between 0.5% and 0.8% of consolidated sales. This investment strategy illustrates the low capital intensity of the professional distribution of low and ultra-low voltage electrical products.

1.4.3.9 A flexible cost structure

The Rexel Group believes that its adaptability allows it to limit adverse effects on its operating margins arising from a reduction in sales. Moreover, this capacity results in a profitability structure that delivers improvements in operating margins during periods of growth, since the fixed elements of its cost base may grow more slowly than its sales.

Based on 2012 financial information, the Rexel Group estimates that its operating cost structure before depreciation comprises:

- variable costs based on the activity level amounting to 24% (transportation, commissions, etc.);
- fixed costs that are flexible in the very short-term amounting to 57% (wages in certain countries, advertising, various fees, etc.);
- fixed costs that are flexible in the short or medium-term amounting to 19% (wages, rents, IT system costs, etc.).

1.4.3.10 The ability to integrate acquisitions

In the context of a fragmented market with significant acquisition opportunities, the Rexel Group believes that its size and its strong local market shares as well as its experience with acquisitions and integration, give it an advantage over its smaller or less experienced competitors in identifying and acquiring potential targets and implementing the synergies identified at the moment of the acquisitions.

Thus, between 2006 and 2012, the Rexel Group carried out 50 acquisitions, including 20 acquisitions in Europe, 9 in North America, 14 in Asia-Pacific and 5 in Latin America, as well as the acquisitions of GE Supply (renamed Gexpro) and of the Hagemeyer group.

Risks related to acquisitions are described in paragraph 2.1.1.2 "Risks relating to acquisitions" of this *Document de Référence*.

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1.4.4 The Rexel Group's strategy

The Rexel Group's strategy is based on five major trends which will have a structural impact on its business in the medium term:

- global electricity demand is expected to double within the next twenty years due to population growth, increased urbanization in emerging countries as well as increased demand for comfort in mature countries, partly linked to an ageing population;
- an increase in the price of electricity and fossil energies over the long-term and increased environmental awareness opens new markets, driven by innovation and high added-value services making it possible to reduce electricity consumption or to turn to renewable energies;
- the emergence of increasingly sophisticated products (home automation, climate control, connection, security), the dematerialization of transactions, the immediate access to information, and the need to work in networks, changes the core business structure of the Rexel Group's customers, who show an increasing demand for specific services and targeted solutions to support them in the creation of value;
- exchanges will continue to globalize, giving a competitive advantage to the Rexel Group, which thanks to its leadership and coverage of the various markets, has demonstrated the capacity to offer a "global" response while keeping, through its branch network, targeted and innovative local services; and
- the emergence of growing market sub-segments (such as oil & gas and mining) that require comprehensive solutions with a strong added value, in which Rexel has strong legitimacy owing to its status as a global leader.

In this context, Rexel's mission is to assist its customers worldwide to create value and to optimize their businesses, by offering them a range of sustainable and innovative products and services in the area of automation, technical expertise and energy management.

Taking into account the above, the Rexel Group has set up a corporate project, Energy in Motion, orienting its strategy on four major points of focus:

- accelerate the profitable growth of the business by combining organic growth and acquisitions;
- optimize the use of assets and the allocation of ressources in order to increase return on investment;
- mobilize all skills present in the organisation around a common mission, and capitalize on the diversity of experience to promote innovative practices;
- aim for operational "excellence" in order to optimize commercial efficiency and the performance of our businesses to best meet our clients' needs.

1.4.4.1 Profitable growth

Organic growth

The organic growth of the Rexel Group's traditional business relies mainly on market growth, as explained in paragraph 1.4.1.1 "The professional distribution of low and ultra-low voltage electrical products market" of this *Document de Référence*, and gain in market share. To such end, the Rexel Group constantly improves its development model, in particular in respect of its marketing aspects (through the adaptation of the location of the branches and the development of call centers and E-commerce), of the definition of the product and service offering (products and services increasingly innovative and development of own brands), and of its logistics and information systems.

Through the Energy in Motion project, the Rexel Group also intends to ramp up its growth by relying on market segments that are expected to be become lead markets in the medium- or long-term. These segments are grouped into three distinct categories:

- high potential categories: energy efficiency, renewable energies and home automation systems;
- international projects and clients: large infrastructure projects, major international client accounts;
- vertical markets: in particular "mining" and "oil & gas".

In 2012, these three areas of focus represented €2 billion of sales, an increase of 5% from 2011, with growth varying from one segment to another and which is expected to gain momentum in the coming years.

The high potential categories are supported by structural growth trends in the markets: need for energy consumption efficiency and reduction, development of renewable energies and of sophisticated home automation systems.

The Rexel Group has in recent years successfully developed its energy-efficient products and services offering: replacement of lighting sources, active promotion of low-energy equipments, energy audit proposals, setting up of energy measurement and control tools, energy-saving certification.

Although promising in the medium- or long-term, the renewable energies business in the short term remains subject to the volatility of the policies implemented by local governments to support the development of such energies. Rexel is consolidating its position on the photovoltaic market and intends to take part in the growth of this activity country by country. In the wind energy market, the Rexel Group proposes targeted solutions for each customer, ranging from simple cable deliveries to a fully-integrated services offering (from the supply to the provision of products on the assembly lines, as well as inventory management). In the high-growth home automation systems market, the Rexel Group has segmented its approach with offers that focus on residential buildings and are suited to commercial buildings.

The Rexel Group, a global player in the electrical equipment market, is involved in developing its clients on an international level. It offers a response that is suited to the geographic footprint of its major international accounts and develops global service offerings allowing large engineering and construction companies to externalize electrical product and other additional product or services management on large construction projects.

The mining and oil & gas infrastructure segments, which are major consumers of electrical products, are expected to develop in the coming years, driven by increasing demand for commodities and energy in emerging countries. Due in particular to its dedicated organisation, its global presence and the quality of its supply chain, the Rexel Group participates in the development and construction of these projects.

External growth

On the local level, the professional distribution of low and ultra-low voltage electrical products takes place in the context of close and recurring relationships with customers. The Rexel Group has historically observed a correlation between local market share and local operating profitability, which it attributes, in part, to the optimized use of logistics infrastructures.

The Rexel Group therefore intends to continue to pursue bolt-on acquisitions of regional distributors in order to strengthen its market share in regions where it is already present.

Also, the Rexel Group will continue to give priority to increasing its footprint in emerging market countries (China, South-East Asia, India and Latin America) along with the development of the professional distribution of electrical materials in such countries, with a medium-term objective of a two-fold increase in sales in these markets.

Moreover, the Rexel Group intends to increase its presence in high value added market niches, specifically on the energy efficiency and renewable energy markets. After having acquired in 2011 a 70% stake in Inoveha, a French company specializing in energy audits, in October 2012 Rexel acquired Munro, a US company that specializes in innovative energy efficiency solutions and that has developed strong partnerships with energy services companies (ESCOs) and the utilities sector.

Finally, if the opportunity arises, the Rexel Group may also undertake larger acquisitions.

1.4.4.2 Active resources management

Organization

At the end of 2012, Rexel decided to strengthen its sales and marketing structure, both at the level of the group and at the level of the subsidiaries, so as to have dedicated teams for high potential categories, international clients and vertical markets.

Brand architecture and structure of the commercial network

In the countries in which it has significant market share, the Rexel Group believes that the coexistence of different commercial networks, and thus of different brands, for product and service offerings allows for gains in market share that are greater than those that can be achieved using a single network. A multi-network commercial structure offers a distributor the following advantages:

- with respect to its customers, multiple networks allow a distributor to provide offerings that cover a broader portion of market demand and better target the demands of different customer segments; and
- with respect to its suppliers, multiple networks allow to enhance the products specifications in differentiated networks and with a specialized technical support.

However, the Rexel Group encourages its various brands to refer to the fact that they belong to the group. This is expected to increase the visibility of the Rexel brand, and guaranties added value by showing that the brand belongs to a global leader.

1.4.4.3 Culture of cooperation

Cooperative culture lies at the heart of the Energy in Motion strategic project. Close cooperation is essential to the shared success of the Rexel Group's stakeholders, by fostering team work, developing a high quality client-relationship, managing strategic partnerships with key suppliers, and delivering on its commitments to its shareholders.

Rexel has defined six key-values, which define the Rexel Group's core principles of action and interaction with its stakeholders. Rexel is committed to:

- providing the best client experience: the Group's employees are attentive to its clients' needs to help better serve them and are constantly striving to find the best way to help them create value;
- bringing together its strengths to succeed: the Group's employees team up with the Group's stakeholders in a mutually beneficial spirit of cooperation;
- encouraging innovation: the Group's employees develop new business models and inventive methods to create more value;

– involving employees in order to develop their skills: managers develop the skills of their teams while providing the stakeholders with the most experienced, expert and qualified employees;

– developing mutual confidence: the Group's employees are collectively bound by their commitments and responsibilities; and

– flourishing by making a difference: the Group's employees surpass themselves to make and promote Rexel as a partner of choice.

1.4.4.4 Excellence in operations

Information systems management

The Rexel Group's historical growth by acquisition has led to the coexistence within the Rexel Group of multiple different information system platforms.

In 2012, the Rexel Group continued to develop, rationalize, conform and modernize its information technology systems in all regions where it operates, while pursuing the extension of its infrastructure consolidation program in a selective and reasoned manner. As a part of this program, the Rexel Group has entered into global or regional agreements with renowned business partners in the fields of information management, telecom networks management, business applications and office equipment. The deployments are ongoing in accordance with defined time schedules.

The Rexel Group's general objective is to have a maximum of one information system per country, capable of being adapted to customers' needs, while seeking to pool infrastructures, applications or technical platforms, to the best possible effect. Thanks to this prudent and efficient approach, information technology systems costs, which remained relatively stable compared to 2011 and account for approximately 1.6% of sales, were contained in 2012.

Risks related to the information technology systems of the Rexel Group are described in paragraph 2.1.1.4 "Risks relating to information technology systems" of this *Document de Référence*.

Logistics optimization

The supply chain is one of the Rexel Group's key assets, valued by its customers.

The Rexel Group intends to continue to adapt its logistics systems based on the density of its branch network and customer expectations. In particular, following the actions taken in 2009 after the acquisition of the Hagemeyer group and the deterioration of global economic conditions, the Rexel Group continued to rationalize its network by increasing the scope of activity of certain distribution centers and hub branches, thus allowing for the closure of a number of branches and of a few logistic centers.

The evolution of the logistical structures improves the quality of services offered to customers, in particular due to a greater number of products available within shorter timeframes, and allows the Rexel Group to reduce its inventories and its costs.

Risks related to the logistical structure of the Rexel Group are described in paragraph 2.1.1.5 "Risks relating to the Rexel Group's logistical structure" of this *Document de Référence*.

Productivity enhancement plan

Beyond the optimization of its supply chain, the Rexel Group's operational excellence strategy entails the regular implementation of productivity enhancement plans. The purpose of these plans is, *inter alia*, to optimize the front and back office functions, to optimize the commercial network and to enhance the productivity of the logistics hubs.

The operational implementation processes for these optimization plans rely on processes such as LEAN, 6sigma, the coordination of purchasing or the activation of synergies essentially generated by the size of the Group's activities.

E-commerce

Electronic commerce continues to be a sales enhancement vector thanks to tailored solutions and specific services such as order monitoring, technical information and availability in stock. Orders are delivered either on the worksite or at the client's premises or made available for pick up at the branch. Electronic commerce also enables Rexel Group customers to order 24 hours a day, 7 days a week. Finally, electronic commerce is a significant cost reduction tool.

In 2012, e-commerce increased by 8% compared to 2011, totalling over €1.5 billion in 2012, or 12% of the total sales. The Rexel Group's objective is for approximately 15% of its sales to be generated by e-commerce solutions by 2015.

Optimize relationships with suppliers

With purchase volumes of €10.7 billion in 2012, the Rexel Group has structured its relationships with its suppliers around a limited number of strategic partners of global scale, along with several national suppliers and local suppliers that allow it to shape its product offering to fit local needs and to perpetuate its profitable growth.

With respect to the Rexel Group's strategic suppliers, its relationships are formalized through the implementation of Rexel Group-wide framework agreements that are both international and local in scope.

The Rexel Group intends to continue to optimize its supplier portfolio with the objective of improving its gross margin. In 2012, the Rexel Group made over 50% of its purchases from its 25 leading suppliers. The optimization of logistics structures and the EDI (Electronic Data Interchange) should also contribute to the improvement of the Rexel Group's profitability.

Risks related to supplier concentration are described in paragraph 2.1.1.6 "Risks relating to supplier dependence" of this *Document de Référence*.

Develop the Rexel Group's own brands

Based on a study of its product portfolio, the Rexel Group has identified certain segments that are appropriate for the development of own brands. These segments have the following characteristics:

- less importance accorded to well-known supplier brand names by customers;
- product functionality that is increased by packaging adapted to customer needs; and
- high fragmentation of manufacturers.

This is particularly the case for tools, certain installation accessories, and certain communications and security products.

In this context, the Rexel Group successfully develops its own brand names (such as BizLine, Sector, Newlec and Gigamedia) that have higher gross margins compared to their brand-name counterparts.

Sales of own-brand products accounted for slightly more than 3% of Rexel Group sales in 2012, stable compared to 2011. The Rexel Group intends to continue a targeted development of its own brands.

Optimize sales prices

The Rexel Group distributes tens of thousands of product references to tens of thousands of customers in each country. The Rexel Group continuously seeks to optimize its sales prices to its customers' purchase profile, in order to maximize its gross margin in a sustainable manner, while remaining competitive.

In light of the complexity inherent in professional distribution activities (large number of products and customers), optimal product pricing requires mastery of a number of areas, including:

- customer and product segmentation;
- analysis of competition and of purchasing habits of its customers; and
- valuation of the services that are not billed separately by the Rexel Group.

For projects, the Rexel Group negotiates favorable specific pricing conditions from certain suppliers that it passes on to its customers. These negotiations are also an important part of the process of optimizing sales prices.

1.4.5 Other activities of the Rexel Group – Digital Products International

Digital Products International Inc. ("DPI") is a company founded in 1971, which is based in Saint Louis, Missouri, USA. DPI distributes goods to consumer electronics distribution professionals (iPOD compatible products, DVD players, LCD televisions, home cinema systems, MP3 players, etc.) imported mainly from China. Further to a debt restructuring carried out at the end of 2009, the Rexel Group holds 66.67% of the share capital of DPI, of which 59.52% in the form of non-voting preferred shares. The Rexel Group has significant influence on this company, which is equity-accounted in its financial statements.

1.4.6 Research and development, patents and licenses

Due to the nature of its business, the Rexel Group does not carry out any research and development activities.

The Rexel Group's intellectual property policy is centered on protecting its brand names (mainly the Rexel brand and own brands such as BizLine, Sector, Newlec and Gigamedia) and domain names (mainly rexel.com). As a result of this policy, the Rexel Group either applies or registers for local trademark protection, or for brands and domains intended for wider use, it applies or registers for trademark protection in all of the countries in which it operates.

The Rexel Group's strategy is to protect the brands that it uses for certain products by registering such brands on sales territories and in the classes of registration of the products sold.

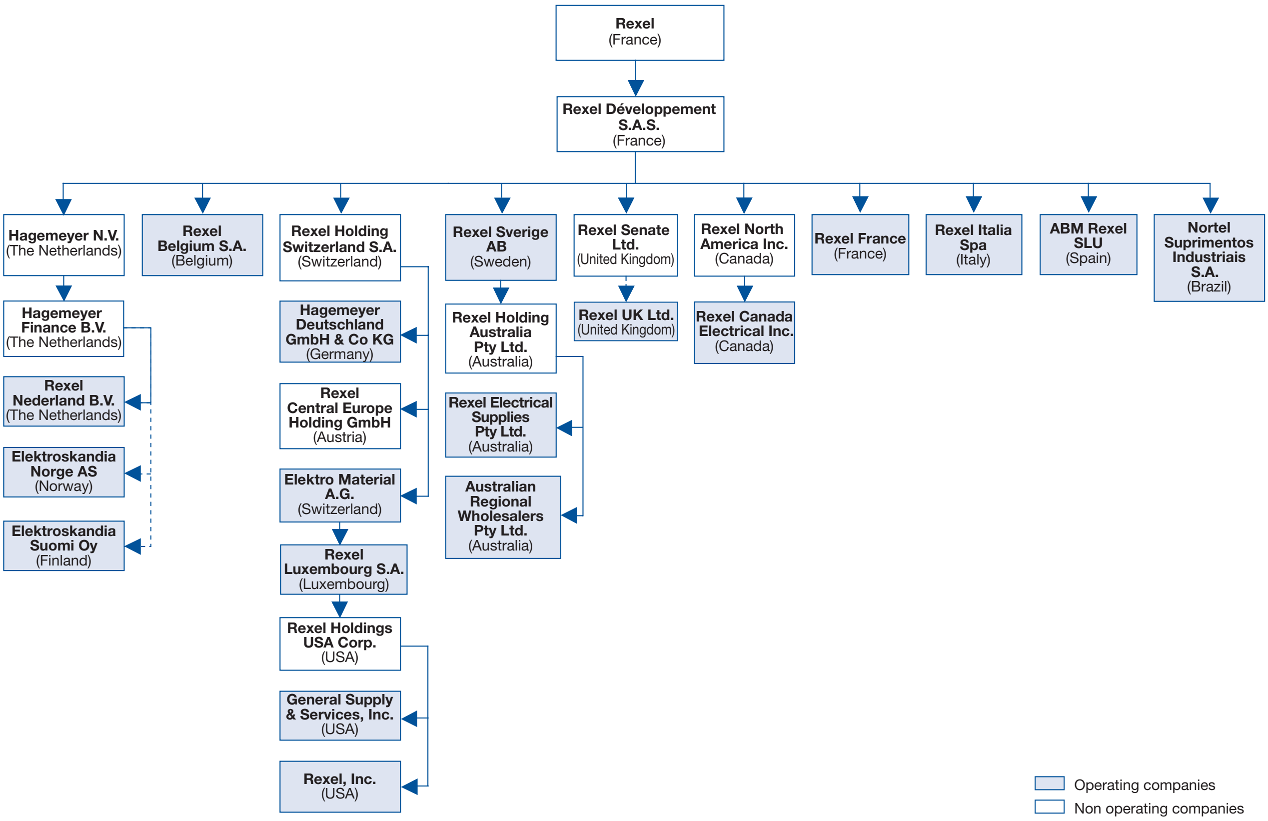
The Rexel Group also uses intellectual property rights (in particular names, brands, logos, designs, models and creations) that are not necessarily registered, either because they are used only temporarily, for example for a promotional campaign, or because they are difficult to protect. However, this second category is marginal. To the Rexel Group's knowledge, the use of these rights does not infringe any third-party rights.

In April 1998, Rexel Distribution signed an agreement relating to the co-existence and use of the "Rexel" name around the world with a company operating in a different sector that had already registered the same trade name. Under the terms of this agreement, both of the companies are authorized to use the "Rexel" name for products and services that are not related to the activities of the other company.

1.5 ORGANIZATION

1.5.1 Organizational chart

The organizational chart below is a simplified organizational chart of the Rexel Group as of December 31, 2012. The list of all of the companies consolidated by Rexel as of December 31, 2012 is detailed in note 27 of the Notes to Rexel's consolidated financial statements for the year ended December 31, 2012 which are set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*.



* The dotted lines designate the indirect subsidiaries. With the exception of Rexel Belgium, which is 99.99% held by Rexel Développement, all the companies mentioned in the simplified organizational chart hereabove are 100% held by the Rexel Group.

1.5.2 Principal subsidiaries as of December 31, 2012

The Rexel Group comprises Rexel and its subsidiaries.

Rexel is the parent company of the Rexel Group and the head of the tax consolidation group implemented as of January 1, 2005. Rexel determines the orientation and strategy of the Rexel Group. Rexel has entered into loan agreements with Rexel Développement and certain of its subsidiaries within the terms set out in paragraph 7.5 "Related party transactions" of this *Document de Référence*.

Rexel Développement is an operational holding company *(holding d'animation)*. It centralizes the functional and operating management teams of the Rexel Group. It employs the staff dedicated to the management of the Rexel Group. It holds the Rexel Group operational companies.

Rexel Développement has entered into service agreements with certain of its subsidiaries in the financial, cash management, legal, accounting, human resources, activities (purchases, logistics) or IT systems fields.

Rexel Développement has entered into cash management agreements and / or loan agreements with certain of its subsidiaries in order to allow for their financing.

Rexel's principal direct and indirect subsidiaries are described below. With the exception of the equity securities of the Rexel Group's companies and certain intellectual property rights, held, *inter alia*, by Rexel Développement, such subsidiaries do not hold any strategic economic assets.

Rexel Développement SAS is a simplified joint stock company *(société par actions simplifiée)* governed by the laws of France with a share capital of €1,537,745,590. Its registered office is at 189-193, boulevard Malesherbes, 75017 Paris. The company is registered under number 480 172 840 R.C.S. Paris. Rexel holds 100% of its share capital and acts as chairman of Rexel Développement. Rexel Développement provides services (management, strategic planning, finance, human resources, IT/Telecoms and legal) to the Group companies. Furthermore, Rexel Développement holds Rexel Group operating investments and, among other things, provides cash management services for certain Rexel Group operating subsidiaries in France and abroad.

Europe

Rexel Nederland B.V. is a company governed by the laws of The Netherlands with a share capital of €90,800, paid in the amount of €45,400. Its registered office is at Kampenringweg 45 b, 2803 PE GOUDA, The Netherlands. It is registered with the registry of commerce and companies under number 24267850. Its main activity is the provision and distribution of electrical products. It is fully held by Hagemeyer Finance B.V.

Hagemeyer Deutschland GmbH & Co KG is a company governed by the laws of Germany *(Kommanditeinlage)* with a share capital of €13,000,000. Its registered office is at Landsberger Str. 312, 806837, Munich, Germany. It is registered with the registry of commerce and companies under number HRA 48737. Its main activity is the supply and distribution of electrical products as well as the acquisition and management of equity investments in other companies. It is indirectly wholly owned by Rexel Holding Switzerland S.A.

Rexel Belgium SA is a company governed by the laws of Belgium, with a share capital of €30,000,000, having its registered office at Zuiderlaan 91, 1731 Zellik, Belgium. It is registered with the registry of commerce and companies under number 0437.237.396. Its main activity is the supply and distribution of electrical products. Rexel Belgium is held at 99.99% by Rexel Développement.

Rexel Sverige AB (formerly Svenska Elgrossist AB Selga) is a company governed by the laws of Sweden with a share capital of SKR 80,000,000 paid-up at SKR 46,500,000. Its registered office is at Prästgårdsgränd 4, 125 44 Älvsjö, Stockholm, Sweden. It is registered with the registry of commerce and companies under number 556062-0220. Its main activity is the distribution of electrical products as well as holding equity investments in companies in the electrical products distribution business. It is wholly owned by Rexel Développement.

Elektroskandia Norge AS is a company governed by the laws of Norway with a share capital of NOK 82,150,000. Its registered office is in Alfasetveien 11, N-0668, Oslo, Norway. It is registered with the registry of commerce and companies under number 977 454 700. Its main activity is the supply and distribution of electrical products. Elektroskandia Norge AS is indirectly fully held by Hagemeyer Finance B.V.

Elektroskandia Suomi Oy is a company governed by the laws of Finland with a share capital of €1,000,000. Its registered office is at Varastokatu 9, 05800 Hyvinkää, Finland. It is registered under number 599.695. Its main activity is the supply and distribution of electrical products. Elektroskandia Suomi Oy is fully held by the Finnish branch of Hagemeyer Finance B.V.

Elektro-Material A.G. is a joint stock company *(Aktiengesellschaft)* under Swiss law with a share capital of CHF135,000,000. Its registered office is at Heinrichstrasse 200, 8005 Zurich, Switzerland. It is registered with the registry of commerce and companies under number CH-626.3.005.380-6. Its main activity is the distribution of electrical products, the management of shareholdings and the provision of services. It is owned at 100% by Rexel Holding Switzerland S.A.

Rexel France is a simplified joint stock company *(société par actions simplifiée)* under French law with a share capital of €41,940,672. Its registered office is at 189-193 boulevard Malesherbes, 75017 Paris. The company is registered with the registry of commerce and companies under number 309 304 616 R.C.S. Paris. Its purpose is to distribute all electrical and electronic products, household appliances, IT equipment and derivative products, and more generally the supply of all materials and products for the construction and manufacturing industries, local authorities and individuals. In addition, its purpose is also to hold and manage shareholdings in other companies. Rexel France is wholly owned by Rexel Développement.

Rexel UK Limited is a limited company under English law with a share capital of 319,879,885 pounds sterling. Its registered office is at 5th Floor, Maple House – Mutton Lane, Potters Bar – EN6 5 BS Hertfordshire, United Kingdom. It is registered with the Companies House under number 434724. Its main activity is the sale of electrical products and the holding and the management of equity investments in other companies. Rexel UK Limited is indirectly wholly owned by Rexel Senate Limited.

North America

Rexel Holdings USA Corp. is a corporation governed by the laws of the Delaware with a share capital of US$1,001

1

registered under number 20-5021845. Its registered office is at 14951 Dallas Pkwy – Dallas, TX 75254, USA. Its main activity is the acquisition and management of equity investments in other companies and the provision of services. Rexel Holdings USA Corp. is wholly owned by Rexel Luxembourg S.A.

Rexel, Inc. is a corporation governed by the laws of New York with a share capital of US $15,911,481, registered under number 13-1474527. Its registered office is at 14951 Dallas Pkwy – Dallas, TX 75254, USA. Its main activity is the distribution of electrical products. Rexel, Inc. is wholly owned by Rexel Holdings USA Corp.

General Supply & Services, Inc. is a corporation governed by the laws of the Connecticut with a share capital of US $1,000, registered under number 20-5021902. Its registered office is at 14951 Dallas Pkwy – Dallas, TX 75254, United States. Its main activity is the distribution of electrical equipment, the provision of services and ownership of equity investments in companies in the electrical product distribution business. General Supply & Services Inc. is wholly owned by Rexel Holdings USA Corp.

Rexel North America, Inc. is a Canadian corporation with a share capital of CAD 108,904,500, registered under number 381380 1. Its registered office is at 505 Locke, suite 200, Saint Laurent, Quebec H4T, 1X7 Canada. Its main purpose is the acquisition and management of equity investments in other companies and the provision of services. It is wholly owned by Rexel Développement.

Rexel Canada Electrical Inc. is a Canadian corporation with a share capital of CAD 1,829,744, registered under number 428874 2. Its registered office is at 5600 Keaton Crescent, L5R 3G3 Mississauga, Canada. Its main activity is the distribution of electrical equipment. It is wholly owned by Rexel North America Inc.

South America

Nortel Suprimentos Industriais S.A. is a Brazilian corporation *(sociedade anonima)* with a share capital of BRL 154,933,704, registered under number CNP J/MF 46.044.053/001-05. Its registered office is at 755 rua Alessandro Payaro, 13087-600, Jardim Santa Candida, Campinas. Its main activity is the distribution of electrical equipment and ownership of equity investments in other companies. It is wholly owned by Rexel Développement.

Contributions from subsidiaries or significant sub-groups as of December 31, 2012 are as follows.

CONSOLIDATION VALUE (EXCLUDING DIVIDENDS) *(in millions of euros)*	FIXED ASSETS (INCLUDING GOODWILL)	GROSS DEBT (NON-REXEL GROUP)	CASH AND CASH EQUIVALENTS	CASH FROM OPERATIONS	DIVIDENDS PAID AND DUE TO REXEL
Rexel (France)		1,575.0	127.6	25.9	–
Rexel Développement SAS (France)	3,6	(294.5)	10.8	(27.7)	–
Rexel France (France)	1,184.3	511.6	16.1	134.6	–
Rexel Holdings USA Corp. (USA)	1,056.4	201.3	32.3	80.2	–
Rexel North America, Inc. (Canada)	608.9	144.7	1.8	37.0	–
Rexel UK Limited (United Kingdom)	263.9	279.0	12.3	19.5	–
Hagemeyer Deutschland GmbH & Co KG (Germany)	245.4	124.4	1.8	28.5	–
Elektro-Material A.G. (Switzerland)	848.6	0.1	2.3	91.0	–
Rexel Nederland B.V. (The Netherlands)	131.9	46.4	1.6	(5.1)	–
Rexel Belgium (Belgium)	59.6	47.9	0.3	28.1	–
Rexel Sverige AB (Sweden)	244.0	0.3	0.5	(0.2)	–
Elektroskandia Suomi Oy (Finland)	70.7	3.3	0.5	7.6	–
Rexel Electrical Supplies Pty Ltd (Australia)	114.4	105.6	4.4	30.4	–
Other	856.2	185.8	79.4	(51.6)	–
Total consolidated	**5,687.7**	**2,930.8**	**291.9**	**398.2**	**–**

The Rexel Group analyses its sales based on geographic areas, to which the legal entities referred to above belong based on their localization. Therefore, an analysis of sales with a breakdown by legal entity would not be relevant. Breakdown of sales by geographic area is detailed in chapter 4 "Results of Operations and Financial Position of the Rexel Group" of this *Document de Référence*.

1.6 PROPERTY AND EQUIPMENT

The Rexel Group's real estate strategy consists in giving priority to ordinary rental as its main method of occupation of its commercial and logistic premises, in order to benefit from increased operational flexibility allowing to permanently adapt to market evolutions. The Rexel Group therefore sold or transferred the lease of most of its real estate assets within the last fifteen years.

As of December 31, 2012, the properties used by the Rexel Group mainly included:

- The registered office of Rexel, located in Paris (France), which is leased and has a surface area of 6,186 sq. meters, and the administrative buildings of the operational entities, located in Europe, North America and Asia-Pacific, which are mainly leased. The registered office of Rexel and the administrative buildings of the operational entities house the management and operational functions of the Rexel Group;
- 47 distribution centers located in Europe (France, Germany, Austria, Belgium, Italy, Poland, Spain, Finland, Norway, The Netherlands, Portugal, the United Kingdom, Slovenia and Sweden), North America (United States), Asia-Pacific (Australia and New Zealand) and Latin America (Brazil, Chile and Peru). Distribution centers are mainly leased and have an average surface area which varies from 8,600 sq. meters for those located in Europe (excluding France) to 15,600 sq. meters for those located in France (see paragraph 1.4.2.3 "Logistic organization of the Rexel Group" of this *Document de Référence*); and
- 2,335 branches (including hub branches) located in Europe, North America, Asia-Pacific and in Latin America. Branches are mixed-usage selling and storage premises located in areas of handicraft or industrial activity, with an average surface area of approximately 1,000 sq. meters. Branches are mainly leased (see paragraph 1.4.2.3 "Logistic organization of the Rexel Group" of this *Document de Référence*).

No single real estate asset of the Rexel Group is deemed significant to the Rexel Group as a whole and no significant investment in real estate assets is currently being considered. These assets are not subject to any encumbrance.

1

1.7 INVESTMENTS

1.7.1 Completed investments

The table below provides details by line item at the Rexel Group level of capital expenditures, acquisitions and disposals for each of the financial years ended December 31, 2012, 2011, and 2010.

(in millions of euros)	2012	2011	2010	2010-2012 Total
CAPITAL EXPENDITURE				
IT systems	45.5	44.6	25.0	115.1
Branch renovations and openings	24.8	36.3	16.8	77.9
Logistics	17.0	12.2	11.6	40.8
Others	3.3	5.1	4.1	12.5
Total gross capital expenditure	**90.6**	**98.2**	**57.5**	**246.3**
Change in fixed assets suppliers payable	0.3	(3.4)	1.9	(1.2)
Disposals of fixed assets	(7.1)	(26.4)	(7.0)	(40.5)
Total net capital expenditure	**83.8**	**68.4**	**52.4**	**204.6**
ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES				
Acquisitions	595.6	100.5	67.3	763.4
Disposals	–	(44.8)	(13.3)	(58.1)
Total acquisitions and disposals of subsidiaries	**595.6**	**55.7**	**54.0**	**705.3**

Gross capital expenditure in 2012, 2011, and 2010 represented 0.7% 0.8% and 0.5% of Rexel Group's consolidated sales, respectively.

Capital expenditures carried out in 2012 are described in paragraph 4.3 "Cash flow" of this *Document de Référence* and were financed by the Rexel Group in cash.

1.7.2 Principal investments in progress

The roll-out of new commercial and logistical platforms launched in 2010 in the United States of America and in 2011 in the United Kingdom and in Australia has continued in 2012. In several European countries, in particular in Sweden and in The Netherlands, a consolidation plan of the information systems is being setting up, in respect of both software and infrastructure, and has been extended in 2012 to other countries. Moreover, the Rexel Group has continued to roll-out its new e-commerce platform in a process initiated in 2010 and continued the generalization of customer relation management solutions. In addition, the Rexel Group is continuing the rationalization of its logistical network, mainly in Europe, and intends to roll-out a common inventories management system.

1.7.3 Principal planned investments

At the date of this *Document de Référence*, there was no firm commitment to third parties concerning material financial investments, other than those described in paragraph 1.3 "Recent Acquisitions and Disposals" of this *Document de Référence*.

The Rexel Group's operating investments, which are mainly linked to its IT systems, logistical resources and branch network, generally account for between 0.7% and 0.9% of its sales, on a yearly basis.

1.8 REGULATIONS

The professional distribution of low and ultra-low voltage electrical products is not, as such, subject to any specific regulations. However, certain regulations may impact the Rexel Group's activities.

1.8.1 Product liability

As a distributor, the Rexel Group has potential products liability for products that it distributes.

The products and equipment distributed by the Rexel Group benefit from manufacturer's product guarantees. The product guarantee granted by the Rexel Group is comparable to the guarantee granted by the manufacturer. In some circumstances, the warranties granted by the Rexel Group may exceed those granted by the manufacturer. In those circumstances, the Rexel Group may be solely liable for any non-compliance with the warranty during the time period during which only the Rexel Group's warranty is in effect.

In addition, agreements entered into between the Rexel Group and its customers generally contain clauses providing for compliance with applicable standards and regulations, indemnification rights as well as guarantees concerning the supplier's qualification (reputation, financial solidity, adequate insurance policies and compliance with applicable standards and regulations), clauses for the return of products under which the supplier undertakes to take the products back in the event of product defects in certain circumstances, changes in applicable regulations or obsolescence of such products. Also, to the extent possible and subject to applicable legal provisions, the Rexel Group may also be covered by insurance policies entered into by the suppliers.

In most of the territories where the Rexel Group operates as an importer, the Rexel Group may be held liable for any defects of the products that it imports and distributes. In all cases of import, the Rexel Group applies, to the extent possible, its contractual strategy in relation to product liability.

1.8.2 Environmental regulations

The Group's activities are subject to, *inter alia*, EU and Canadian environmental regulations. However, other countries may have adopted environmental regulations that could impact the Group's activities in such countries.

The "RoHS" Directive

Directive 2002/95/EC of the European Parliament and of the Council of January 27, 2003, known as the "RoHS" Directive (Restriction of Hazardous Substances), prohibits the use of certain hazardous substances in electrical and electronic equipment.

Directive 2011/65/EU of July 1, 2011 has extended the reach of this Directive, specifically with regards to its scope, and imposed new obligations on the economic players. The scope of the new Directive includes an increased number of electrical and electronic appliances, in particular cables and spare parts.

The Member States were required to transpose the new Directive in their national legislation by January 2, 2013. To the best of our knowledge, only Estonia transposed the Directive.

The Rexel Group is currently working on processes in order to anticipate the new obligations imposed by the above-mentioned Directive.

The "WEEE" Directive

Directive 2002/96/EC of the European Parliament and of the Council of January 27, 2003, known as the "WEEE" Directive, on waste electrical and electronic equipment from private households, i.e. targeting the end consumer, calls for selective collection of electrical and electronic equipment waste, selective treatment of certain components and waste recovery through recycling (material and energy recovery). The WEEE Directive also calls for European Union member states to set up recycling programs for electrical and electronic equipment waste. These programs are financed by an "eco-contribution" borne by the end consumer. The WEEE Directive also requires manufacturers to label equipment with reference to EU standards (e.g. NF EN 50149 standard in particular), with a symbol on all household electrical and electronic equipment indicating that these products must be collected separately. In this context, the Rexel Group offers, for each product sold, the recovery of a similar product with a view to its collection by the eco-organizations managing the recycling program concerned. The Rexel Group believes that the impact of this system will be limited and that it complies with this regulation in the countries in which it has been implemented.

Directive 2002/96/EC was repealed effective as of February 15, 2014. The EU Member States are required to transpose Directive n°2012/19/EU by February 14, 2014.

The "REACH" regulations

Regulation 1907/2006 of the European Parliament and of the Council of December 18, 2006 known as the "REACH" (Registration Evaluation and Authorization of Chemicals) regulation relates to the registration, evaluation and authorization of chemical products as well as the restrictions applicable to these products. As a distributor on the European market of products that may contain chemical substances concerned by these regulations, the Rexel Group is bound to provide its customers with the information received from its suppliers and relating to the health and environment impacts of these substances. The main entity liable is the manufacturer of chemical products. The Rexel Group may, as the case may be, no longer receive certain products if a supplier was required to stop using certain substances. The Rexel Group has implemented a process aiming at collecting and providing the information in accordance with the REACH regulation.

2
RISK FACTORS AND INTERNAL CONTROL

2.1 RISK FACTORS 36

2.1.1 Risks relating to the Rexel Group's industry 36
2.1.2 Legal and regulatory risks 39
2.1.3 Risks relating to the Rexel Group's financing 40
2.1.4 Market risks 42

2.2 INSURANCE 44

2.3 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES 45

2.3.1 Internal control organization 45
2.3.2 Internal communication of relevant and reliable information 47
2.3.3 Risk management system 47
2.3.4 Control activities 48
2.3.5 Steering and monitoring of the internal control system 49
2.3.6 Internal control procedures relating to the preparation and treatment of accounting and financial information 49

Investors are urged to carefully review the risks described in this chapter, as well as all of the other information set forth in this Document de Référence. *Such risks are, on the date hereof, the risks that the Rexel Group believes may have a material adverse effect on its financial condition or its results of operations, should they occur. The Rexel Group conducted a review of these risk factors and considers that there are no other significant risks than the ones described in this section. Note that there may, however, be other risks that have not yet been identified as of the date of this* Document de Référence, *or whose occurrence as of the date hereof is not considered likely to have a material adverse effect. This chapter includes a description of the risk factors of the Rexel Group, as well as the risk management measures taken for each of them. Moreover, the risk management process implemented within the Rexel Group is described in paragraph 2.3 "Internal control and risk management procedures" of this* Document de Référence.

2.1 RISK FACTORS

2.1.1 Risks relating to the Rexel Group's industry

2.1.1.1 Risks relating to the general economic environment

The Rexel Group's end markets are the industrial market, the commercial building market and the residential building market. These markets can be further subdivided into investment and construction, on the one hand, and maintenance and renovation, on the other hand. The Rexel Group's business is sensitive to changes in general macroeconomic conditions and, more particularly, those affecting industrial investments and the construction, renovation and maintenance of residential and commercial buildings. In addition, the demand for the products distributed by the Rexel Group, the prices of such products and the Rexel Group's margins depend on many factors, such as inflation, interest rates, bank credit availability, or changes in economic and monetary policy.

The impact of changes in macroeconomic conditions varies depending on the end-markets and geographic areas in which the Rexel Group operates. Europe, North America, Asia-Pacific and Latin America accounted for approximately 56%, 32%, 10%, and 2% of the Rexel Group's 2012 sales respectively. The Rexel Group estimates that the industrial, commercial and residential markets, respectively, represented 33%, 44% and 23% of its 2012 sales from the distribution of electrical equipment. However, this distribution varies by region and by country (see paragraph 1.4.1 "The Rexel Group's markets" of this *Document de Référence*). For example, the residential market accounts for approximately 5% of 2012 sales of the Rexel Group in North America and the industrial market accounts for close to 82% of 2012 sales of the Rexel Group in China. In each geographical area, construction, renovation, and maintenance activities evolve differently.

An economic downturn in one or more of the Rexel Group's markets, or across all of its markets, may have an adverse effect on its financial condition, results of operations or its ability to implement its strategic decisions.

Similarly, political or economic instability in one of the countries where the Rexel Group is established may have an adverse impact on the results of operations in such country and of the Rexel Group.

Although the Rexel Group cannot control the occurrence of external risks, the Rexel Group has implemented tools to monitor and assess the risk level and impact. For this purpose, summaries consisting of financial data and macroeconomic indicators are drawn up by the country and regional management teams as well as by the investor relations department of the Rexel Group. The summaries are delivered on a regular basis to the management of the Rexel Group.

These indicators are taken into account in the budget process and may lead to measures aimed to adapt the Rexel Group's strategy to the economic and political context.

2.1.1.2 Risks relating to acquisitions

In the last few years, the Rexel Group has carried out bolt-on acquisitions to increase its market shares (see paragraphs 1.2 "History and development" and 1.3 "Recent Acquisitions and Disposals" of this *Document de Référence*).

However, the Rexel Group may be unable to identify appropriate targets, complete acquisitions under satisfactory terms or ensure compliance with the terms of the relevant sale/purchase agreement. In addition, while the Rexel Group seeks the successful integration of acquired entities and businesses, it cannot guarantee that this integration will occur within the planned timeframes. Moreover, the Rexel Group may have difficulties in retaining the key employees identified during the acquisition process, or achieving expected synergies within planned timeframes. The Rexel Group may also bear charges or liabilities undisclosed in its acquisition and due diligence processes and integration costs may be higher than initially anticipated. Lastly, in certain cases, minority shareholders may retain interests in the share capital of the companies that the Rexel Group takes control of including in order to ensure continuity, which implies increased complexity in decision-making processes.

The occurrence of one of the above risks may have an adverse effect on the Rexel Group's financial condition or results of operations.

In order to limit risks relating to acquisitions and integration processes of the acquired companies, the Rexel Group has improved the implementation and monitoring of acquisition projects. Any material acquisition (*i.e.,* any acquisition with an enterprise value in excess of €40 million) is decided by the Management Board, and then submitted for the approval of the Supervisory Board of Rexel upon recommendation of the Strategic Committee. Moreover, the appropriateness of each acquisition, in accordance with the Rexel Group's internal process, is considered by an Investment Committee, which meets at several stages of the acquisition process and reviews all of the issues in relation to the project. Lastly, throughout the entire acquisition process, the Rexel Group employs specialized advisors.

In relation to the post-acquisition stage, a dedicated team implements an integration plan and uses synergy follow-up tools for the larger acquisitions. Moreover a procedure for monitoring compliance with contractual undertakings in acquisitions has been established and distributed throughout the Rexel Group.

In addition, acquisitions carried out by the Rexel Group are reflected in its consolidated financial statements through the recognition of goodwill representing the expected future economic benefits from the purchased assets. Downward revisions of these expected benefits, including due to changes in macroeconomic conditions, may lead to goodwill impairments, which would then have an adverse impact on the financial position and results of the Rexel Group. At December 31, 2012, the amount of goodwill recognized in the Rexel Group's assets totaled €4,369.2 million and the depreciations recognized in the consolidated income statement for 2012 totaled €45.7 million (see note 10.1 of the Notes to the consolidated financial statements of the Rexel Group for the year ended December 31, 2012 included in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*).

2.1.1.3 Risks relating to competition

The market for professional distribution of low and ultra-low voltage electrical products is characterized by robust competition, as the products distributed by the Rexel Group are generally available from other distributors. At the international level, the Rexel Group competes with several large professional electrical distributors, such as Ahlsell, Consolidated Electrical Distributors, W.W. Grainger, Graybar Electric Company, Sonepar, Solar and WESCO International.

The Rexel Group also competes with smaller independent distributors that operate on the national, regional or local level which are part of, or may occasionally create, cooperative purchasing organizations.

In addition, general building trade distributors, and retail specialists in the building materials and equipment market, could continue to develop their electrical product offerings or acquire companies that are already present in the electrical product distribution sector and thereby create increased competition for the acquisition of market share.

Although the Rexel Group believes that, based on 2012 sales, it is the leading distributor in North America and in the Asia-Pacific region and number two in Europe, some of the Rexel Group's competitors may have a larger market share than the Rexel Group in certain geographic areas.

Furthermore, the Rexel Group may compete with:

- manufacturers that sell their products directly to certain clients in the industrial and services markets, essentially in connection with large projects;
- large do-it-yourself stores that distribute products directly to residential end-users;
- electrical equipment distributors that specialize in e-commerce.

Lastly, regional competitors and new market entrants could attempt to hire the Rexel Group's employees, particularly sales and branch management personnel, which may have an adverse effect on the Rexel Group's operations.

The competitive pressure that the Rexel Group faces may therefore have an adverse effect on its financial condition or results of operations.

In order to limit the competition risks inherent in its business, the Rexel Group relies on its dense network of branches and dealers, the efficiency of its logistical systems as well as the quality of its services. In addition to its branch network, Rexel has developed e-commerce functionalities in all countries, thereby responding to clients' expectations most notably by simplifying administrative tasks and giving them technical advice.

Moreover, dealing directly with a professional distributor allows customers to have access to a larger product offering than when dealing with a manufacturer and to benefit from a higher quality of service and advice than that proposed by large do-it-yourself stores or e-commerce sites.

Each year, the Rexel Group reviews its branch network and makes strategic decisions in relation to the establishment (opening/closing) of its branches and subsidiaries, taking into account market growth opportunities as well as its competitors' presence and market shares.

Lastly, in order to limit the risk of its key employees joining the competition, Rexel Group entities ensure that their remuneration policies are competitive and include non-compete clauses in employment agreements when such provision makes sense in the local market.

2.1.1.4 Risks relating to information technology systems

The operation of the Rexel Group's business depends on, among other things, the efficiency of its information technology ("IT") systems, which support all of the Rexel Group's operational and support functions.

The impact of a potential malfunction of the information systems is limited due to the decentralized IT architecture of the Rexel Group, which mainly relies on local-level infrastructure and solutions. IT security is nevertheless subject to particular care and the Rexel Group ensures that action plans are implemented at each country level in order to limit identified risks, in particular in respect of emergency plan, back-up process, physical access security, authorization and documentation management.

In 2012, the Rexel Group continued the rationalization and modernization and selective convergence plan of its IT systems and data processing centers (datacenters), particularly in Europe and in North America. The Rexel Group cannot, however, provide assurances that this plan will be completed on satisfactory terms or within the expected timeframes, or that the results will be entirely as expected. The Rexel Group may also be required to make unforeseen expenditures or may experience temporary or extended disruptions with respect to its personnel, operations or information flow.

In order to limit the risks related to information systems evolution projects, the Rexel Group relies on a Quality Assurance team, whose principal task is to ensure the proper governance of critical information technology projects and that may, where relevant, provide project steering support to the local teams. The Rexel Group also continues to favor a progressive evolution of IT systems with short-term and limited-scope projects.

2.1.1.5 Risks relating to the Rexel Group's logistical structure

The evolution of the Rexel Group's logistical structures or malfunction of one or several of such structures may result in temporary or long-lasting disruptions of its business and have a negative impact on its reputation and results of operations.

The Rexel Group's logistical organization, which is determined at the local level, as opposed to the international level, limits the impact of such a risk. Should a malfunction occur in a distribution center, the disruptions may be limited through the use of another distribution center or through inter-branch transfers.

Moreover, performance indicators and logistical platform security data are reported to the Rexel Group. Regular monitoring of this information serves to alert Rexel to problems and implement necessary corrective action. This monitoring is strengthened by spreading effective best practices throughout the Rexel Group.

2.1.1.6 Risks relating to supplier dependence

In order to rationalize its purchasing and strengthen its relationships with a smaller number of manufacturers, the Rexel Group is continuing to implement a policy to reduce the number of its suppliers. In 2012, the Rexel Group's purchases from its 25 leading suppliers accounted for approximately 50% of its total purchases; approximately 75% of its total purchases were from its 200 leading suppliers.

Overall, the Rexel Group believes that it is not dependent on any single supplier.

In general, the Rexel Group's distribution business involves entering into short- and medium-term agreements with suppliers. The renegotiation of these agreements may lead to the suppliers' refusal to renew agreements or insistence to renew on terms that are less favorable to the Rexel Group. In addition, in certain contracts, the contractual provisions requiring the prior consent of the supplier in the event of a change of control may give rise to the supplier terminating such agreements or seeking an amendment on terms less favorable to the Rexel Group. Finally, the Rexel Group may face the inability of one or more of its suppliers to meet its contractual obligations, which may affect sales volume realized with the Rexel Group's customers.

In certain geographical areas, the Rexel Group may be dependent on certain suppliers due to, for example, exclusive or quasi-exclusive relationships, or a high concentration of suppliers in the purchases made. In the event it loses one or more such suppliers or that such a supplier reduces its product offering, the Rexel Group cannot guarantee that it will be able to offer a satisfactory alternative to its customers, as a result of which they may turn to one or more competitors to obtain products. In addition, the Rexel Group's suppliers could, in certain countries, change their product distribution channels by reducing the role of distributors, which would temporarily affect sales and corresponding gross profit.

The occurrence of any of these events may have an adverse effect on the Rexel Group's financial condition or results of operations.

In addition to purchase agreements, supply agreements are set up on a country level with certain suppliers. These agreements are determined in the scope of a partnership approach including shared indicators and action plans.

Moreover, in order to improve supervision of the main suppliers and to monitor the proper implementation of the Rexel Group's strategy, international coordination of the offer managers at the local level is organized on a regular basis.

In addition, in order to limit their dependence on their main suppliers, Rexel Group companies regularly identify alternative suppliers for the key products that they offer. Lastly, the relative importance of the Rexel Group to its main suppliers limits the risks relating to the termination of contracts or a material change in the product offers.

2.1.1.7 Risks relating to the Rexel Group's reputation

Considering its international presence and visibility, the Rexel Group is exposed to attacks of various natures against its reputation, in particular through communication means such as the Internet and the social media. These communication means are characterized by real time reactions and an exponential diffusion of information, which may have an impact on the Rexel Group's reputation, financial situation or results of operations in case a crisis or negative event occurs.

In order to limit such risk and to reduce its impact, the Rexel Group, in the context of its communication strategy, ensures a proactive monitoring of Internet tools, organizes information and education campaigns to the attention of its employees, raises its employees' awareness through the distribution of its Ethics Guide, implementation of stringent communication rules, and a crisis management process which is updated on a regular basis.

2.1.2 Legal and regulatory risks

2.1.2.1 Risks relating to pending litigation

Risks related to pending litigation are described in detail in note 25 of the Notes to the consolidated financial statements of Rexel for the year ended December 31, 2012, which are set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*.

Considering the status of pending tax claims and ongoing tax proceedings, Rexel cannot predict the outcome of these cases with certainty or assess potential tax adjustments. Therefore, although Rexel considers that such proceedings will not have any material effect, Rexel is not in a position to predict whether these proceedings will have a material effect on its financial condition or results of operations.

The Rexel Group believes that its exposure to asbestos related litigation in the United States is limited. Nevertheless, given the nature and status of the proceedings, the Rexel Group's involvement in such proceedings and the number of claimants, the Rexel Group is not in a position to provide a quantitative estimate of the amount of the claims made. Moreover, given the current procedural status of the proceedings, the Rexel Group cannot predict the outcome of these proceedings or their financial consequences on the Rexel Group. Consequently, although the Rexel Group considers that such disputes will not have any material effect, the Rexel Group is not in a position to predict the outcome of these proceedings or whether these proceedings will have a material effect on its financial condition or results of operations.

There are no other governmental, judicial or arbitration proceedings (including any outstanding or threatened proceedings of which Rexel is aware of) that might have or that had during the last twelve months a material impact on the financial situation or profitability of Rexel or the Rexel Group.

The Rexel Group cannot rule out the possibility that new claims or lawsuits may arise as a result of facts or circumstances that are not known and the risks of which cannot, therefore, be ascertained or quantified at the date of this *Document de Référence*. Such claims may have an adverse effect on its financial condition or results of operations.

2.1.2.2 Risks relating to legal and tax regulations

Like any international group operating in multiple jurisdictions, the Rexel Group has structured its commercial and financial activities in a manner which takes into consideration various legal and tax requirements.

Given that tax laws and regulations in the various jurisdictions in which the Rexel Group operates may not provide clear-cut or definitive doctrines, the tax regime

2

applied to the Rexel Group's operations and intra-Group transactions or reorganizations is sometimes based on the Rexel Group's reasoned interpretations of French or local tax laws and regulations. The Rexel Group cannot guarantee that such interpretations will not be questioned by the relevant tax authorities, which may adversely affect its financial condition or results of operations.

In order to limit the risks related to legal and tax rules applicable in the various countries where the Rexel Group is established, the legal and tax management of the Rexel Group, as well as specialized advisors assist local management in their transactions in respect of local law.

Furthermore, the Rexel Group may record deferred tax assets on its balance sheet, reflecting future tax savings resulting from discrepancies between the tax and accounting valuation of the assets and liabilities or in respect of tax loss carry-forwards from its entities. The actual realization of these assets in future years depends on tax laws and regulations, the outcome of potential tax audits and on the expected future results of the relevant entities. Any reduction in the ability to use these assets due to changes in local laws and regulations, potential tax reassessments or lower-than-expected results could have a negative impact on the Rexel Group's financial position or results. As at December 31, 2012, the Rexel Group's deferred tax assets linked to tax loss carry-forwards totaled €327 million, depreciated in an amount of €146 million (see note 9.2 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2012, which are set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*).

2.1.2.3 Risks relating to regulatory matters, including environmental regulations

In light of the sectors in which it operates, the Rexel Group must ensure, *inter alia,* that its suppliers comply with applicable standards and directives in relation to products, the environment and safety.

The products that the Rexel Group distributes are subject to numerous legal and regulatory requirements applicable in each of the jurisdictions in which the Rexel Group operates. These products are also subject to quality and safety regulations and inspections resulting from national and international standards. In particular, these regulations involve European Union directives and standards adopted by international organizations, such as the European Committee for Electrotechnical Standardization and the International Electrotechnical Commission. Changes in such laws and regulations and their implementation may necessitate a change in the product offering or cause an increase in its distribution expenses.

The risk management mechanism implemented by the Rexel Group with respect to product liability is described in detail in paragraph 1.8.1 "Product liability" of this *Document de Référence*.

The Rexel Group must also endeavor to comply with local environmental regulations. The environmental risk prevention and management mechanisms are described in paragraph 3.3 "Environmental information" of this *Document de Référence*.

2.1.2.4 Risks relating to pension plans

Risks relating to pension plans and the corresponding risk management tool are described in note 19 to the consolidated financial statements of the Rexel Group for the year ended December 31, 2012, as set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*.

2.1.3 Risks relating to the Rexel Group's financing

2.1.3.1 Risks relating to indebtedness

As at December 31, 2012, the Rexel Group's gross indebtedness amounted to €2,930.8 million and its net indebtedness amounted to €2,599.2 million. In particular, the Senior Credit Agreement had been drawn for €25.9 million as at December 31, 2012. Moreover, in 2009, 2010, 2011 and 2012, Rexel issued bonds for a total amount of €1,454.1 million.

Subject to certain conditions, Rexel and it subsidiaries may also incur new borrowings or guarantee obligations.

Rexel Group's level of indebtedness may affect its financing capacity as well as the financial costs thereof.

The Rexel Group may be required to devote a significant portion of its cash flow to meet its debt service obligations, which may result in a reduction of funds available to finance its operations, capital expenditures, organic growth initiatives or acquisitions. In particular, the Rexel Group's financial expenses may increase in the event of a material increase in interest rates, *inter alia* in relation to the unhedged portion of its debt.

The Rexel Group may thus be at a disadvantage compared to competitors that do not have a similar level of indebtedness.

Furthermore, the Rexel Group's ability to meet its obligations, in particular complying with the restrictions and contractual obligations, contained in certain of its credit agreements (in particular those in connection with the Senior Credit Agreement, the 2009 Bonds, the 2010 Bonds, the 2011 Bonds and the 2012 Bonds and the securitization programs, as described in note 20.1 to the Rexel Group's consolidated financial statements for the year ended December 31, 2012 set forth in chapter 5

"Consolidated Financial Statements" of this *Document de Référence*), or to pay interest on its loans or to refinance or repay its loans in accordance with the terms of its debt agreements will depend on the Rexel Group's future operating performance, which may be affected by a number of factors (general economic conditions, conditions in the debt market, legal and regulatory changes, etc.), some of which are beyond the Rexel Group's control.

If at any time the Rexel Group has insufficient cash to service its debt, it may be forced to reduce or delay acquisitions or capital expenditures, sell assets, refinance its debt or seek additional funding, which may adversely affect its business or financial condition. The Rexel Group may not be able to refinance its debt or obtain additional financing on acceptable terms.

The measures implemented to manage these risks are described in paragraph 2.1.3.2 "Risks relating to bank and bond financing (excluding securitizations)" and 2.1.3.3 "Risks related to securitization programs" of this *Document de Référence*. In addition, this debt exposes the Rexel Group to interest rate risk, which is described in paragraph 2.1.4.2 "Interest rate risk" of this *Document de Référence*.

2.1.3.2 Risks relating to bank and bond financing (excluding securitizations)

Certain bank loans and bond financings, including the Senior Credit Agreement and the 2009 Bonds, 2010 Bonds, 2011 Bonds and the 2012 Bonds (as described in note 20.1 to the Rexel Group's consolidated financial statements for the year ended December 31, 2012 set forth in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*), contain customary restrictions limiting the Rexel Group's operations. In particular, these restrictions limit its capacity to grant guarantees on assets, to dispose of certain assets, carry out acquisitions, merger or restructuring transactions, borrow or lend money, provide collateral and make certain investments, set up joint ventures, or change the business operations of the Rexel Group.

The Senior Credit Agreement and the 2009 Bonds, 2010 Bonds, 2011 Bonds and the 2012 Bonds also contain provisions concerning acquisitions, as well as provisions under which the Rexel Group's creditors could demand full or partial early repayment of borrowings, particularly in the event of the disposal of certain assets, in the event of issuance of debentures on regulated markets or changes of control. These restrictions may impact the Rexel Group's ability to respond to competitive pressures, downturns in its markets or, in general, overall economic conditions.

The Rexel Group's borrowings include various financial commitments described in note 20.1 to the Rexel Group's consolidated financial statements for the year ended December 31, 2012 set forth in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*. As of December 31, 2012, the Rexel Group was in compliance with all of its applicable financial commitments. The Rexel Group must provide, for each of the relevant dates, a certificate of compliance with the relevant undertakings and of calculation of the items based on which compliance with such undertakings is assessed, including the *pro forma* indebtedness ratio (*i.e.,* adjusted consolidated net debt compared to adjusted consolidated EBITDA). This certificate is the subject of a confirmation provided by the Rexel Group's statutory auditors.

Rexel's ability to meet these commitments will depend on the financial and operating performance of the Rexel Group as well as on various factors, some of which are beyond the Rexel Group's control. Non-compliance by the Rexel Group with its financial covenants, in particular with the financial ratios set out in the Senior Credit Agreement and the 2009 Bonds, the 2010 Bonds, the 2011 Bonds and the 2012 Bonds may result in early termination by the borrowers of the agreements entered into with the Rexel Group, and such borrowers may under such agreements require early repayment of any amounts of principal or interest, that are due.

In such cases, the Rexel Group may not be in a position to refinance its indebtedness under similar terms, which may have a material adverse effect on the financial condition or results of operations of the Rexel Group.

As the group holding company without business operations of its own, Rexel relies on distributions from its subsidiaries. Rexel's inability to obtain sufficient funds from its subsidiaries could have an adverse effect on its capacity to meet its obligations under its indebtedness or to distribute dividends.

In order to monitor compliance with its financing agreements, the Rexel Group's management regularly reviews the current and forecasted situation and the implementation of corrective action is proposed to the Management Board if needed. The Audit Committee follows-up on these situations on a regular basis.

2.1.3.3 Risks relating to securitization programs

Certain Rexel Group companies are engaged in securitization programs. Such programs are subject to customary terms and impose certain obligations with respect to service levels and collection of assigned accounts receivable (within the terms described in note 20.1.3 to the Rexel Group's consolidated financial statements for the year ended December 31, 2012 set forth in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*).

As at December 31, 2012, the Rexel Group was in compliance with all of its financial commitments under these securitization programs.

If Rexel Group companies do not comply with their obligations as established by the credit institutions or the investors, such programs could be terminated. Furthermore, the quality of the receivables assigned has an impact on the cost and amount of the financing obtained, which could affect the Rexel Group's financial position in the event of deterioration of the quality of the receivables. In addition, the Rexel Group's receivables are transferred to special purpose entities that are financed through the issuance of short-term debt instruments subscribed by investors. In exceptional circumstances, the Rexel Group cannot guarantee that the special purpose entities could continue to issue such instruments, or to do so under similar terms. In such circumstances, the Rexel Group may be forced to refinance all or part of the programs affected by such events under less favorable terms.

The securitization programs are a material source of financing of the Rexel Group. In the cases described in the paragraph above, Rexel cannot provide assurances that the Rexel Group may refinance itself under similar terms, if at all. The implementation of refinancing under less favorable terms may have a material adverse effect on the financial condition or results of operations of the Rexel Group.

A monthly follow-up of the contractual obligations to be complied with is carried out by the Finance-Treasury department. For pan-European plans, a simulation of the various ratios' sensitivity to the evolution of sales forecasts (which determines the amount of liabilities) and the evolution of certain parts of the aged trial balance, is carried out on a monthly basis by the Finance-Treasury department of the Rexel Group with the help of the financial management of the relevant countries. For the other programs, subject to lower risk, a monthly review of the ratios is carried out.

The accounting treatment of the securitization programs is described in notes 11.2 and 20.1.3 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2012, which are set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*.

2.1.4 Market risks

2.1.4.1 Risks relating to changes in prices of certain raw materials

In connection with the distribution of cable products, which account for approximately 17% of its sales, the Rexel Group is exposed to fluctuations in cable prices. As copper accounts for 60% of the composition of cables, cable prices change in accordance with copper prices. These changes are not, however, solely and directly linked to copper price fluctuations to the extent that the cable prices paid by the Rexel Group also depend on suppliers' commercial policies, the competitive environment of the Rexel Group and exchange rates. The Rexel Group's exposure to copper price variations is therefore indirect, and the Rexel Group is unable to provide a relevant sensitivity analysis in connection with copper-based cable price variations.

The Rexel Group believes that a decrease in copper-based cable prices would have the following effects:

- a negative recurring impact linked to a decrease in sales, insofar as the Rexel Group passes-on most of the price decreases in the purchase prices of these cables through lower sales prices; and
- a negative non-recurring impact on gross margin corresponding to the impact of copper-based cable price decreases between the time they were purchased and the time they were sold, until complete turnover of inventory.

An increase in copper-based cable prices would have the reverse effects of those described above.

The recurring effect in relation to the price variation of copper-based cables reflects the price impact linked to the change in value of the copper part included in the selling price of cables from one period to another. This effect mainly relates to sales.

The non-recurring effect in relation to the price variation of copper-based cables reflects the effect of copper price variations on the selling prices of cables between the moment they are purchased and the time they are sold, until all such inventory is sold (direct effect on gross profit). In practice, the non-recurring effect on gross profit is determined by comparing the historical purchase price and the supplier's price effective at the date of the sale of the cables by the Rexel Group. Moreover, the non-recurring effect on EBITA corresponds to the non-recurring effect on gross profit less, as the case may be, the non-recurring part of the change in administrative and commercial expenses (essentially, the variable part of compensation of sales forces, which absorbs approximately 10% of the change in gross profit).

These two effects are assessed, where possible, on all of the cable sales of the period, with the countries in this situation representing over two-thirds of the Rexel Group's consolidated sales (excluding activities other than the distribution of electrical products). The Rexel Group's internal procedures provide, in addition, that entities without information systems allowing them to carry out these calculations on an exhaustive basis must assess these effects based on a sample representing at least 70% of sales of the period, with the results being then extrapolated to all of the cable sales of the period. Taking into account the sales covered, the Rexel Group believes that the effects so measured represent a reasonable estimation.

In 2012, the Rexel Group estimates that variations in cable prices contributed to reduce, on a recurring basis, its sales by approximately 0.7% on a constant basis and same number of days (as defined in chapter 4 "Results of Operations and Financial Position of the Rexel Group" of this *Document de Référence*). Furthermore, the change in cable prices in 2012 had resulted in a positive non-recurring impact on EBITA estimated at €1.8 million.

In comparison, in 2011, the Rexel Group estimated that variations in cable prices contributed to improve, on a recurring basis, its sales by approximately 1.7% on a constant basis and same number of working days (as defined in chapter 4 "Results of Operations and Financial Position of the Rexel Group" of this *Document de Référence*). Furthermore, the change in cable prices in 2011 had resulted in a negative non-recurring impact on EBITA estimated at €6.4 million.

Although the occurrence of external risks cannot be managed, the Rexel Group has implemented tools to monitor and assess the risk level and impact. A specific monthly reporting process has been developed and is analyzed by the central teams. Furthermore, the Rexel Group discloses results adjusted to exclude the non-recurring effects of copper price variations.

The Rexel Group is also exposed to variations in prices of other commodities which are part of the components of distributed products such as metals (steel, aluminum or nickel) or oil. Oil also impacts transportation costs for products distributed by the Rexel Group. In 2012, transportation costs accounted for 2.6% of the Rexel Group's sales. Most of the entities of the Rexel Group have entered into transport outsourcing agreement, which allow the impact of changes in oil prices to be managed.

Changes in prices of certain commodities may have an adverse effect on the financial situation or the results of the Rexel Group.

2.1.4.2 Risk relating to interest rate

The interest rate risk and the system in place to manage this risk are detailed in note 21.1 to the Rexel Group's consolidated financial statements for the year ended December 31, 2012 set forth in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*.

The applicable margin to the Senior Credit Agreement (as described in note 20.1.2 to the Rexel Group's consolidated financial statements for the year ended December 31, 2012 set forth in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*) is determined based on the Indebtedness Ratio (as defined in the Senior Credit Agreement), in accordance with the mechanism described in note 20.1.2 to the Rexel Group's consolidated financial statements for the year ended December 31, 2012 set forth in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*. Thus, depending on the Indebtedness Ratio, the margin applicable to the Senior Credit Agreement may vary between 1.75% and 2.75% (*i.e.,* a difference of 100 base points), which may result in an increase in the financial expenses. It amounted to 2.50% as at December 31, 2012 (compared to 2.00% as at December 31, 2011).

2.1.4.3 Risk relating to exchange rate

The exchange rate risk and the system in place to manage this risk are detailed in note 21.2 to the Rexel Group's consolidated financial statements for the year ended December 31, 2012, set forth in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*.

2.1.4.4 Risk relating to liquidity

The liquidity risk and the system in place to manage this risk are detailed in note 21.3 to the Rexel Group's consolidated financial statements for the year ended December 31, 2012, set forth in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*.

A description of the Rexel Group's indebtedness is provided in paragraph 4.4 "Sources of financing" of this *Document de Référence*.

2.1.4.5 Risk relating to counterparty

The counterparty risk and the system in place to manage this risk are detailed in note 21.4 to the Rexel Group's consolidated financial statements for the year ended December 31, 2012, set forth in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*.

2.1.4.6 Risk relating to equity instruments

With the exception of Rexel's treasury shares, the Rexel Group does not hold, as of the date of this *Document de Référence*, any interests in listed companies.

As at December 31, 2012, Rexel held 2,292,534 of its own shares, as detailed in paragraph 8.2.3 "Treasury shares and purchase by Rexel of its own shares" of this *Document de Référence*.

Therefore, the Rexel Group believes that it is not subject to any risk in relation to shares of listed companies, other than the risk relating to the hedging assets of the pension obligations referred to in paragraph 2.1.2.4 "Risks relating to pension plans" of this *Document de Référence*.

2.2 INSURANCE

The Rexel Group's insurance policy focuses on the coverage of insurable risks likely to significantly affect or endanger its operations. Accordingly, the Rexel Group has implemented insurance programs that cover its activity, distribution centers and branches against damages (property damage and related operating losses) arising from unforeseeable and hard to control events, as well as civil liability. These programs cover all the risks relating to the professional distribution of electrical products and the locations of the Rexel Group.

As concerns the risk management procedure described above, the Rexel Group implements a policy of prevention and site protection in order to limit the risk of the occurrence of accidents and the extent of damages in particular: training of branch managers, audit of main sites, follow-up of guidelines from security professionals.

In addition, the Rexel Group believes that the impact of potential accidents on its financial situation may be reduced given the level of the deductibles and the density of its branch network which limits the impact of accidents on one or more of its branches.

The insurance programs of the Rexel Group underwritten by insurance companies of international stature cover in particular the following risks:

– property damage in connection with the assets of the Rexel Group due to an external fortuitous event, including fire, explosion, water damage, lightning, storm, flooding, natural hazards, as well as resulting operating losses;
– civil liability: bodily injury, property damage and related financial damage resulting from property damage caused to third parties by the Rexel Group in connection with its activities for the operating and post-product delivery risks.

Given the Rexel Group's international presence and applicable regulations, the Rexel Group has taken out local insurance policies in order to take into account local practice and/or obligations in the relevant countries.

The limits of these policies have been analyzed (based on Rexel Group's experiences, exchanges with the market, industry practices, and the advice of brokers). They widely exceed the amount of losses experienced in the past.

In addition, risks of default of payment for receivables are covered by local credit insurance policies that have been implemented in countries where such insurance is available and where the Rexel Group can obtain favorable conditions. The contractual terms of this insurance are negotiated at the Rexel Group level through credit insurance companies of international renown. Resulting coverage is obtained subject to certain conditions, on an individual basis for each customer.

2.3 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

The methods adopted by the Rexel Group are based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) standard as well as on the reference framework suggested by the *Autorité des marchés financiers* (AMF), as completed by its application guide.

Risk management is a lever for managing the Company that helps:

– creating and preserving the Rexel Group's value, assets and reputation;
– securing the decision-making and the Rexel Group's processes to attain its objectives;
– promoting the consistency of the Rexel Group's actions with its values;
– bringing the Rexel Group's employees together behind a shared vision of the main risks.

The risk management process aims at identifying and analyzing the main risks that the Rexel Group may face. The risks that are beyond the acceptable limits set by Rexel, are dealt with and, as the case may be, are the subject of action plans. These action plans may include the implementation of controls, the transfer of financial consequences (through the setting up of an insurance coverage or an equivalent mechanism) or changes in the organization. Controls to be implemented are part of the internal control process.

The Rexel Group considers internal control as an ongoing process, which aims to ensure that:

– laws and regulations are complied with;
– the instructions and directional guidelines set by the General Management are implemented;
– the Group's internal control processes, are functioning correctly, particularly those related to the security of its assets; and
– financial information is reliable.

As such, internal control contributes to risk management, transactional efficiency and the efficient use of Rexel Group resources. However, as well conceived and applied as they may be, these measures cannot absolutely guarantee the achievement of the Company's objectives.

2.3.1 Internal control organization

2.3.1.1 Control environment

The control environment is the keystone of the internal control system, as is the principle of "responsibility" which the Rexel Group actively instills in each of its employees, and in particular, management.

The role of management in promoting ethical conduct of the Rexel Group is essential to the control environment, which relies, since 2007, on an Ethics Guide, which has been translated into 22 languages. This approach is detailed in paragraph 3.1.10 "Rexel's ethical commitment" of this *Document de Référence*.

On April 4, 2007, the Management Board approved a Market Ethics Charter in accordance with the recommendations of the AMF. This charter reiterates the applicable regulations relative to the risks of having, disclosing or potentially using inside information (it being specified that inside information is a "precise non-public information relating, directly or indirectly, to one or several issuers of financial instruments, or one or several financial instruments, which would be likely to have a significant influence on the price of such financial instruments or on the price of related financial instruments if it were to be made public"). This approach is complemented by the monitoring of a list of inside information holders, who are reminded of their obligations on a regular basis.

Finally, the principle of "responsibility" also reflects a commitment by the Rexel Group for the promotion of social and environmental responsibility. The Rexel Group has issued an Environmental Charter and a Guide for the Environment, promotes actions to protect the environment and raises the awareness of the Rexel Group's customers and suppliers, as described in paragraph 3.3 "Environmental information" of this *Document de Référence*.

2.3.1.2 Rexel Group structure and control of subsidiaries by the parent company

The Group is organized by geographic zones (the "Zones"). Each of these Zones is represented on the Rexel Group's Executive Committee by its Managing Director.

Each Zone consolidates one or several countries (the "Entities"). Certain countries and activities are managed directly by the Rexel Group's headquarters and are also considered as Entities. The Managements of the Zones monitor the Entities and relay instructions and policies defined by the Departments at the headquarters.

The internal control system described below constitutes a common standard, which must be applied by the Management of the respective Entities. They are responsible for supplementing these methods by setting up local procedures. This internal control system applies to all consolidated Entities.

2.3.1.3 Internal organization contributing to internal control and risk management activities

Management bodies

The Management Board informs the Audit Committee and the Supervisory Board of the key characteristics of internal control standards, their implementation within the Rexel Group and the steps taken to improve these standards.

The Executive Committee, which is made up of the members of the Management Board, certain executives of the headquarters and the Zone Managing Directors, meets on average every six weeks. The Executive Committee is responsible for the implementation of the objectives set by the Management Board and ensures their proper application by the Entities. The Committee monitors achievement of budget and other operational action plans, develops transverse projects and determines directions in the area of human resources policy. The Executive Committee was also instrumental in the "risk mapping" process described in paragraph 2.3.3.1 "Risk identification, assessment and management" of this *Document de Référence*.

The role of the Rexel Group's headquarters

The functional Departments at the headquarters participate in defining and updating the internal control standards as well as in documenting and managing identified risks. The implementation of efficient and adequate internal controls is among their objectives.

The Finance, Control and Legal Department is organized around centers of expertise in the areas of (i) financing, treasury, credit management and insurance, (ii) consolidation, financial control, internal control and tax, (iii) legal affairs, (iv) financial communication and (v) internal audit and risk management.

The Human Resources Department is responsible for defining human resources management policy and procedures and ethical standards, and monitors compliance with labor regulations. The Department assists subsidiaries with the allocation of resources and training (supervision of the executives' career development).

The Rexel Group Operations Department is responsible for information systems, supply chain management, CRM, e-commerce, quality improvement projects, and operational excellence programs across the Rexel Group.

The Rexel Corporate Strategy, Business Portfolio Management and New Business Development Department is responsible for strategic planning, mergers and acquisitions, new business development, supplier relationship management and marketing, and international customer development.

These Rexel Group Operations Department and the Rexel Corporate Strategy, Business Portfolio Management and New Business Development Department monitor, control and ensure the approval of the main projects in their respective domains.

The Risk Committee of the Rexel Group

The duties of the Risk Committee, set up in 2010 and reporting to the Management Board, include, in particular:

- managing the updating of risk mapping, and
- ensuring that risks are followed-up and suggesting control measures to the Management Board.

For each risk, a sponsor designated by the Management Board presents the potential impacts, the indicators and the actions implemented to limit the said risk. In case of an unacceptable exposure with regards to the above-mentioned criteria, an action plan is proposed to the Management Board. Once the plan has been approved by the Management Board, the Risk Committee ensures its follow-up.

The Risk Committee met on four occasions in 2012. Its work consisted primarily of updating and implementing greater precision in the risk evaluation process so as to produce more detailed risk mapping. The Risk Committee carefully identified the potential risks related to the Energy in Motion enterprise project, and ensured that appropriate measures are implemented to reduce such risks. This analysis was taken into account by the Management Board when implementing such initiatives.

In addition, the results of the risk mapping conducted in seven selected Entities has been incorporated in the Rexel Group risk mapping.

Moreover, the Management Board formalized and approved the Rexel Group Risk Management Policy in 2012.

The Risk Committee reported on its work and made recommendations to the Management Board on two occasions during this financial year.

The Rexel Group's Internal Control Department

The Rexel Group's Internal Control Department coordinates the functional Departments for the preparation and distribution of the Rexel Group's procedures and is in charge, in particular, of the procedures in connection with the financial control field.

It is responsible for the definition of the internal control standards of the Rexel Group and for updating the Book of the Rexel Group's guidelines, detailed in paragraph 2.3.4 "Control activities" of this *Document de Référence*.

Furthermore, the Internal Control Department coordinates the yearly self-assessment of internal control described in paragraph 2.3.5.1 "Steering of the internal control system" of this *Document de Référence*, distributes its results and ensures that action plans, when needed, are defined and followed-up.

The Rexel Group's Internal Audit Department

The Internal Audit Department has been assigned by the General Management the task of ensuring compliance with the Rexel Group's rules within its Entities, and more generally evaluating the risks associated with the subjects of their audits (see also paragraph 2.3.5.2 "The internal audit role" of this *Document de Référence*).

The role, the scope and the responsibilities of the internal audit have been defined in an Internal Audit Charter, the updating of which has been officially approved by the Audit Committee in February 2011.

At the end of 2012, the internal audit group included 32 people, 18 of whom are outside of France (located in Australia, Canada, the United States and the United Kingdom).

In the context of the acquisitions carried out by the Rexel Group, the Internal Audit Department carries out or coordinates the financial audit due diligences at the targets.

Each quarter, the Director of Internal Audit presents a summary of the activity of the teams and the main conclusions of their audits to the Audit Committee of the Rexel Group.

2.3.2 Internal communication of relevant and reliable information

The organization of the internal control process requires the mobilization of expertise (so that it is used to reduce risk through the creation of adequate controls) and communication adapted to ensure improved dissemination of the Rexel Group's objectives. This communication allows the Rexel Group senior management to share with General Management teams not only the measures and objectives of risk reduction, but also the information necessary to allow the alignment of their decisions and activities with defined objectives.

Communication activities are two-fold. On the one hand, communication with the Rexel Group's management bodies is made on a regular basis during the meetings of the Audit Committee and of the Risk Committee. In particular, each quarterly Audit Committee meeting is used to summarize control and internal audit activities performed during the period. The Executive Committee meetings and the meetings regularly organized with the main actors of the Finance community of the Rexel Group also served as occasions to mobilize the headquarters' and subsidiaries' main managers with respect to the importance of conforming the activities of the Rexel Group to the standards the Group has established.

On the other hand, communications with the subsidiaries is monitored on an ongoing basis during the course of the year, based on updates to the action plans and visits carried out by headquarter teams. Since 2012, a formal meeting is organized at least once a year with the General Manager of each Zone, its Financial Controller and the Group Financial Direction, in order to monitor the various matters related to internal control. Communication actions were also set up with the subsidiaries, including through the review of the answers to the self-assessment questionnaires.

Finally, the Rexel Group established a knowledge sharing system which is organized, in respect of the internal control, as a portal which groups the majority of the rules that apply to the employees of the Rexel Group, in particular the Rexel Group Ethic Guide and the Book of Guidelines, and various communities specific to each function. These communities ensure the diffusion of their own instructions, procedures and best practices.

2.3.3 Risk management system

2.3.3.1 Risk identification, assessment and management

Risk identification and assessment

The Audit Committee has an overall view on Rexel Group risks in accordance with the risk mapping set by the Management Board upon the recommendations of the Risk Management Committee (see paragraph 2.3.1.3 "Internal organization contributing to internal control and risk management activities" of this *Document de Référence*). It is kept informed by the Director of Internal Audit, the Chairman of the Risk Management Committee and by the functional Directors on various risks that are specific to their sector. The major risks identified are presented regularly to the Audit Committee.

Under the supervision of the Risk Management Committee, the risk manager of the Rexel Group carries out on a regular basis the process of updating this mapping based on interviews with members of the Risk Management Committee, of the Management Board and with certain members of the Rexel Group's Executive Committee, in accordance with the provisions of paragraph 2.3.1.3 "Internal organization contributing to internal control and risk management activities" of this *Document de Référence*. Risk mapping is also carried out every year on selected Entities in order to deploy the approach locally and to enrich, if needed, risk mapping at the Rexel Group level.

The risk identification and evaluation processes which allows the updating of the risk mapping begins with the updating of the risk universe which identifies and prioritizes all the potential risks identified for the Rexel Group based on their nature and impact.

This risk analysis covers the three following areas:

- Risks regarding process optimization and operating excellence: only the risks which do not benefit from an identified process manager or from an effective alert system are reviewed by the Risk Management Committee;
- The risks related to the main on-going transformations in the Rexel Group;
- Internal and external threats which could affect the Rexel Group, in particular changes in the economic or competitive environment and the internal weaknesses which could materially impact the Rexel Group.

Used both as an identification and follow-up tool, this mapping also allows the vision of risks to be shared among the Rexel Group.

The Risk Management Committee annually reviews the consistency between the risks mapping and the risk factors presented in paragraph 2.1 “Risk Factors” of this *Document de Référence*.

2.3.3.2 Risk Management

The updating of the risk mapping within the Rexel Group, carried out in 2012 under the supervision of the Risk Committee allowed the Management Board to update the list of top-priority risks and to identify risks of lesser priority, for which a specific follow-up has nevertheless been suggested.

With respect to the top-priority risks, the Rexel Group’s approach, managed by the Risk Committee, consists in setting up a working group under the responsibility of a clearly determined sponsor designated by the Management Board, so that action plans resulting in the decrease of the Rexel Group’s exposure to such risks be defined. These action plans are presented to the Management Board by the Risk Committee for approval. The Risk Committee then monitors the effective implementation of such action plans, with the support of the Internal Audit and Internal Control Departments of the Rexel Group.

Certain risks do not directly fit in the scope of works of the Risk Committee. Thus, strategic risks and certain transversal risks are monitored by the Rexel Group’s Executive Committee which is assisted by working groups which provide it with a detailed analysis of each risk and identify measures to be taken to manage these risks. Financial market risks and compliance risks are monitored mainly by the functional Departments of the Rexel Group. They define action plans to be implemented by Entities based on procedures which they have established.

The internal control process and the action plans defined by the Entities allow the management of operational risks. Internal control teams are responsible for monitoring the implementation of these action plans.

Therefore, the risk management policy implemented within the Rexel Group, relying on the Risk Committee, the Management Board, the Audit Committee, the internal control and the internal audit of the Rexel Group ensure an acceptable level of risk considering its activity and structure.

Although the risk identification, assessment and management procedures are deemed acceptable by the Rexel Group, assessments are regularly conducted in order to identify the areas in which improvements are necessary or desirable. Once these areas are identified, improvement actions are implemented.

The Rexel Group insurance policy (one of the risk management measures) is set out in paragraph 2.2 “Insurance” of this *Document de Référence*.

2.3.4 Control activities

The Rexel Group’s branch network is part of a decentralized structure that rests on the responsibility of local managers.

Relying on the control environment described in paragraph 2.3.1.1 “Control environment” of this *Document de Référence*, the Rexel Group has compiled a Book of Guidelines which has been distributed to the management of its Entities. For each of the main processes, the Book presents the risks, the control objectives, and the related controls. Some of these controls must be strictly integrated in the operating processes of the Entities while others are only guidelines, the implementation of which is subject to the assessment of the Entities’ Management, based, in particular, on local conditions.

For instance, the Book contains, for an operational entity, approximately 650 controls divided into the following activities:

- strategic processes: external growth and development, governance and communication,
- operating processes: sales, purchasing and supply chain,
- support processes: information systems, human resources, financial and accounting information, treasury, tax, legal, real estate and insurance.

This Book is completed by additional procedures set up by the functional Departments and that must be implemented by the Rexel Group’s Entities.

When it comes to management reporting and the preparation of financial statements, the Financial and Administrative Department of the Rexel Group has defined a set of procedures, tools and guidelines that give it the means to ensure the quality and consistency of distributed information. These guidelines are discussed in paragraph 2.3.6 “Internal control procedures relating to the preparation and treatment of accounting and financial information” of this *Document de Référence*.

2.3.5 Steering and monitoring of the internal control system

In 2012, the Rexel Group implemented a new steering tool to improve its internal control system. This tool allows the Rexel Group to carry out annual self-assessments of the internal control system and to monitor the correction of the various weaknesses that have been identified, through these self-assessments or audit assignments.

2.3.5.1 Steering of the internal control system

Internal control self-assessment

The Rexel Group is engaged in a process to permanently improve its internal control system. To carry out this task, it makes available to the management of the Entities a self-assessment form measuring compliance with the Book of Guidelines. This also ensures the monitoring of action plans implemented to ensure this compliance. This self-assessment is shared with the Executive Committee, management of the Entities of the Rexel Group and the Departments at the headquarters. As such, it is a tool to promote awareness on internal control as well as a measuring stick.

The last self-assessment was carried out in the first quarter of 2012 and covered all processes of the Rexel Group guidelines (see paragraph 2.3.4 "Control activities" of this *Document de Référence*). A new self-assessment is currently being carried out.

Action plans associated with these self-assessments are defined and implemented under the responsibility of local management. The goal of these action plans is to bring each Entity up to the level of control of its processes recommended by the Rexel Group and, by doing so, to control risks.

These self-assessments also allowed more general areas of progress to be identified, that are the subject of internal control improvement action plans at the level of the management teams at the headquarters. These plans include the definition of good practices and assistance to local management teams.

In addition, certain Entities are less mature in their internal control methods, in particular, certain Entities which recently entered the Rexel Group following external growth transactions. Internal control's continuous improvement plan is intended to bring these Entities to the required level.

As the self-assessment approach cannot, by its nature, guarantee that the internal control system is applied in an effective manner, the Rexel Group supplements this self-assessment initiative with the performance of internal audits during which certain key controls, which are the subject of the self-assessment by the Entities, are tested. External auditors may also review internal control processes within the Rexel Group and inform the Rexel Group's management and supervisory bodies of the findings of such reviews.

2.3.5.2 The internal audit role

Based on an audit plan approved by the Audit Committee, the internal audit teams performed in 2012 about 50 audits of accounting, financial and operating procedures. About 450 audits on the network of branches were also carried out or supervised by this team.

Following each audit, action plans are prepared by the relevant Entities to address the weaknesses revealed in the audit report. The Internal Audit Department has established a process aiming to follow-up on the implementation of the action plans in order to ensure that the weaknesses detected are corrected.

In addition, these assignments allow for better control of the results of the self-assessments conducted by the Entities, about half of the controls in respect of which self-assessments have been conducted are being reviewed in the context of a standard accounting and financial processes audit assignment.

2.3.5.3 The external audit role

External auditors contribute to the internal control system steering process. In addition to the reviews conducted in the context of the certification of accounts, they verify each year the reliability of the results of the self-assessment campaign in respect of a portion of the framework, which varies from one year to another. Although the perimeter of this review is limited, this verification which applies to all of the Entities of the Rexel Group, associated with the more complete verifications conducted by the internal audit teams in respect of a more restricted perimeter of Entities, allows the Rexel Group to strengthen the reliability of the self-assessments.

2.3.5.4 Headquarters Departments

The role of the functional Departments concerning the actions implemented to manage risks is integrated in the internal control and risk management system. They rely on the answers to the self-assessment questionnaires and the audit reports prepared by internal audit teams to identify the need for transversal action in the Rexel Group and support subsidiaries in the setting-up of action plans aiming at decreasing identified risks on subjects of their competence.

2.3.6 Internal control procedures relating to the preparation and treatment of accounting and financial information

2.3.6.1 Planning, steering and reporting activities

The planning, steering and reporting processes are organized by Entities, which are generally countries but also include holdings and entities carrying out certain commercial activities not related to the distribution of electrical equipment in a given country. The countries are grouped by geographic Zones. The Entities and geographic Zones each have their own management, operating management, and financial teams.

For each financial year, a budget is established at the Entity level and approved by the Entities and the Zones operating Management. The budget consolidated at the level of the Rexel Group is submitted for approval to the Supervisory Board of Rexel after review by the Strategic Committee. This process allows to focus the responsibility of the whole organization around the objectives of the Rexel Group and applies to all of the Entities included in the scope of consolidation of the Rexel Group for the previous financial year.

The monthly business reviews, which bring together certain members of the Rexel Group's Management Board and the Management of the Zones, allows for the understanding of financial and economic changes with respect to activities, the assessment of operational decisions to be taken, the analysis of gaps between targets and performance, the steering of the financial structure and the monitoring of the implementation of action plans. The Management Board relies on monthly reporting, comments on observed changes and indicators of operational and financial performance. At the level of the Entities, Zones and Rexel Group, teams of financial controllers are responsible for monitoring the achievement of targets and the analysis of accounting and financial information.

Four times a year, forecasts for the current year are prepared and compared with budget targets in order to implement the necessary corrective actions. These forecasts include the usual items for the monitoring of the financial structure and of the Rexel Group activity, including the forecasting of key ratios defined in the financing agreements ("covenants").

The summaries of monthly business reviews as well as the forecasts are communicated to the members of the Supervisory Board.

Each year, a three-year strategic plan is prepared at the Entity level and validated by the relevant Zone management teams. Together, this is consolidated and reviewed at the Rexel Group level and is submitted to the approval of the Supervisory Board after review by the Strategic Committee.

The yearly, half-year and quarterly financial statements are presented to the Audit Committee.

2.3.6.2 Shared guidelines and procedures for the approval of financial statements

Rexel Group financial statements are prepared in accordance with the IFRSs as adopted by the European Union and are based on information provided by the Financial Departments of the Entities. The latter are responsible for ensuring that this information is in accordance with Rexel Group standards (especially accounting methods and accounts structure, included in a Reporting Manual) and observance of the detailed instructions issued by the Financial and Administrative Department.

This data is transmitted by the Financial Departments of the Entities in a set format using a single consolidation tool that is used in preparing monthly reports and external financial information at each stage of consolidation: planning, budget, forecasting and monthly reporting. This single format guarantees consistency between the different data used for internal steering and external communication.

The Rexel Group's Financial and Administrative Department ensures the consistency of the inflow of information from Entities before aggregating the results and consolidation entries. It prepares detailed and documented analyses of such data, explaining, in particular, changes in the scope of consolidation, exchange rate impacts and non-recurring operations.

As mentioned in paragraph 2.3.4 "Control activities" of this *Document de Référence*, internal controls relating to accounting and financial information are part of the general internal control system.

3
CORPORATE RESPONSIBILITY

3.1 EMPLOYEES OF THE REXEL GROUP 52

3.1.1 Number of employees and analysis of workforce 52
3.1.2 Recruitment 54
3.1.3 Turnover of employees 54
3.1.4 Organization and management of working hours 55
3.1.5 Compensation and benefits 56
3.1.6 Labor relations 56
3.1.7 Health and safety 57
3.1.8 Training and skills management 58
3.1.9 Diversity / Equal opportunities 59
3.1.10 Rexel's ethical commitment 60
3.1.11 Methodology note 60

3.2 REXEL'S COMMUNITY INVOLVEMENT 61

3.2.1 Relationships with the stakeholders 61
3.2.2 Impact on the social and economic development of the territories 62
3.2.3 Charity and patronage 63

3.3 ENVIRONMENTAL INFORMATION 64

3.3.1 Environmental policy of the Rexel Group 64
3.3.2 Risk management and regulatory compliance 66
3.3.3 Environmental aspects of the Rexel Group's activities 67
3.3.4 The energy efficiency and renewable energy solutions offer 72
3.3.5 Methodology note & Summary table 72

3.4 REPORT OF THE INDEPENDENT THIRD PARTY 76

Relying on its leadership and its closeness to all stakeholders, the Rexel Group has always favored a sustainable and responsible business approach. 2012 saw a strengthening of the 4 main areas of the “Sustainable development & corporate responsibility” plan: growth of energy efficiency & renewable energy solutions sales, reduction of the environmental footprint, consolidation of the commitment to employees and reinforcement of solidarity actions in favor of the communities in which the Rexel Group is present. All of the associated initiatives are strategic because they are one of the Rexel’s Group vectors of growth and innovation.

With this approach, the Rexel Group joined the United Nations Global Compact in 2011 and is therefore committed to advance the ten universally accepted principles relating to human rights, labor standards, environment and the fight against corruption. In addition, the Rexel Group promotes and complies with the provisions of the core conventions of the International Labor Organization in relation to the respect of freedom of association and the right of collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labor and the effective abolition of child labor.

3.1 EMPLOYEES OF THE REXEL GROUP

Scope of Reporting: the scope of reporting covers the legally existing companies to which the Group’s employees belong. Accordingly, any entity that holds Rexel Group employees shall be included in the annual reporting. Acquisitions integrated after the launch of the reporting (November 1, 2012) are excluded from the reporting exercice.

For the year 2012, Rexel adopted 4 key indicator groups that relate to important challenges for the Group in the area of human resources. These key indicators, which were subject to external review, are the following:

- the absenteeism rate,
- the number of employee departures, broken down by grounds,
- the frequency rate and severity rate of occupational accidents;
- the percentage of employees who benefitted from an annual performance review.

3.1.1 Number of employees and analysis of workforce

Total number of employees (number of persons registered at December 31, 2012)

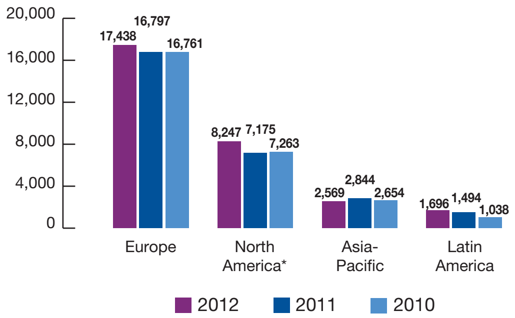
At December 31, 2012, the Rexel Group employed 29,950 persons, compared to 28,310 on December 31, 2011 and 27,716 on December 31, 2010.

The increase in staff is the result, in particular, of acquisitions carried out by the Group in 2012 (see paragraph 1.3 of this *Document de Référence*).

The breakdown of employees by geographic zones as defined in paragraph 4.1 “General overview” of this *Document de Référence* is as follows:

NUMBER OF EMPLOYEES	REGISTERED EMPLOYEES (NUMBER OF PERSONS) AS OF DECEMBER 31, 2012	2011*	2010*
Total number of employees	29,950	28,310	27,716
BY GEOGRAPHIC ZONE			
Europe	17,438	16,797	16,761
North America	8,247	7,175	7,263
Asia-Pacific	2,569	2,844	2,654
Latin America	1,696	1,494	1,038

* The total number of registered employees including external growth operations is considered as the total number of employees for all of the calculations.



* Including Platt.

In all of the following paragraphs, the reference headcount at December 31, 2012 stands at 28,895 instead of 29,950, because the data relating to Platt, a recently-acquired US entity, could not be compiled.

Headcount by type of contract and by position

The Rexel Group employs few fixed-term contracts and temporary employees. These types of contracts are mainly used to the extent made necessary by intermittent needs.

In 2012, the average monthly number of temporary workers in full-time equivalent was 1,403, *i.e.*, 3.4% of the average monthly total number of employees. This percentage stood at 3.3% in 2011.

As of December 31, 2012, 28,204 persons had open-ended contracts and 691 had fixed-term contracts (2.3% of the number of employees compared to 4.1% in 2011).

Finally, as of December 31, 2012, the Rexel Group had 5,064 managers (defined as persons having at least one employee under their responsibility, or all employees with “executive” status for France), *i.e.*, 17.5% of the total number of employees. This rate is down slightly compared to 2011 (19.5%).

Headcount by age range (registered employees under open-ended contracts)

As of December 31, 2012, the average age of all of the employees of the Rexel Group was 40.2 years old, against 40.1 years old as of December 31, 2011 and 40.3 years old as of December 31, 2010.

The most represented age range is the 35-50 year-old range (12,619 persons), after which comes the 25-35 year-old range (7,158 persons).

Seniors (defined as the employees over 50 years of age) represented 25.3% of the total number of employees that are registered under open-ended contracts, down compared to 2011 (26.1%) and employees under 25 years of age represent 6.6%, up compared to 2011 (5.4%).

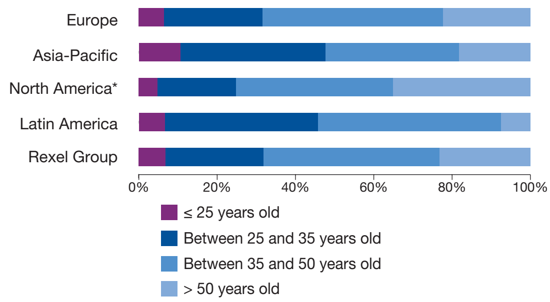
In addition to a monitoring of the number of employees by geographic zones, the Rexel Group analyzes the employee data according to the following local platforms:

– Latin America: Chile, Brazil, Peru;

– North America: Canada and the United States of America;

– Asia-Pacific: Australia, New Zealand, India, China and other countries of South East Asia;

– Europe: Germany, Austria, Belgium, Spain, Finland, France, Hungary, Ireland, Italy, Luxembourg, Norway, the Baltic States, The Netherlands, Poland, Czech Republic, United Kingdom, Russia, Slovakia, Slovenia, Sweden and Switzerland.



* Excluding Platt.

Headcount by gender

The Rexel Group is committed, especially pursuant to its Ethics Guide (see paragraph 3.1.10 “Rexel’s ethical commitment” of this *Document de Référence*), to ensuring equal treatment among employees (men or women) during each step of their professional career.

As of December 31, 2012, women represented 23.8% of the total number of employees (*i.e.*, 6,874 female employees), compared to 23.1% in 2011.

Among the 6,874 female employees of the Rexel Group, 859 occupied managerial positions, representing 17% of all managers. This proportion has increased (16.7% in 2011 and 15.9% in 2010).

Headcount by gender as of December 31, 2012

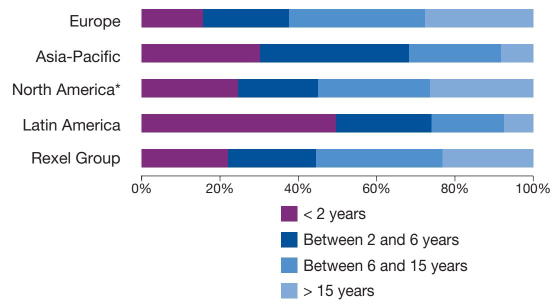
	MANAGERS		NON-MANAGERS	
	FEMALE	MALE	FEMALE	MALE
Rexel Group	**859 (17%)***	**4,205 (83%)***	**6,015 (24.8%)****	**17,817 (75.2%)****
Latin America	19 (19.2%)*	80 (80.8%)*	543 (34%)**	1,054 (66%)**
North America***	338 (25.3%)*	998 (74.7%)*	1,518 (25.9%)**	4,338 (74.1%)**
Asia-Pacific	119 (16.1%)*	622 (83.9%)*	618 (33.8%)**	1,210 (66.2%)**
Europe	383 (13.3%)*	2,505 (86.7%)*	3,336 (22.9%)**	11,214 (75.2%)**

* In % of managers.
** In % of non-managers.
*** Excluding Platt.

3

Headcount with open-ended contracts by seniority

As of December 31, 2012, the average seniority of the Rexel Group's employees with open-ended contracts was 8 years.



* Excluding Platt.

Traditionally, substantial variations are noted, with respect to seniority, based on geographic zones: the renewal of employees is much more rapid in the Asia-Pacific region (65.8% of the employees of the Rexel Group have less than 6 years of seniority) whereas in Europe, employees with more than 15 years of seniority represent 26.3% of the total number of employees in this zone.

3.1.2 Recruitment

During 2012, the Rexel Group hired 4,003 employees, irrespective of their type of contract and status.

The number of hires in 2012 is down slightly compared to 2011 (4,591 hires in 2011 and 3,732 hires in 2010).

The total number of hires in 2011 represented 13.8% of the Rexel Group's total number of employees (compared to 16.2% in 2011).

Number and characteristics of recruitments

	2012
Number of recruitments	**4,003**
Including:	
– Open-ended contracts	3,360 (83.9%)
– Fixed-term contracts	643 (16.1%)
– Managers	361 (9.2%)
– Non-managers	3,642 (90.8%)

Similarly to previous financial years, newly hired employees have been in majority non-managers, hired on an open-ended basis.

Of all recruitments under open-ended contracts, irrespective of gender or position:

- 8.9% of the hires were young graduate employees just out of school;
- 13% of the hires were senior employees;
- 0.6% of the hires were employees reporting a handicap.

Finally, the estimate of the average time necessary to fill a vacant position decreased in 2012 with 40.3 days compared to 46.9 days in 2011.

3.1.3 Turnover of employees

The turnover rates of employees (open-ended contracts) at December 31, 2012

The turnover rates include:

- The entry rate: defined as the total number of hires with open-ended contracts divided by the total number of employees with open-ended contracts;
- The departure rate: defined as the total number of departures of employees with open-ended contracts divided by the total number of employees with open-ended contracts;

– The turnover: defined as the average of the entry rate and the departure rate.

In 2012, the entry rate within the Rexel Group was 11.9%.

The departure rate of the employees of the Rexel Group was 16.1%.

Thus, for 2012, the Rexel Group's turnover was 14%.

Rexel Group turnover at December 31

	2012	2011
Rexel Group Turnover	14.0%	14.2%

The Rexel Group's turnover has slightly decreased.

Aware of the importance of its employee turnover, the Rexel Group analyzes the reasons for the departures of its employees and the evolution of the rate of integration of new hires.

Departures of employees (with open-ended contracts)

During 2012, 4,541 employees with open-ended contracts left the Rexel Group (compared to 4,099 in 2011).

The grounds of the departures are set out below.

Reasons for departures of employees (with open-ended contracts) in 2012

	NUMBER	PERCENTAGE
Number of departures	**4,541**	**16.1% of the staff with open-ended contracts**
Including:		
– Resignations	2,298	50.6%
– Redundancies (Economic layoffs)	703	15.5%
– Layoffs for other reasons	946	20.8%
– Departures by retirement or pre-retirement	162	3.6%
– Cessation of activity	32	0.7%
– Other departures	400	8.8%

Rate of stability and rate of integration

The rate of integration of new hires (defined as the rate of employees newly hired who are still in the Group three months after their recruitment) stood at 85.8% in 2012 compared to 88% in 2011 and 89.5% in 2010.

The medium term rate of integration (defined as the rate of employees newly hired who are still with the Group one year after their recruitment) stood at 72.1% in 2012 compared to 73.2% in 2011.

The Rexel Group sets up numerous measures in its various countries in order to improve the integration of new employees and reduce turnover within such staff category (depending on the country: presentation of the company, distribution of a welcome booklet, setting-up of tutorial systems, regular follow-up interviews, technical, product or organization training, rotation between departments, dedicated web site, integration seminar, etc.).

Collective Procedures

In 2012, redundancies within the Rexel Group involved 703 employees compared to 488 in 2011.

The major reorganizations took place in Germany, Belgium, Finland, New Zealand, the Baltic States, The Netherlands and Sweden.

Alternatives to layoffs were set up such as a reduction of the collective working hours in Spain or internal reclassifications in Germany, Belgium, The Netherlands and Sweden.

These measures had the effect of limiting the number of employee departures.

In addition, and to the extent possible, reorganizations were discussed with staff representatives, providing the employees concerned with supporting measures, including outplacements, financial compensation and internal mobility assistance.

3.1.4 Organization and management of working hours

Length and allocation of working hours

The working time length varies depending on the regulations applicable in the countries in which the Rexel Group operates.

On average in the Rexel Group, employees work 39.5 hours per week, *i.e.*, almost 8 hours per day.

Use of part-timers

	2012	2011	2010
% of part-time employees	3.6%	3.6%	3.8%

The number of persons employed on a part-time basis with the Rexel Group was 1,031 as of December 31, 2012, *i.e.*, 3.6% of the total number of employees.

Overtime

In its management of its employees' working hours, the Rexel Group makes little use of overtime: nearly 534,284 overtime hours were worked during 2012 by all of the employees of the Rexel Group, *i.e.*, 1% of the annual number of hours worked (compared to 631,050 overtime hours in 2011, *i.e.*, 1.1% of the total number of hours worked for the year).

Absenteeism

	2012	2011	2010
Absenteeism rate	3.8%	2.8%	3.0%

The average absenteeism rate of the Rexel Group was 3.8% in 2012, *i.e.* a higher rate compared to the 2011 and 2010 rates.

In 2012, this absenteeism rate was structurally variable depending on geographic zones: high in Europe (5%) and lower in Asia-Pacific and North America (3.1% and 2%, respectively).

The Rexel Group implements specific measures to reduce the absenteeism. These actions include in particular a specific monitoring by dedicated human resources managers, the setting-up of regular reporting, consultation and training, regular medical check-ups and awareness campaigns, the indexing of bonuses to employee presence, improvement of work positions or hours and return to work assessments.

3.1.5 Compensation and benefits

The policy for compensation is based on the business's performance and income. The levels of compensation are set for each country in order to satisfy two requirements: competitiveness of proposed compensation and internal equality. Almost 55.4% of Rexel Group employees with open-ended contracts are eligible for individual variable compensation. The primary positions covered are sales positions and employees with supervisory responsibilities.

Finally, almost half of the employees of the Rexel Group are eligible for an incentive plan based on collective results.

Employee shareholding

At the time of the initial public offering of the Rexel Group, its employees were offered the opportunity to purchase shares in the company as part of a reserved offering, on preferred terms: 18.33% of eligible employees had subscribed during this plan carried out in 2007.

As the intention of management is to continue associating the employees to the performance of the Rexel Group, two new employee shareholding plan were offered in 2010 and 2012. The 2010 employee shareholding plan was proposed in 12 countries, *i.e.*, 80% of employees and recorded a 13.20% participation rate. The 2012 employee shareholding plan was proposed in 16 countries, *i.e.* 90% of employees, and recorded a 14.36% participation rate.

As at December 31, 2012, the number of shares held by employees and former employees in connection with employee shareholding plans amounted to 0.38% of the share capital and voting rights of Rexel.

Benefits

With respect to welfare coverage, there is no practice common to all of the countries.

In the majority of the countries in which the Rexel Group operates, supplementary health and life insurance benefits are offered to employees in addition to mandatory coverage provided by law. Subscribing to these complementary plans is voluntary or obligatory depending on the country, and in most cases concerns all of the employees.

In addition, and depending on local legislations, certain Group entities set up additional retirement schemes in favor of their employees.

Lastly, the Rexel Group has established minimum coverage for accidents in the business activity, through the "Rexel +" scheme.

This scheme provides for an indemnification equal to one or two years of annual base compensation in the event of death or severe permanent disability.

This scheme, which was launched on July 1, 2010 and which is managed on a local level, reflects Rexel's continued commitment in terms of corporate social responsibility. At December 31, 2012, the scheme was applied in 10 countries, allowing for almost 4,800 employees to be covered.

Other benefits

Moreover, some benefits or services are often granted to employees, in addition to mandatory benefits. They are either negotiated as part of collective agreements or granted unilaterally and concern in particular housing allowances, meal and/or transportation indemnities, concierge services, participation in child care, family leave, medical or legal assistance services.

3.1.6 Labor relations

Employee representation

The Rexel Group attaches great importance to the freedom of expression and representation of its employees. This principle is included in the Ethics Guide which is applicable in every country in which the Rexel Group is established.

The Rexel Group maintains an ongoing dialog with the employee representative organizations.

Employee representation at the Rexel Group is such that:

- 1,132 employees are involved with representative bodies, which represents 4% of the Rexel Group's total headcount with an open-ended contract;
- 161 employees have been appointed as representatives to a trade union, which represents about 0.6% of

the Rexel Group's total workforce with open-ended contracts.

European Works Council

Created in December 2005, the European Works Council is a platform for exchange and information which represents the Rexel Group's employees within the European Union.

In 2012, the Council continued to be regularly informed of the various projects and reorganizations conducted locally. The Council was also consulted on the contemplated reorganization of the Baltic States.

Furthermore, in addition to the publication of the Rexel Group's financial results, the Council was also informed of the new corporate strategy, Energy in Motion.

Further to the initial results of the employee opinion survey, Satisfaxion11, the Council received additional information summarizing the action plans.

Collective bargaining agreements

In 2012, 125 collective agreements were negotiated and entered into between employee representatives and the Rexel Group.

These agreements were for the most part entered into in France, Spain and Brazil and related to health and safety (5 agreements), gender equality, employee expression, sharing in the results of the company, wages, profit-sharing.

Profit-sharing and incentive agreements in France

As at December 31, 2012, the employees of Rexel France, Rexel Développement, Conectis and Dismo benefit from an incentive agreement the calculation criteria of which are specific to each of these subsidiaries.

Profit-sharing agreements applicable at the level of the relevant French subsidiaries apply the provisions of the French Labor Code.

Industrial actions

In 2012, the total number of hours of strike amounted to 917 hours, the relevant countries being Belgium (national strikes), Spain, Italy and France (national strike).

3.1.7 Health and safety

The Rexel Group has always paid particular attention to the safety conditions of its employees and assets in every country and for every business.

As workplace hygiene, health and safety themes are specific to local environments, each country autonomously manages the risks inherent in their activities at their own scale.

However, at the Rexel Group level, numerous indicators are tracked and analyzed in order to define adapted action plans.

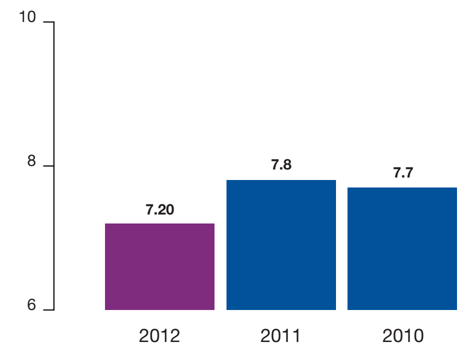
	2012	2011	2010
Number of accidents resulting in death	–	2	–
Number of accidents resulting in medical leave	379	444	437
Number of accidents not resulting in medical leave	535	512	592

In 2012, 914 workplace accidents have been identified within the Rexel Group: none resulted in the death of employees, 379 resulted in medical leave and 535 did not result in medical leave.

The number of working days lost as a result of workplace accidents was 7,531 in 2012.

With respect to health and safety conditions, in addition to the measures taken for several years (risk identification (for the Rexel Group, the main risks relate to road traffic, falls, machinery operation, handling, handling of cables and computer work), regular medical check-ups for employees and frequently renewed awareness actions), additional initiatives are gradually put in place: quantitative monitoring of incidents with a systematic enquiry, use of external advisers' services, regular renewal of certifications, internal audits, creation of a function dedicated to these issues, etc.

Frequency rate*

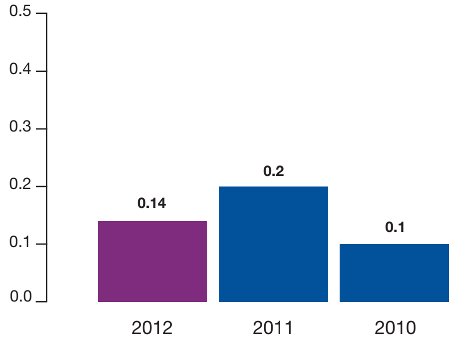


* Excluding Platt.

The frequency rate of working accidents within the Rexel Group, calculated as the number of working accidents which resulted in a medical leave per one million working hours, was 7.20 in 2012.

This rate has decreased compared to 2011 and 2010 (7.8 and 7.7, respectively).

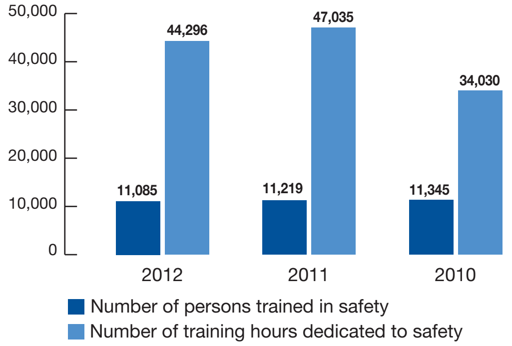
Severity rate */**



* Excluding Platt.
** Excluding Australia.

The severity rate of workplace accidents within the Rexel Group, defined as the number of working days lost as a result of a temporary work incapacity, for 1,000 working hours, was of 0.14 in 2012.

Safety training*



* Excluding Platt.

The number of persons trained in safety stood at 38.4% of the headcount in 2012 (*i.e.*, 11,085 employees). The number of training hours stood at 44,296 hours in 2012 compared to 47,035 hours in 2011 and 34,040 hours in 2010.

In 2012, there were 87 Hygiene, Safety and Working Conditions Committees ("CHSCT") within the Rexel Group. 472 employees were involved, representing 1.7% of the total workforce with open-ended contracts.

3.1.8 Training and skills management

In 2012, the overall number of people trained decreased, amounting to 16,962 compared to 18,047 in 2011. The number of training hours rose from 214,048 hours to 271,750 hours as at December 31, 2012.

Lastly, the average number of training hours per employee trained in 2012 amounted to 16.02 hours.

Total number of training hours and training expenses

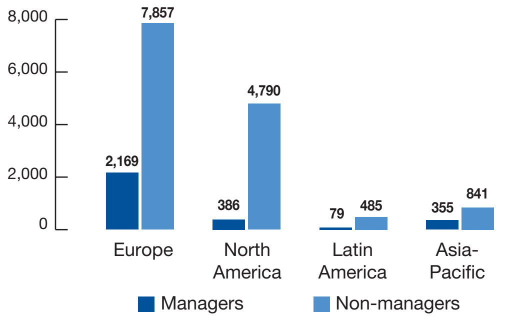
	2012		2011	
	TOTAL NUMBER OF PERSONS TRAINED	TOTAL NUMBER OF TRAINING HOURS	TOTAL NUMBER OF PERSONS TRAINED	TOTAL NUMBER OF TRAINING HOURS
Group	16,962	271,750	18,047	214,048
Europe	10,026	139,920	8,694	119,090
North America	5,176	46,522	7,806	43,314
Latin America	564	66,956	336	25,894
Asia-Pacific	1,196	18,352	1,211	25,748

Training programs offered to employees are thus adapted based on the position, skills, development outlook, local requirements as well as personal and collective goals.

In 2012, the Rexel employees followed numerous training programs in relation to various aspects of their activities: health and safety, management, sales, commercial skills, logistics, administration, IT, personal development, e-commerce, project management, etc.

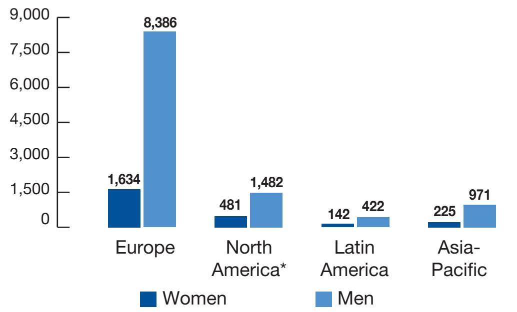
In addition to these recurrent sessions, numerous training sessions are organized in order to support the Group's strategy and the development of its employees towards additional services, new technologies, all with a view to achieving energy efficiency. The following programs can be cited for 2012: automation, home automation, eco power savings, energy conservation, etc.

Training by position (headcount)



In 2012, 17.6% out of the 16,962 people trained were managers and 82.4% were non-managerial employees.

Training by gender (headcount)



* Excluding the United States (non-consolidated figures).

In 2012, 18.1% out of the people trained were women and 81.9% were men.

Performance evaluation and skills development

For several years, the Rexel Group has implemented a strong policy in order to standardize the practice of an annual and formalized performance evaluation for all of its employees.

In 2012, most of the entities organized an annual session of formalized individual performance evaluations, conducted in favor of 18,886 employees in total.

	2012	2011	2010
Number of employees having received a performance assessment	18,886	18,850	19,689
% of employees assessed as compared to total workforce	65.6%	66.6%	71.0%

Promotions

In 2012, 1,068 employees with open-ended contracts had been promoted to a higher position, *i.e.*, approximately 3.7% of the total number of employees of the Rexel Group. This percentage marks a decrease compared to 2011, when 6.7% of employees under open-ended contracts had been promoted.

Amongst these 1,068 employees, 20% were managers and 80% were non-managers.

3.1.9 Diversity / Equal opportunities

The Ethics Guide defines the principles that the Rexel Group defends and respects as concerns economic, environmental and social commitments. It is made up of eight general principles and twenty practices, including the "dignity and respect of people" practice.

One of the basic principles of the Ethics Guide is the exclusion of discrimination of any kind, and the equality of opportunities for all.

Male-female equality

Especially as set forth in its Ethics Guide, the Rexel Group is committed to ensuring the equal treatment of men and women in every respect: hiring, compensation, career opportunities, training, etc.

As of December 31, 2012, women represented 23.8% of the total headcount compared to 23.1% in 2011. This percentage, which has increased but remains low is nevertheless in line with the reality of the market and the low level of female employees in the specialized distribution sector.

2012 labor indicators show non-material differences in relation to the following aspects:

- ***Promotion***

  In 2012, 3.7% of female employees were promoted, as were 3.7% of male employees.

  42 non-manager female employees were promoted to manager (*i.e.*, 0.6% of non-manager female employees). In the male employee population, the rate was comparable (172 men, *i.e.*, 0.8% of non-manager male employees).

- ***Salary increases***

  59.7% of male Rexel Group employees had their base salary increased in 2012, compared to 62.9% of female Rexel Group employees.

- ***Training***

  In 2012, 18.1% of employees receiving training were female whereas they represented 23.8% of the total workforce, and 81.9% were male whereas they represented 76.2% of the total workforce of the Rexel Group.

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Handicapped employees

In 2012, the Rexel Group employed 245 people reporting a handicap, *i.e.*, about 0.8% of its total headcount, equivalent to 2011 (0.8%).

Handicapped employees accounted for 0.6% of total hires with open-ended contracts as of December 31, 2012.

Senior employees

Within the Rexel Group, "senior" employees (as defined in paragraph 3.1.1 "Number of employees and analysis of workforce" of this *Document de Référence*):

- represented 25.3% of the total headcount with open-ended contracts in 2012;
- represented 13% of new open-ended hires in 2012;
- had, in 2012, their base salary increased for 61.3% of them, compared to an average for the Rexel Group of 60.4%.

3.1.10 Rexel's ethical commitment

Since 2007, the Rexel Group has been committed to an ethics approach based on the development of behaviors and actions that conform to its ethical principles.

This initiative has resulted in the creation of an Ethics Guide which was distributed to all Rexel Group employees. This Guide is applicable in every country in which the Rexel Group operates. It concerns every employee and was created to become a reference for everyone in the Rexel Group in the context of potentially delicate professional situations by clearly establishing shared customs.

The Guide sets forth the principles that the Rexel Group defends and respects with regard to the economy, the environment and the human being. It is made up of eight general principles and twenty Rexel practices.

To guide the Rexel Group ethics approach, a network of "ethics correspondents" was created. These correspondents are appointed by the General Manager of each country and carry out these duties in addition to their usual duties. They ensure the dissemination of the Ethics Guide to all employees, take any required initiatives to implement the Rexel Group's ethics principles and practices and answer questions which may be sent to them. They may be contacted on an anonymous basis by e-mail by any person, whether or not they are employees, wishing to ask a question or highlight a specific issue.

The table below summarizes the requests received in 2012 by all of the ethics correspondents based on their type, author, subject and geographical area where the requests were made.

		Number of requests made to the ethics correspondent
Type of request	Information	2
	Complaint	31
	Dispute	3
	Others	4
Author of request	Customers	1
	Rexel employees	30
	Suppliers	–
	Local authorities	2
	Employee representatives, unions	1
	Anonymous	–
	Others	6
Subject matter of the request	Customer relations	1
	Supplier relations	–
	Relations between employees	15
	Discrimination	4
	Work conditions	9
	Anti-corruption action	2
	Action against fraud and theft	9
	Environmental protection	–
Type of action taken	Preventive	11
	Corrective	17
Geographic area	Europe	4
	North America	23
	Latin America	–
	Asia-Pacific	13

40 ethics cases were thus brought to the attention of a Rexel Group ethics correspondent in 2012: the majority was identified in North America, and 75% related to relationships between employees.

All cases were processed, verified (by audits or investigations undertaken by Management in the country in question) and treated with preventative action (11 cases) and/or corrective action (17 cases) depending on the situation. The remaining cases are still in the process of being investigated or settled.

3.1.11 Methodology note

The social reporting perimeter includes all the legal entities which are consolidated in the financial perimeter under the global integration method and whose number of employees is not null. In case of acquisition or creation of new entities, the inclusion in the reporting perimeter is effective:

- As from the year of acquisition, if the creation or the acquisition occurs prior to November 1 (inclusive), or

– As from January 1 of the following year, if the creation or the acquisition occurs after November 1.

In case of sale of entities or businesses, the exit of the perimeter is immediately effective.

Exceptions to these rules have been applied by the Rexel Group in respect of the 2012 reporting: 4 new French entities acquired before November 1, 2012 (SCT, Distodiag, Enerlogy et SBEM), representing in the aggregate less than 350 employees, have been excluded from the reporting perimeter. An Indian entity (Yantra Automotion), representing approximately 100 employees, has also been excluded from the perimeter. Platt, the recently acquired US entity (representing approximately 1,000 employees), has only been accounted for in the indicator "Registered employees as of December 31, 2012".

The collection and consolidation of social indicators are made through the "Enablon" software, to which all the reporting entities have access.

Upstream 2012 campaign, the definitions of the social indicators have been detailed, completed and formalized in a protocol dedicated to the HR reporting. Definitions being more detailed, data relating to certain indicators may sometimes be more reliable and more exhaustive. This explains the significant variations in certain indicators between 2011 and 2012 (in particular the absenteeism rate).

It is to be noted that:

– In countries where the open-ended contracts are not a standard practice (for instance, in the United States of America and China), the definition of open-ended contracts includes any employee who has not been hired for a specific project with a pre-determined ending date;
– American entities have been excluded from data published in respect of trained headcount by gender;
– The absenteeism rate includes all the absences, compensated or not. It has been calculated on the basis of the number of calendar days of absence and the theoretical annual number of working days;
– The frequency rate, as calculated, only takes into account workplace accidents resulting in at least one working day lost (excluding the day of the workplace accident). The calculation of the severity rate is based on calendar days. The number of worked hours corresponds to the actual work duration during which employees are exposed to a risk of accident;
– Calculation rules of the number of working days lost as a result of workplace accidents take into account local laws, which are different and which may vary from that defined in the HR reporting system. For this year, it has thus not been possible to align the data regarding workplace accidents in respect of Australian entities with the definition applied by the group because of the accounting of the part-time back-to-work days in the working days lost. These entities have been excluded from the perimeter of the published workplace accidents data for the calculation of the severity rate.

3.2 REXEL'S COMMUNITY INVOLVEMENT

The Rexel Group's model is based on joint value creation with all of the stakeholders, customers, business partners, communities, employees and shareholders.

Due to the specifics of its business, the density of its network and the cultural diversity of its employees, the Rexel Group has to take into account community issues in the determination and implementation of its development strategy.

3.2.1 Relationships with the stakeholders

Rexel believes that the exercise of its corporate responsibility implies giving consideration to the expectations of its ecosystem. In order to ensure the long-term viability of its development and that its projects are well accepted, Rexel has identified then prioritized its stakeholders depending on their relationships with its business, and set up a dialogue with the stakeholders both at the level of the Rexel Group and at the level of its subsidiaries:

Employees and representative bodies

The satisfaction and well being of its employees is a major concern for the Rexel Group. To this effect, it develops dedicated listening and dialogue mechanisms with all of its employees. For example, in 2011 the Group conducted an opinion survey, called Satisfaxion11, of 98% of the total headcount, *i.e.* close to 28,000 employees. In addition, 125 new corporate agreements were signed in 2012 within the Rexel Group entities worldwide (see paragraph 3.1 "Employees of the Rexel Group" of this *Document de Référence*).

3

Customers

Rexel's mission is to support customers around the globe, wherever they are, to create value and run their business better. To this end, the Rexel Group has set up a number of information, dialogue and listening mechanisms for its customers, such as commercial initiatives, satisfaction surveys and training sessions on public aid in the area of energy efficiency, new home automation technologies, renewable energies, etc. (see paragraph 1.4.2 "A service offering adapted to customers' needs" of this *Document de Référence*).

Suppliers and sub-contractors

The Rexel Group maintains mutually beneficial relationships with its suppliers and sub-contractors: they are essential partners of its business and of its growth, and the Rexel Group supports their performance by accompanying their international development and supporting their business (including local companies such as installers, transporters etc.) development. Rexel therefore strives to create a constructive dialogue with its suppliers and sub-contractors and to establish long-term and balanced relationships, in accordance with social and environmental challenges.

The Rexel Group requires all of its suppliers and sub-contractors to comply with the ethical principles presented in its Ethics Guide and, from a contractual standpoint, to comply with its general purchase conditions which contain, in particular, clauses requiring compliance with the core conventions of the International Labor Organization and local legislation, in particular with regards to minimum wages, working hours, environment, health and safety.

In 2012, in order to ensure that its principles and the ethical and environmental contractual provisions were effectively applied, audits were carried out on the suppliers sites by Rexel Group entities. Simultaneously, in 2012 the Rexel Group initiated a global program that is aimed at appreciating CSR (Corporate Social Responsibility) performance of its suppliers through an assessment platform.

Beyond commercial relationships, the Rexel Group develops solidarity initiatives with its suppliers in order to promote access to energy efficiency for all (see paragraph 3.2.3 "Charity and patronage")

Trade associations and universities

Rexel participates in trade associations such as FGME, NEAD, EUEW, in order to discuss, share and promote changes to the practices of the trade. In order to achieve transparency and progress, the Rexel Group is also involved in various research projects and publications so as to interact with its stakeholders and also to facilitate the sharing of experience, such as, for example, with the *Université Paris-Dauphine* or the EpE *(association Entreprises pour l'Environnement)*.

Shareholders, investors and rating agencies

The Rexel Group provides transparent information on its results, initiatives and priorities in relation to sustainable development to the various players (shareholders, investors, rating agencies). These exchanges may be occasional or recurring, depending on the relevant players and the events affecting the life of the Group.

Since 2011, Rexel is part of the FTSE4Good index. In 2012, the Group became part of two additional socially responsible indexes: ASPI Eurozone and Stoxx Europe Sustainability.

In addition, since 2011, the Rexel Group reports on its greenhouse gas emissions to the *Carbon Disclosure Project* (CDP), an independent, not-for-profit organization which assesses the carbon performance of large companies and their climate change strategy on behalf of more than 500 institutional investors.

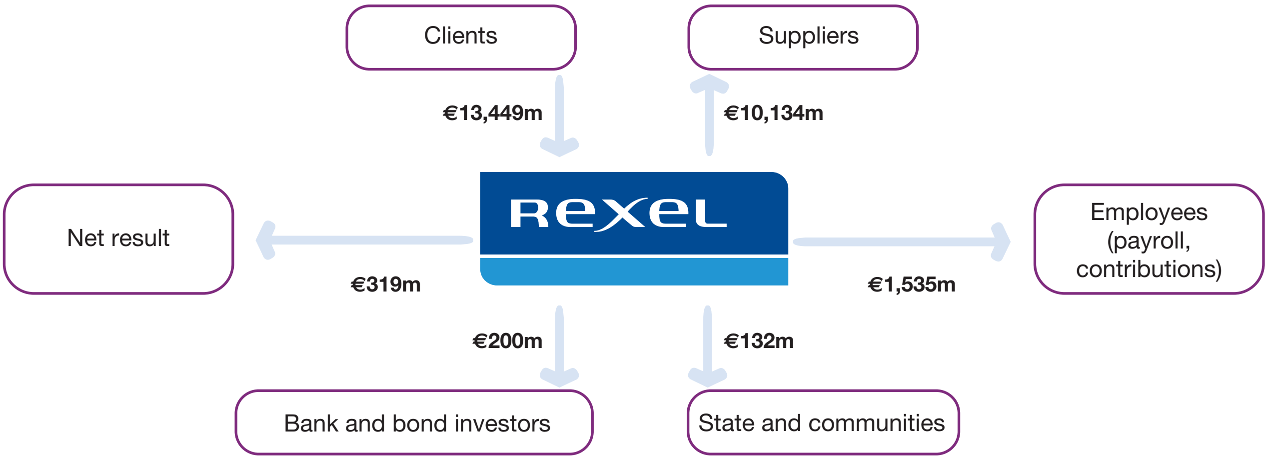
3.2.2 Impact on the social and economic development of the territories

As one of the global leaders in the professional distribution market, the Rexel Group contributes to structuring and developing its business sector in all regions where it is present in order to always bring higher value to its stakeholders. This approach relies on the consideration of regional particularities in the determination of its strategy, the constant pursuit of operating efficiency, the optimization of means used and the dissemination of innovative energy management and renewable energy solutions.

Thanks to its global presence and local foothold (a network of over 2,335 branches in 37 countries), the Rexel Group largely contributes to the development and economic activity in regions where it operates, in particular by:

- directly supporting its professional customers' growth worldwide,
- spreading innovation through its services, its solutions and the constant renewal of its product offering,
- contributing to the financing of local public policies through taxes and levies paid,
- employing almost entirely local labor (the Rexel Group employs over 30,000 employees in total), and
- securing new outlets and access to new markets for its partners, international suppliers as well as local small and medium-sized companies (installers, transporters, etc.), and
- participating in the training of professionals and students in partnership with schools and universities.

The activity and the profitability of the Group benefit to all of the stakeholders. The major part of the value created is therefore directly transferred to its employees, to the public authorities and local governments of the areas where the Rexel Group is present.



3.2.3 Charity and patronage

In line with its corporate mission, the Rexel Group is developing a social commitment program, which involves supporting solidarity projects in connection with the struggle against fuel poverty.

To structure this action, the Rexel Group in 2012 published a community involvement Charter and a Guide, with a major point of focus: “promoting access to energy efficiency for all”. Through, the intention of the Rexel Group is to act in favor of a better usage and an optimized consumption of energy, drawing on its skills, tools and structures in the field of energy management, and making this available to society.

One of the more significant results of this corporate commitment was the partnership signed at the end of 2011 with the Ashoka organization, the leading global network of social entrepreneurs. In this framework, the Rexel Group in 2012 supported a United States social entrepreneur which provides poor populations with access to housing thanks to affordable and energy efficient modular homes. Other similar joint initiatives are expected to see the light in 2013 in other countries of the world.

To complete and strengthen this global approach, the subsidiaries and employees of the Rexel Group developed numerous local patronage and charity initiatives:

– Mobilization against cancer and other illnesses: “Relay for Life” campaign in New Zealand and Canada, making donations to the Sharon Fox and Marie Curie research and support centers and to the Motor Neuron Disease association in the United Kingdom, participating in the Alpe d’HuZes race for the Dutch Cancer Fund in The Netherlands, the Susan B.Komen Cancer Walk and in a golf tournament against cystic fibrosis in the United States;

– Supporting education and children: continuing the partnership with *SOS Villages d’enfants* in Germany, donating toys to orphanages and associations in Brazil, Ireland and the United Kingdom, supporting the Gwinnett Children’s Shelter in the United States, which helps abandoned, homeless or abused children, and subventioning the Siemens Hope School project in the Yunnan province in China;

– Initiatives in favor of access to energy efficiency for all (as part of the launch of the Rexel Group’s Social Commitment Charter):
  - Improving energy performance of reinsertion housing: the Rexel Group’s main subsidiary in France made a commitment to the *“Bail pour Tous”* association, which works with persons facing economic or social exclusion. To improve the energy performance of their reinsertion housing, Rexel France’s energy audit department conducted a survey of one of the association’s properties. The partnership will continue into 2013, in particular with the organization of an awareness campaign on energy savings aimed at these underprivileged populations.
  - Creation of an energy management training program within a technical school in China: the Rexel Group and its Chinese subsidiary partnered with the Schneider Electric Foundation to support the setting up of a training center for electricians in China, in Taiyuan in the Shanxi province, in association with the China Environmental Protection Foundation.

Numerous Rexel Group entities thus supported collective and solidarity initiatives by offering products and equipment, free of charge.

The overall amount of donations by the Rexel Group amounted to €532,000 in 2012.

3

3.3 ENVIRONMENTAL INFORMATION

3.3.1 Environmental policy of the Rexel Group

3.3.1.1 Environmental responsibility

Owing to its geographical presence and activity, the Rexel Group has a double environmental responsibility:

– On the one hand, as an international company with operations in numerous territories, that manages infrastructures and creates logistical flows, the Rexel Group has a diffuse environmental footprint on the ecosystems in which it is active (consumption of resources, generation of waste, direct and indirect emissions);

– On the other hand, by developing and selling energy management solutions, the Rexel Group plays a substantial prescriber role and therefore contributes to improving the environmental performance of buildings and industrial facilities throughout the world.

To face these responsibilities, the Rexel Group's environmental policy, defined by the Sustainable Development Department, is built around two main lines of action:

The environmental performance of operations

This line of work aims at reducing the environmental impact of the business and of the infrastructures of the Rexel Group, while maintaining, if not improving, the organization's operational efficiency. It covers, on the one hand, the impacts related to the core distributor business (selecting products, transporting them and, where necessary, taking them back) and, on the other hand, the impacts generated by the operation of the sites (energy, water, etc.).

Although these impacts are relatively low compared to those of industrial producers, the Rexel Group subsidiaries strive to reduce them by daily and assessed actions aimed at:

– controlling the consumption of natural resources, particularly energy, water, paper and packaging material;

– collecting and recycling the waste generated by its operations as well as its customers' specific waste; and

– reducing greenhouse gas emissions by, *inter alia,* taking action in relation to transportation and to the energy performance of its premises (administrative headquarters, branches, logistics hubs etc.), in order to tackle climate change.

The development of the energy efficiency and renewable energy solutions offer

This line of policy aims at supporting the development and the spread of eco-efficient electrical solutions and renewable energy solutions on the industrial, residential and services markets. This commitment is a major pillar of sustainable growth in the Energy in Motion company plan launched in June 2012.

Thus, the Rexel Group banners develop a broad range of innovative and efficient products and services that are suited to their customers' energy challenges.

To promote these solutions and encourage installers and industrial customers to adopt them, they have developed awareness, information and marketing actions on various communications channels (catalogues, dedicated space and websites), in association with the manufacturers (see paragraph 3.3.4 "The energy efficiency and renewable energy solutions offer" of this *Document de Référence*)

3.3.1.2 Organization and steering of the approach

The conduct of the Rexel Group's environmental policy and its operational implementation are steered by the Sustainable Development Department, in coordination with the functional departments at the headquarters and the local operational teams.

To implement this approach, the Rexel Group uses several tools:

– an annual environmental reporting;

– the Rexel Environmental Charter and its implementation Guide;

– the deployment of impact control procedures and of Environmental Management Systems based on the ISO 14001 standard;

– the "Ecodays", an awareness-raising campaign in relation to environmental issues designed for all employees.

The environmental reporting

The Rexel Group's environmental reporting, which has been in place since 2006, is a key steering tool in that it allows for the environmental aspects of its activities to be identified and quantified, and provides the global vision required to implement improvement programs.

In 2012, the Rexel Group's environmental reporting continued to evolve towards increased reliability and relevance, thanks in particular to the focus on the stabilization of the data collection process and the training to reporting tools and methods of all banners contributors.

In addition, slight changes have been made to the scope of reporting and indicators in order to comply with the regulatory requirements set forth in article 225 of the French "Grenelle 2" law and to the recognized international reporting standards.

In particular, the Rexel Group used as its reference:

– the GRI *(Global Reporting Initiative)*'s sustainability reporting guidelines, an internationally-recognized framework used to define performance indicators and reporting procedures; and
– the Greenhouse Gas Protocol, to quantify and report on its greenhouse gas emissions (rated GHG) in a transparent manner (see paragraph 3.3.5 "Methodology note & summary table" of this *Document de Référence*).

The Rexel Group's reporting relies on a network of more than 70 correspondents, located in the subsidiaries worldwide. In furtherance of the efforts made over the past two years, a number of training and awareness-raising sessions have been provided to these contributors, such as the organization, like in 2011, of an international seminar on sustainable development.

Thus, there has been an improvement in the quality and representativity of the responses from 2011 to 2012, which makes it possible to better appreciate the challenges and efforts achieved, but may lead to put into perspective the interpretation of the variations between these two years.

The Environmental Charter

To support the operational implementation of its policy, the Rexel Group has for several years rolled out its Environmental Charter.

The Charter is distributed to the employees and contains 10 concrete actions that underlie the Rexel Group's commitment to the environment:

With customers:

– Emphasize on products that contribute to energy-saving (in a dedicated space or catalogue).
– Offer a specific range of solutions that make use of renewable energy.
– Organize promotion days dedicated to equipment that contributes to energy-saving or to the use of renewable energy.

Within the branches:

– Organize information and training days about products that contribute to energy-saving or to the use of renewable energy.
– Install low energy consumption lighting and electrical equipment.

For waste recycling:

– Organize waste sorting (cardboard, paper, catalogues, magazines, etc.) for recycling.
– Collect fluorescent tubes and other used lighting sources for recycling.
– Collect other waste from electrical and electronic equipment (WEEE) for recycling.
– Collect used batteries for recycling.
– Collaborate with the manufacturers so that used ink cartridges and toner are taken back.

Each site manager is responsible for implementing those actions of the Charter that are suited to its local particularities, so as to reduce its impact on the environment and to develop commercial actions in order to increase the sale of eco-efficient solutions. To assist with this, an educational Guide has been created. This tool provides practical advice to apply the ten actions of the Environmental Charter.

At the end of 2012, the Rexel Group and its subsidiaries launched an initiative aimed at overhauling the Charter, in line with the progress made over the past years in relation to environmental management and with the Energy in Motion company plan. The new Environmental Charter is expected to be published next year.

In 2012, the Charter had been rolled out in more than 75% of the sites.

Environmental management procedures and systems

The Rexel Group pursues the implementation of environmental management systems (EMS) aimed at defining and documenting the procedures used to control the environmental aspects of its activities and to allow for the steering of improvement plans.

Thus, several subsidiaries have taken steps to obtain ISO 14001 certification, which certifies that an EMS has been implemented and attests to their commitment in favour of the continued improvement of their environmental approach. To date, 7 subsidiaries have set up an ISO 14001-certified EMS.

In 2012, the Rexel Group worked on the elaboration of an environmental management standard aimed at harmonizing, supporting and accelerating the rolling out of EMS within the subsidiaries.

Awareness-raising and training on environmental issues

In addition to the environmental management tools, the Sustainable Development Department, supported by the Communications Department, raises employee awareness in relation to environmental issues through an annual, one-week event called "Ecodays".

A website dedicated to the event was created in 2011 enabling employees to seek information on issues relating to the protection of the environment and on the initiatives of the Rexel Group and of its subsidiaries in this area. This website is updated for each campaign and made accessible in 8 languages, and encourages all Rexel Group employees to adopt a responsible behaviour towards the environment (particularly in relation to energy consumption) and to share their ideas and projects on a forum.

In 2012, the launch of the Energy in Motion company plan resulted in an internal communication campaign on the values that describe the Rexel Group's corporate culture and which replaced the Ecodays campaign. These values, which are based on the principles of global responsibility, thus place sustainable development at the heart of the practices on which the Group builds its growth.

From an operation standpoint, training sessions are organized by the subsidiaries, in the logistics hubs and branches, on the procedures and gestures to be adopted in terms of health, safety and environment, in order to notably control the environmental aspects of the activities.

3.3.1.3 2012 objectives and achievements

In 2012, the Rexel Group made significant progress in connection with its environmental approach. A number of actions were undertaken, which enabled the Rexel Group to reach its objectives:

- Continue to structure its environmental management approach, thanks to the definition of an EMS standard;
- Increase the reliability of environmental reporting procedures and improve the indicators, in line with the new regulatory requirements and the reporting standards, in order to enhance performance monitoring,
- Strengthen the knowledge and management of the Rexel Group's carbon footprint, particularly in relation to transportation (addition of new indicators in relation to employees' business travels) (see paragraph 3.3.4 "Methodology Note & Summary Table" of this *Document de Référence*);
- Improve the collection and recycling of the Rexel Group's waste and of clients' waste;
- Increase client awareness in relation to eco-efficient electrical products and develop the sales of these products.

The associated results and main initiatives are detailed in the paragraph 3.3.3 "Environmental aspects of the Rexel Group's activities" of this *Document de Référence*.

3.3.2 Risk management and regulatory compliance

3.3.2.1 Assessment and compliance steps

Compliance with environmental regulatory requirements is a crucial component of the definition of the environmental policy on a global as well as local level.

The main regulations that are likely to have an impact on the activities of the Rexel Group are described in paragraph 1.8.2 "Environmental regulations" of this *Document de Référence*.

The Rexel group's activities are in particular subject to environmental regulations derived from European Directives and Regulations:

- Directive 2002/95/CE of the European Parliament and of the Council of January 27, 2003, known as "RoHS" Directive (Restriction of Hazardous Substances) which prohibits the use of certain substances in electrical and electronic equipment;
- Directive 2002/96/CE of the European Parliament and of the Council of January 27, 2003 concerning the management of Electric and Electronic Equipment Waste (the "WEEE" directive);
- Regulation 1907/2006 of the European Parliament and of the Council of December 18, 2006, known as "REACH" (Registration, Evaluation and Authorization of Chemicals) relating to the registration, the evaluation and the authorization of chemical substances.

The Rexel Group is further subject to specific local regulations in the various countries in which it operates, in relation to the environment, health and the safety of its activities and facilities.

As such, certain facilities are subject to a declaration to or registration with the administrative authorities, to the obtention of environmental permits and operational permits, and to regulatory controls. In France for example, the Rexel Group is subject to legislation concerning classified installations for environmental protection (*Installations Classées pour la Protection de l'Environnement* (ICPE)). In this regard, somes facilities, particularly within the distribution centers and hubs, are subject to a declaration or registration depending on the size and level of danger or inconveniencies that it presents: closed warehouse with storage of combustible fuels, storage of plastic material, storage of paper, cardboard and wood, battery charging facilities. If applicable, the obtention and renewal of these declarations and administrative authorizations are subject to local follow-up.

3.3.2.2 Environmental risk management and prevention

As a non-manufacturing distributor, the Rexel Group has not identified any significant environmental risks associated with its operations. The identification of risks and the occurrence of environmental accidents are nevertheless monitored through the annual environmental reporting. In 2012, no Group entity reported any such accident.

On the date of this *Document de Référence*, the Rexel Group is not aware of any environmental risks likely to have a significant impact on its business or financial position. It can however not guarantee that it has always complied, or will in all circumstances comply, with such standards and regulations, or that it will not incur any significant costs in order to become compliant with such standards and regulations, which could adversely affect the Rexel Group's reputation and financial results.

3.3.2.3 Expenses incurred to avert the consequences of its activity on the environment

The sites in respect of which certain environmental risks have been identified (particularly those that have fuel storage point(s)) apply the various regulations to which they are subject and implement operational procedures, quality systems as well as a number of safety measures. The expenses incurred by the Rexel Group to avert the consequences of its activities on the environment are included in the Rexel Group's usual investment process and have not been separately identified.

3.3.2.4 Means devoted to reducing environmental risks

Given the profile of the Rexel Group, the environmental risk is low. The costs of assessing, preventing and addressing environmental risks therefore represent small amounts which are included in the Rexel Group's investment processes and have not been separately identified.

3.3.2.5 Organization set up to face pollution accidents reaching beyond the company's sites

Not applicable.

3.3.2.6 Amount of reserves and guarantees set aside for risks

On the date of this *Document de Référence*, the Rexel Group is not aware:

- of any disputes other than those described in Chapter 5 "Consolidated financial statements" of this *Document de Référence*;
- of any environment-related facts or situations likely to have a significant impact on Rexel's assets and liabilities or results; or
- of any particular environmental matters likely to have an impact on its use of its tangible fixed assets.

In 2012, no significant reserves for environmental risks were recorded in the Rexel Group's financial statements.

3.3.2.7 Pending proceedings for which no reserve has been made

Not applicable.

3.3.2.8 Indemnities paid pursuant to a court decision

In 2012, no significant indemnity has been paid pursant to a court decision in relation to the environment or to steps taken to remedy environmental damage.

3.3.3 Environmental aspects of the Rexel Group's activities

The Rexel Group's sustainable development approach places as its first priority the reduction of the environmental impact of its activity throughout its entire distribution network.

Various initiatives are taken in the Rexel Group, at the international or local scale, to manage the environmental impact of its operations. These impacts are in particular linked to the infrastructures (waste, use of energy ressources, water, etc.), to the commercial activity, (travels for supplier and client visits, paper consumption, consumables, etc.) and logistics (deliveries, packaging etc.).

3.3.3.1 Sustainable use of ressources

Energy

For the Rexel Group, energy consumption is a major environmental challenge with regard to the preservation of resources and the fight against climate change. In addition, energy consumption is also an economic issue for the Rexel Group as the depletion of fossil fuel resources (oil, gas, etc.) will inevitably lead to higher prices, meaning that cost control implies the reduction of the energy intensity of its operations.

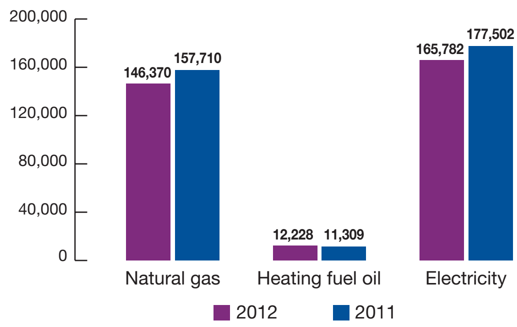
In this context, voluntary steps towards the reduction of consumption at the level of each entity have been undertaken, in relation to both energy consumption onsite and in connection with the transportation of products and persons.

Onsite energy consumption

In 2012, total primary energy consumption stood at 158,606 MWh GCV (gross calorific value), and electricity consumption stood at 166,844 MWh, based on a perimeter representing 96% of the Rexel Group's sales.

Using a constant perimeter for 2011 and 2012, energy consumption was down 6% for primary energy and 7% for electricity.

EVOLUTION OF ENERGY CONSUMPTION (MWH)



Measures taken to improve the facilities' energy efficiency

When sites are renovated, opened or transferred to another location, buildings' and facilities' energy efficiency is given consideration, notably through:

- the improvement of the lighting appliances, the use of low consumption technologies (LED in particular) and of control and automation systems (building automation, presence and light detection, etc.);
- the modernisation of heating systems, air conditioning or ventilation and improvement of monitoring systems (lower room temperature setpoint, etc.);
- the use of renewable energies (eg. installation of solar pannels or the connection to heating networks produced by biomass-fuelled power stations).

In 2012 for example, the Rexel Group's main French subsidiary conducted an energy survey of eight distribution centers (*i.e.* approximately 160,000m² of premises) and began to implement improvement plans by taking measures in relation to the heating and lighting equipment, in view of expected energy savings of approximately 2,000 MWh per year in the short term.

Fuel consumption for the transportation of goods

The Rexel Group's activities imply the transportation of equipment and goods from the suppliers to the clients.

The chart below presents the logistical organization ot the Rexel Group (see paragraph 1.4.2.3 "Logistical organization of the Rexel Group" of this *Document de Référence*) and sets forth the main goods transportation flows in connection with its activity:

- in **green**, the upstream transports, *i.e.* the flows from the suppliers towards Rexel Group's distribution centers, hubs, branches and customers. These flows are managed by the suppliers themselves,
- in **blue**, the flows from the customers using their own transportation means, to and from Rexel's branches,
- in **red**, transports initiated and managed by the Rexel Group: on the one hand the internal flows between its distribution centers / hubs and its branches, and on the other hand the downstream flows from its warehouses towards the customers. These flows may be carried out by the Rexel Group's internal fleet or by sub-contractors.

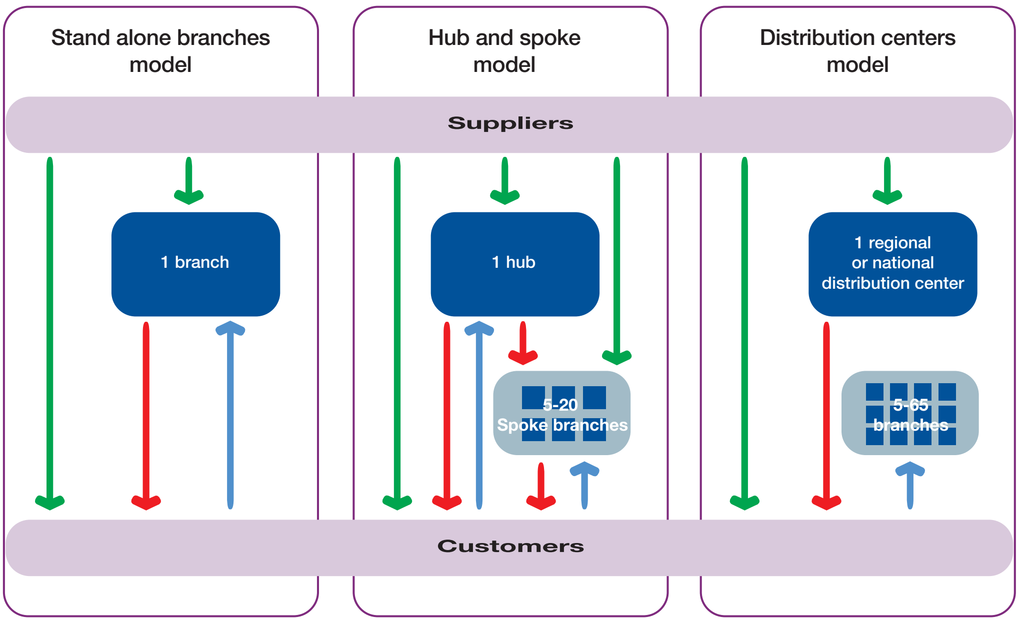


Chart: Representation of the transport flows, depending on the logistics model in place

In relation to environmental reporting, the Rexel Group focuses on the assessment of the transport that it initiates and manages (red flows) in order to continue to improve data collection and to support the implementation of improvement programs.

In addition, the client and supplier flows were reviewed at the time of the Rexel Group's *Bilan carbone®* (carbon footprint assessment) at the end of 2010 and will be reviewed again as part of the next global evaluation of GHG emissions.

In 2012, the Rexel Group's internal fleet for the transportation of goods comprised approximately 430 trucks and 1,340 vans, *i.e.* a lower number of vehicles compared to 2011 (due to the increasing use of outsourced and shared transportation).

Measures taken to optimize transportation of goods

In 2012, the Supply Chain Department of the Rexel Group continued rolling out its transport optimization plan aimed at optimizing costs, increasing flexibility and service while reducing the distances travelled, fuel consumption and associated GHG emissions.

This strategy is built around two major points of focus.

On the one hand, the Rexel Group gives preference to shared transportation, which consists in sub-contracting transportation to service providers that pool the flows of the Rexel Group with those of their other customers, thereby reducing the environmental impact of the logistics operations. As at the date hereof, shared transportation is used in about 80% of entities having participated in the environmental reporting process.

On the other hand, when recourse to freight commingling cannot be achieved, the Rexel Group conducts optimization programmes for its internal logistics (owned or leased vehicles) or dedicated external logistics, through the rationalisation of the supply tours, the optimization of the vehicle loads and the use of GPS systems to measure the various performance indicators (fuel consumption, CO_2 emissions, distances travelled, load rates, etc.).

In addition, the Rexel Group strives to select its sub-contracting carriers in consideration of service quality and costs, but also of certain environmental criteria such as the environmental performance of the vehicles, their maintenance, the implementation of action plans in favour of the environment and the reporting on consumptions and emissions.

Fuel consumption for business travels

The activities of the Rexel Group also imply staff business travels, particularly of sales representatives travelling to the customers' premises.

The Indirect Purchases Department of the Rexel Group has, over the last five years, been rolling out framework agreements in order to rationalize the car fleet (approximately 5,240 vehicles in 2012) and set up environmental indicators (fuel consumption, CO_2 emission per kilometer rate). Thanks to partnerships entered into with 2 long-term car rental firms and 5 car companies, the Rexel Group supports its subsidiaries in the implementation of this rationalization policy.

In 2012, 25% of the European fleet, which is the Rexel Group's largest fleet, was renewed (50% of the fleet had already been modernized in 2011). According to the data provided by the rental companies in relation to 60% of the fleet, the average rate of CO_2 emitted now stands at 127 grams of CO_2 per kilometer (g. CO_2/km). For the entire fleet, the average rate is thus estimated to be 134 g. CO_2/km, while some countries have already reached a level that is lower than 120 g. CO_2/km.

The continuation of the fleet modernization plan and the reduction of the CO_2 rate indicative limit (less 10 grams and 20 grams, depending on the vehicle category) in 2013 should enable the Rexel Group to reach the objectives it has set itself: an average emission rate of 130 g. CO_2/km in 2015 and a minimum 13% decrease in fuel consumption by 2014, compared to 2010.

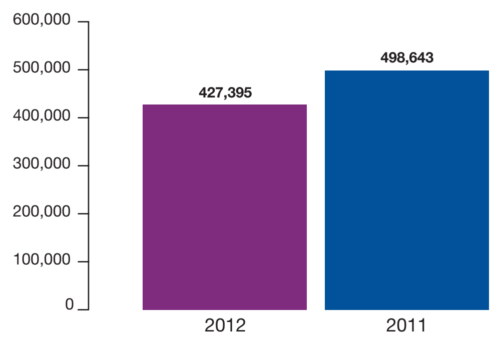
In line with this course of action, the Rexel Group continues to expand its car fleet management policy in other continents.

Water

Water consumption within the Rexel Group essentially corresponds to water used in the commercial and administrative buildings, particularly in the air conditioning systems and toilet facilities, for the maintenance of the premises and during mandatory fire protection draining operations. This therefore relates to water from the water system network infrastructures only.

The Rexel Group's total water consumption stood at approximately 435,844 m^3 in 2012, based on a perimeter representing 93% of the Rexel Group sales. Using a constant perimeter compared to 2011, water consumption has decreased by 14%.

EVOLUTION OF WATER CONSUMPTION (M^3)



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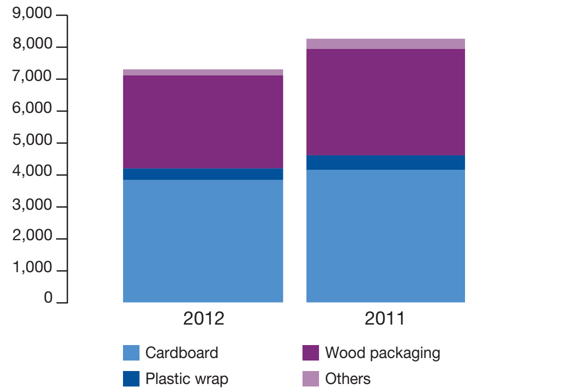
Packaging

The total amount of packaging (cardboard, plastic, wood, other packaging) used by the Rexel Group in 2012 stood at 8,470 tons (metric tons), based on a perimeter representing 96% of the Rexel Group's sales.

An effort to re-use packaging is carried out within the Rexel Group: many countries have set up a system of re-use of suppliers' wood pallets, reels and cardboard for customers deliveries or reusable plastic boxes for small equipment deliveries between hubs and branches.

However, further to the opening of new distribution centers and changes in the logistics models, the consumption of packaging material increased by 13%, on a constant perimeter basis compared to 2011, up from 7,182 tons to 8,139 tons in total, broken down as follows:

EVOLUTION OF PACKAGING CONSUMPTION (TONS)



Note: the packaging quantities shown above only account for the packaging material purchased and used by the Rexel Group, and do not take into account the supplier's packaging material that is re-used by the Rexel group.

Paper

For the printing of its commercial brochures, booklets and catalogues, the Rexel Group consumed more than 1,400 tons of paper in 2012, and the Rexel Group's paper consumption (other than paper used for commercial publications) stood at 1,116 tonnes. Half of this total quantity was certified (made with recycled fiber or sustainably managed forests). These figures have been computed based on a perimeter representing 94% of the Rexel Group's sales.

The international scale of the Rexel Group is a strong lever by which to optimize and standardize its indirect purchasing policy, while integrating responsible steps to reduce environmental impact. As concerns office supplies and paper, the Rexel Group entered into an agreement with an international supplier five years ago, allowing for the streamlining of costs and a significant reduction of the associated impact of transportation.

In addition, the Rexel Group signed a five-year global printing services management agreement in 2009 covering 34 countries. This agreement, the ambition of which is to reduce paper volumes by 10%, is now 57%-implemented. Eight countries have fully rolled out this programme, which provides them with the tools to monitor the performance indicators (such as the number of printed pages, color or black and white, etc.).

3.3.3.2 Pollution and waste management

As part of its environmental policy, the Rexel Group seeks to reduce the quantity of waste generated by its activities and encourages their recovery. Thus, especially through its Environmental Charter, the Rexel Group encourages all of its branches to:

– implement a sorting process for waste such as paper, cardboard, plastic and wood, in order to allow for waste recycling or recovery,

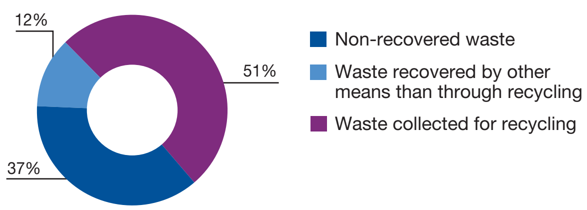
– ensure that hazardous waste (such as batteries, computer and electrical equipment) is sent to being processed and recycled in an environmentally-friendly way, and

– contribute, within the framework of local regulations, to the collection and recovery of certain specific waste generated by the customers, such as waste electrical and electronic equipment known as "WEEE" (see paragraph 3.3.2.1 "Assessment and compliance steps" of this *Document de Référence*).

Total quantity of waste

The total volume of waste generated by the Rexel Group was 22,910 tons in 2012, all materials combined (excluding WEEE and batteries). These figures were calculated on the basis of a perimeter representing 92% of the Rexel Group's sales.

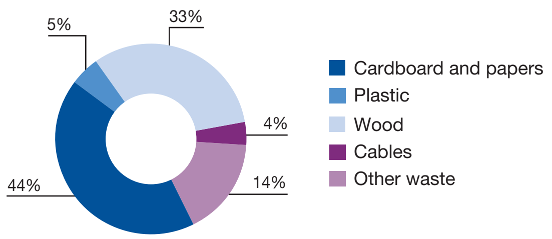
BREAKDOWN OF WASTES GENERATED BY DESTINATION IN 2012



Collection and recovery of ordinary waste

Over 83% of the branches of the Rexel Group use an ordinary waste sorting process (including cardboard, plastic and wood) for recycling; the total volume of waste recovered by the Rexel Group, all materials combined (excluding WEEE and batteries), was approximately of 14,440 tons in 2012. These figures were calculated on the basis of a perimeter representing 92% of the Rexel Group's sales.

BREAKDOWN OF RECYCLED WASTE BY TYPE OF MATERIALS IN 2012



On a constant basis, the volumes of recycled waste increased slightly between 2011 and 2012 (+3%), mainly thanks to improved sorting of cardboard, paper and plastic. The waste recovery rate has thus improved, up from 62% in 2011 to 71% in 2012.

Collection and recovery of specific waste

In most European countries, the implementation of the European Directive on Waste Electrical and Electronic Equipment (WEEE) has led the Rexel Group to collect the WEEE from its customers for recycling. In other countries, the subsidiaries of the Rexel Group went beyond the applicable legal requirements and offer this additional service to their customers. Thus, close to 76% of branches have established a process for the management and recovery of WEEE and 800 tons were sent to recycling, of which approximately 633 tons were collected from the customers.

In 2012, the Rexel Group also contributed to the recycling of more than 80 tons of batteries. These figures were calculated on the basis of a perimeter representing 92% of the Rexel Group's sales.

Pollution and nuisances

Discharges to water and to soil

The Rexel Group's activities do not generate discharges to water or soil.

The potential pollution risks associated with the presence of underground fuel tanks are managed locally, in acordance with local regulations, through the implementation of operational procedures, quality systems and safety measures (see paragraph 3.3.2 "Risk management and regulatory compliance" of this *Document de Référence*).

Emission to air

For greenhouse gas (GHG) emissions, see paragraph 3.3.3.3 "Contribution to the adaptation to and fight against climate change" of this *Document de Référence*.

Other than GHG emissions, the Rexel Group does not generate significant amounts of discharges to air.

Noise pollution

The Rexel Group considers that its impact in terms of noise pollution is not material considering its service activity.

Olfactory nuisances

The Rexel Group considers that this information is irrelevant considering its service activity.

Land use conditions and impact on biodiversity

The Rexel Group considers that its impact on land use and biodiversity is not material considering its service activity.

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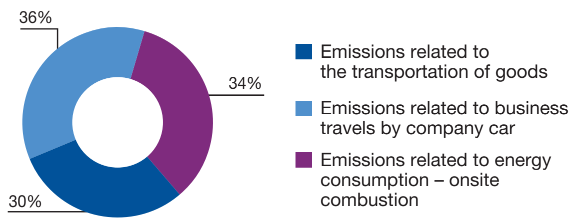
3.3.3.3 Contribution to the adaptation to and fight against climate change

As a distributor, the Rexel Group's direct carbon footprint is limited. In 2012, it represented 86,412 tons of CO_2 equivalent, based on a perimeter representing 96% of the Rexel Group's sales.

Direct emissions (scope 1 under the GHG Protocol) include emissions associated with the consumption of primary energy (mainly natural gas and domestic fuel oil) and fuels used for transportation by company vehicles.

BREAKDOWN OF DIRECT GHG EMISSIONS (SCOPE 1) BY SOURCE IN 2012



GHG emissions related to energy consumption

Direct GHG emissions associated with onsite primary energy combustion stood at 29,052 tons of CO_2 equivalent in 2012. Indirect GHG emissions associated with the production of the electricity purchased and consumed by the Rexel Group totaled over 51,000 tons of CO_2 equivalent in 2012.

Using a constant perimeter compared to 2011, total (direct and indirect) emissions due to energy consumption were down by 6%.

GHG emissions related to the transportation of goods by the internal fleet

Some Rexel Group subsidiaries have an internal fleet of vehicles (trucks and vans, owned or leased) for the transportation of goods between Rexel sites or to the customers' premises.

In 2012, GHG emissions associated with the transportation of goods by this fleet stood at over 26,000 tons of CO_2 equivalent. Using a constant perimeter, these emissions are down slightly compared to 2011 (3% decrease).

GHG emissions related to business travels by company car

These emissions relate to business travels using the Rexel group subsidiaries' fleet of owned and leased cars.

In 2012, these emissions represented 31,353 tons of CO_2 equivalent. Using a constant perimeter, these emissions are up slightly (5%) compared to 2011.

3.3.4 The energy efficiency and renewable energy solutions offer

As previously presented in paragraph 1.4.4 "Strategy of the Rexel Group" of this *Document de Référence*, the Rexel Group's intention, through the Energy in Motion company plan, is *inter alia* to accelerate its growth by investing on high potential categories, namely energy efficiency, renewable energy and home automation.

The Rexel Group has thus developed a range of innovative products and services that respond to the structural trends in its market: the need for electrical efficiency in order to reduce energy consumption, and the necessary development of renewable energies.

In the area of energy efficiency, the Rexel Group offers a broad range of products and solutions for the construction, refurbishment or maintenance of housing, commercial and industrial buildings: replacement of lighting sources (lamps and fluorescent tubes, low-energy halogens, and LED), setting up of monitoring and control systems (sensors, detectors, smart meters, dimmers etc.) as well as energy surveys and energy-saving certificates. In 2012, these activities generated total sales of more than €523 million, up by 16% compared to 2011.

In the area of renewable energies, the Rexel Group develops a tailored offer for each country, market and customer. On the photovoltaic market, it provides various pieces of equipment, such as solar pannels and assembly accessories. On the wind power market, the Rexel Group offers targeted solutions to its customers in this area, ranging from simple delivery to a fully-integrated services offer (from the supply to the provision of the products on the assembly lines, as well as inventory management). The product range includes electrical components, cables and other products required for the manufacturing of turbines or the operation of wind farms.

In 2012, sales of photovoltaic solutions and to the wind energy sector generated a turnover of nearly €270 million in total, down 7.5% compared to 2011, mainly owing to the photovoltaics market slowdown.

3.3.5 Methodology note & summary table

3.3.5.1 Methodology note

Reporting protocol

The main objectives of the environmental reporting process is to provide data for the dashboard kept by Rexel's Sustainable Development Department, in order to guide the implementation of this approach to facilitate the sharing of information and the tracking of best practices within the Rexel Group and to comply with external reporting requirements, in particular the regulatory obligations of the law known as the "Grenelle 2" law and article R.225-105-1 of the French Commercial Code, and also to reply to the requests of stakeholders (customers, investors, ratings agencies, etc.).

The Rexel Group therefore endeavors to ensure that its environmental reporting meets the following standards: consistency (ensure that the information is drawn up in accordance with identical sets of rules), exhaustiveness and accuracy (the reported data fairly reflects reality), materiality (the data is significant), transparency and control (the data sources, calculation and assessment methods are available and readily accessible).

In terms of organization, a contributor is in charge within each entity of collecting all data which is then controlled by a validator.

Over the last four years, a secure Internet platform has allowed the Rexel Group to increase the reliability of data collection.

In 2012, the Sustainable Development Department continues its efforts to identify the origin of the information and thus to increase the reliability of the collection processes and ensure that the rules defined in its reporting protocol are properly applied. To this end, the protocol, which is communicated to all contributors and validators within the subsidiaries, has been slimmed down and translated into 10 languages.

This environmental reporting protocol defines:

- the objectives of the environmental reporting;
- the reporting scope;
- the procedures in relation to data collection and reporting;
- the indicators used, so as to ensure correct and homogeneous understanding by all contributors; and

– the calculation formulas used for the calculation of the indicators, such as conversion factors.

External verification

All significant environmental information, whether qualitative or quantitative in nature, has been verified externally by one of the assigned statutory auditors, so as to increase stakeholder confidence in this information.

In 2012, 6 quantitative environmental indicators were verified externally:

- consumption of electricity;
- consumption of natural gas and domestic fuel oil;
- total packaging quantities used;
- total quantity of waste collected for recycling;
- direct GHG emissions (scope 1 under the GHG Protocol); and
- indirect GHG emissions associated with the production of purchased electricity (scope 2 under the GHG Protocol).

These indicators were used because they cover the main environmental challenges with which the Rexel Group is faced, and are used in the monitoring of its environmental performance.

Scope of reporting

The scope of the environmental reporting process is intended to be identical to that used to draw up the consolidated financial statements, as defined by the Rexel Group's Finance Department.

Only the recently-acquired entities (*i.e.* entities acquired during the financial year or late in the previous financial year) were not included in the scope, owing to difficulties in obtaining certain information during the year of acquisition.

In 2012, there were two exceptions to this rule: the Delamano entity (Brazil), which was acquired on November 30, 2011, and the La Grange entity (Belgium), which was acquired on May 31, 2012, were both included in the consolidated scope of the environmental reporting because they were operationnally integrated into businesses that were already present in the country.

As a result, the consolidated scope of the environmental reporting represents 97% of the Rexel Group's total sales, including acquisitions completed during the financial year.

Calculation of the indicator' coverage rates

The coverage rates indicated for each indicator as presented in the text and in the summary table set forth in paragraph 3.3.3 "Environmental aspects of the Rexel Group's activities" of this *Document de Référence*), correspond to the ratio of total sales of the entities that reported the indicator to consolidated Group sales, excluding entities acquired during the financial year (except for the two aforementioned entities).

Restatement of 2011 data

Some of the 2011 data also gave rise to a number of corrections, which were applied retroactively.

INDICATOR	RESTATEMENT
Energy consumption	The 2011 information on domestic fuel oil consumption was revised upwards, owing to a correction of the data reported by the Belgian entity.
Packaging consumption	The total quantity of packaging material consumed in 2011 was revised downwards, further to certain changes in the data reported by the Slovakian, Spanish, Italian and Norwish entities, which were applied retroactively.
Paper consumption	The 2011 information on paper consumption was revised upwards, owing to a correction of the data reported by the English entity.
Waste	The 2011 information used as a reference in the summary table is more limited in scope than the initially published data. In addition, two changes were retroactively made to the information reported by the Irish and Polish entities in 2011.
Greenhouse gas emissions	All 2011 data has been recalculated retroactively using the GHG emission factors applied in 2012 (see paragraph below).

Greenhouse gas emission Accounting

Method and references

The method used by the Rexel Group for the purpose of quantifying its greenhouse gas emissions (noted "GHG" in this note) relies on the GHG Protocol standard.

Scope 1 accounts for direct GHG emissions from sources owned or controlled by the Rexel Group. Accordinly, the Rexel Group has chosen to include emissions associated with transportation using mobile combustion vehicles (such as trucks and cars) held under long term leases and over which it has operational control.

Scope 2, as defined by the Rexel Group, accounts for indirect GHG emissions associated with the production of electricity imported or purchased by the Rexel Group.

Scope 3 accounts for other indirect GHG emissions resulting from the Rexel Group's activities, but generated by sources that do not belong to the Group or over which it has only very limited operational control or influence.

Emission factors used

The emission factors associated with electricity production used in the reporting software are the 2010 factors published by the IEA (International Energy Agency).

The other emission factors are from the one published by the ADEME Base Carbone® (carbon database).

To allow comparison of the GHG emissions-related indicators, the data reported in 2011 was re-calculated using those same factors.

Calculation of emissions associated with transportation

To obtain the most reliable data possible on the basis of items actually measured in the Rexel Group entities, the indicators relating to emissions generated by transportation are calculated as follows:

– either on the basis of fuel consumption, by applying an average emission factor to each different type of fuel (diesel, petrol, LPG),

– or, if this is not available, on the basis of the distances traveled, by applying an average emission factor per kilometer, and distinguishing between three categories of vehicles: cars (weighing under 1.5 ton), light utility vehicles, such as vans (weighing 3.5 tons or less) and heavy vehicles (weighing over 3.5 tons).

Revenues from sales of energy efficient and renewable energy solutions

Further to the launch of the Energy in Motion company plan, the definition of sales related to energy efficiency and renewable energy categories has been reviewed:

The energy efficiency category covers products and services that allow for a measurable, direct or indirect, reduction of energy consumption. This includes eco-efficient lighting (sources and accessories), control systems (such as sensors and detectors), measurement systems (smart meters, etc.) and eco-efficient power systems.

The renewable energy category covers photovoltaic solutions (all products, accessories and services related to photovoltaic systems, off-grid or grid-connected) and sales of products and services to the wind power market (components and accessories provided to the various players in this market).

3.3.5.2 Summary table

INDICATOR	UNIT	2012	PERIMETER	2012 (CONSTANT PERIMETER)	2011 (CONSTANT PERIMETER)	CHANGE
CONSUMPTION OF RESOURCES						
Consumption of energy						
Consumption of natural gas	MWh GCV	146,370	96%	146,370	157,710	-7%
Consumption of domestic fuel oil	MWh GCV	12,236	96%	12,228	11,309	+8%
Consumption of electricity	MWh	166,844	96%	165,782	175,295	-5%
Consumption of water	**m^3**	**435,844**	**93%**	**427,395**	**498,643**	**-14%**
Consumption of packaging material	**Tons**	**8,469**	**96%**	**8,139**	**7,182**	**+13%**
Including:						
Cardboard	*Tons*	*4,178*	*96%*	*4,109*	*3,764*	*+9%*
Plastic film	*Tons*	*485*	*96%*	*451*	*353*	*+28%*
Wood packaging	*Tons*	*3,291*	*96%*	*3,288*	*2,912*	*+13%*
Consumption of paper	**Tons**	**2,518**	**94%**	**2,502**	**2,526**	**-1%**
Including:						
Commercial paper	*Tons*	*1,402*	*94%*	*1,399*	*1,296*	*+8%*
WASTE						
Total quantity of waste generated	Tons	22,913	92%	18,134	20,376	-11%
Including total quantity of waste recovered	*Tons*	*14,443*	*92%*	*12,879*	*12,564*	*+3%*
% of branches collecting WEEE from customers	%	76	92%	72	57	+26%
GREENHOUSE GAS EMISSIONS						
Scope 1 direct emissions	**CO_2 e. tons**	**86,412**	**96%**	**85,904**	**87,621**	**-2%**
Including:						
Energy-related emissions – on-site combustion	*CO_2 e. tons*	*29,052*	*96%*	*29,050*	*30,843*	*-6%*
Emissions linked to the transportation of products	*CO_2 e. tons*	*26,007*	*96%*	*25,911*	*26,814*	*-3%*
Emissions linked to business travels by car	*CO_2 e. tons*	*31,353*	*96%*	*30,943*	*29,964*	*+3%*
Scope 2 indirect emissions						
Emissions related to the production of purchased electricity	CO_2 e. tons	51,008	96%	50,916	54,182	-6%
SALES OF ECO-EFFICIENCY AND RENEWABLE ENERGY SOLUTIONS						
Sales from energy efficiency	In millions of euros	–	–	523	450	+16.3%
Sales from renewable energy solutions	In millions of euros	–	–	270	292	-7.5%

3

3.4 REPORT OF THE INDEPENDENT THIRD PARTY

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Rexel

Year ended December 31, 2012

Independent verifier's attestation and assurance report on social, environmental and societal information

To the Chief Executive Officer

Pursuant to your request and in our capacity as independent verifier of Rexel (hereafter the **"Company"**), we hereby report to you on the consolidated social, environmental and societal information presented in the management report issued for the year ended December 31, 2012 in accordance with the requirements of Article L.225-102-1 of the French Commercial Code *(Code de commerce)*.

Management's responsibility

The Board of Directors is responsible for the preparation of the management report including the consolidated social, environmental and societal information (the **"Information"**) in accordance with the requirements of Article R.225-105-1 of the French Commercial Code *(Code de commerce)*, presented as required by the Company's internal reporting standards (the **"Guidelines"**) and available at the Company's headquarters, a summary of which is provided on pages 60 to 61 and 72 to 74 of this management report (the **"Methodology Note"**).

Our independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession *(Code de déontologie)* and Article L.822-11 of the French Commercial Code *(Code de commerce)*. In addition, we maintain a comprehensive system of quality control including documented policies and procedures to ensure compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent verifier's responsibility

It is our role, on the basis of our work:

- To attest whether the required Information is presented in the management report or, if not presented, whether an appropriate explanation is given in accordance with the third paragraph of Article R.225-105 of the French Commercial Code *(Code de commerce)* and Decree no. 2012-557 dated April 24, 2012 (Attestation of presentation);
- To provide limited assurance on whether the Information is fairly presented, in all material respects, in accordance with the Guidelines (limited assurance).

1. Attestation of presentation

Our engagement was performed in accordance with professional standards applicable in France:

- We compared the Information presented in the management report with the list as provided for in Article R.225-105-1 of the French Commercial Code *(Code de commerce)*;
- We verified that the Information covers the consolidated perimeter, namely the Company and its subsidiaries within the meaning of Article L.233-1 and the controlled entities within the meaning of Article L.233-3 of the French Commercial Code *(Code de commerce)* within the limits specified in the Methodology Note presented on pages 60 to 61 and 72 to 74 of the management report;
- In the event of the omission of certain consolidated Information, we verified that an appropriate explanation was given in accordance with Decree no. 2012-557 dated April 24, 2012.

On the basis of our work, we attest that the required Information is presented in the management report.

2. Assurance report

Nature and scope of the work

We conducted our engagement in accordance with ISAE 3000 (International Standard on Assurance Engagements) and French professional guidance.

We performed the following procedures to obtain limited assurance that nothing has come to our attention that causes us to believe that the Information is not fairly presented, in all material respects, in accordance with the Guidelines.

Our work consisted in the following:

- We assessed the appropriateness of the Guidelines as regards their relevance, completeness, neutrality, clarity and reliability, taking into consideration, where applicable, the good practices in the sector.

– We verified that the Company had set up a process for the collection, compilation, processing and control of the Information to ensure its completeness and consistency. We examined the internal control and risk management procedures relating to the preparation of the Information. We conducted interviews with those responsible for social and environmental reporting.

– We selected the consolidated Information to be tested and determined the nature and scope of the tests, taking into consideration their importance with respect to the social and environmental consequences related to the Company's business and characteristics, as well as its societal commitments.

- Concerning the quantitative consolidated information that we deemed to be the most important:
  - ➢ at the level of the consolidating entity and the controlled entities, we implemented analytical procedures and, based on sampling, verified the calculations and the consolidation of this information;
  - ➢ at the level of the entities that we selected [1] based on their business, their contribution to the consolidated indicators and a risk analysis:
    - we conducted interviews to verify that the procedures were correctly applied and to identify any omissions;
    - we performed tests of detail based on sampling, consisting in verifying the calculations made and reconciling the data with the supporting documents.

    The sample thus selected represents 22% of the workforce and between 17% and 58% of the quantitative environmental information tested.

- Concerning the qualitative consolidated information that we deemed to be the most important, we conducted interviews and reviewed the related documentary sources in order to corroborate this information and assess its fairness. As regards the subject of fair practices, interviews were only performed at the level of the consolidating entity.

– As regards the other consolidated information published, we assessed its fairness and consistency in relation to our knowledge of the Company and, where applicable, through interviews or the consultation of documentary sources.

– Finally, we assessed the relevance of the explanations given in the event of the absence of certain information.

Conclusion

Based on our work described in this report, nothing has come to our attention that causes us to believe that the Information is not fairly presented, in all material respects, in accordance with the Guidelines.

Paris La Défense, February 11, 2013

The Independent Verifier
ERNST & YOUNG et Associés

French original signed by:
Eric Mugnier

(1) The selected entities were Hagemeyer Deutschland (Germany), Rexel UK Ltd (United Kingdom), Elektro Material AG (Switzerland), Elektroskandia Suomi Oy (Finland) et Rexel Chile SA (Chile).

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4

RESULTS OF OPERATIONS AND FINANCIAL POSITION OF THE REXEL GROUP

4.1 GENERAL OVERVIEW 80

4.1.1 Rexel Group overview 80
4.1.2 Seasonality 80
4.1.3 Effects of changes in copper price 81
4.1.4 Comparability of the Rexel Group's operating results 81

4.2 CONSOLIDATED RESULTS 83

4.2.1 Rexel's consolidated financial results 83
4.2.2 Europe 86
4.2.3 North America 87
4.2.4 Asia-Pacific 88
4.2.5 Latin America 90
4.2.6 Other operations 91

4.3 CASH FLOW STATEMENT 92

4.3.1 Cash flow from operating activities 93
4.3.2 Cash flow from investing activities 93
4.3.3 Cash flow from financing activities 94

4.4 SOURCES OF FINANCING 95

4.5 OUTLOOK 96

4.5.1 Rexel Group 2012 outlook and estimates 96
4.5.2 Rexel Group outlook for 2013 96
4.5.3 Rexel Group medium-term outlook 96

4.6 SIGNIFICANT CHANGES IN THE ISSUER'S FINANCIAL OR COMMERCIAL POSITION 96

Pursuant to article 28 of the Commission Regulation (EC) N°809/2004 of April 29, 2004, the following information is incorporated by reference in this *Document de Référence*:

- the operating and financial review of the Rexel Group for the year ended December 31, 2011 which is included in pages 77 to 93 and the consolidated financial statements which are included in pages 96 to 154 of the *Document de Référence* filed with the *Autorité des marchés financiers* on March 15, 2012, under number D.12-0164; and
- the operating and financial review of the Rexel Group for the year ended December 31, 2010 which is included in pages 71 to 83 and the consolidated financial statements which are included in pages 89 to 148 of the *Document de Référence* filed with the *Autorité des marchés financiers* on April 11, 2011 under number D.11-0272, as supplemented by the update to the *Document de Référence* filed with the AMF on April 28, 2011 under number D.1-0272-A01.

The information in these documents that is not incorporated by reference is either irrelevant for the investor or is covered in another section of this *Document de Référence*.

4

4.1 GENERAL OVERVIEW

The activity report is presented in euros and all numbers are rounded to the nearest tenth of a million, except where otherwise stated. Totals and sub-totals presented in the activity report are first computed in thousands of euros and then rounded to the nearest tenth of a million. Thus, the numbers may not sum precisely due to rounding.

4.1.1 Rexel Group overview

The Group is a worldwide leader in the professional distribution of low and ultra-low voltage electrical products, based on sales and number of branches. The Group principally operates in four geographic areas: Europe, North America, Asia-Pacific and Latin America; this last segment, which in prior years was presented in “Other operations”, is now presented separately. The “Other operations” segment now mainly includes unallocated corporate overhead expenses, as other businesses managed at Group level and previously reported in this segment are now reported under the Europe segment. This geographic segmentation is based on the Group’s financial reporting structure.

In 2012, the Group recorded consolidated sales of €13,449.2 million, of which €7,448.6 million were generated in Europe (56% of sales), €4,348.6 million in North America (32% of sales), €1,341.9 million in Asia-Pacific (10% of sales) and €310.0 million in Latin America (2% of sales).

Europe (56% of Group sales) consists of France (which accounts for 33% of Group sales in this region), Germany, the United Kingdom, Ireland, Austria, Switzerland, the Netherlands, Belgium, Luxembourg, Sweden, Finland, Norway, Italy, Spain and Portugal, as well as several other Central and Northern European countries (Slovenia, Slovakia, the Czech Republic, Poland, Russia and the Baltic States).

North America (32% of Group sales) consists of the United States and Canada. The United States accounts for 69% of Group sales in this region, and Canada for 31%.

Asia-Pacific (10% of Group sales) consists of Australia, New Zealand, China and India, as well as certain countries in Southeast Asia (Indonesia, Malaysia, Singapore, South Korea, Thailand and Vietnam). Australia accounts for 58% of Group sales in this region.

Latin America (2% of Group sales) consists of Brazil, Chile and Peru. Brazil accounts for 58% of Group sales in this region.

This activity report analyses the Group’s sales, gross profit, distribution and administrative expenses, and operating income before amortization of intangible assets recognized on purchase price allocations and other income and other expenses (EBITA) separately for each of the four geographic segments, as well as for the Other operations segment.

4.1.2 Seasonality

Despite the low impact of seasonality on sales, changes in the Group’s working capital requirements lead to variations in cash flows over the course of the year. As a general rule, the Group's cash flows are the strongest in the fourth quarter while relatively lower in the three other quarters, because of higher working capital requirements in those periods.

4.1.3 Effects of changes in copper price

The Group is indirectly exposed to fluctuations in copper price in connection with its distribution of cable products. Cables represent approximately 17% 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 suppliers' commercial policies and the competitive environment of markets in which the Group operates. Changes in copper price have an estimated "recurring" and "non-recurring" effect on the Group's performance, assessed as part of the monthly internal reporting process of the Rexel Group:

– **the recurring effect** related to the change in copper-based cable prices corresponds to the change in the value of the copper included in the sales price of cables from one period to another. This effect mainly relates to sales;

– **the non-recurring effect** related to the change in copper-based cable 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 such inventory has been reconstituted (direct effect on gross profit). In practice, 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, where appropriate, by the non-recurring portion of changes in distribution and administrative expenses (principally the variable portion of compensation of sales personnel, which accounts for approximately 10% of the change in gross profit).

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

4.1.4 Comparability of the Rexel Group's operating results

The Group undertakes acquisitions and disposals that may alter its scope of consolidation from one period to another. Second, currency exchange rates may also fluctuate significantly. In addition, the number of working days in each period also has an impact on the Group's consolidated sales. Lastly, the Group is exposed to fluctuations in copper price. For these reasons, a comparison of the Group's reported operating results over different periods may not provide a meaningful comparison of its underlying business performance. Therefore, in the analysis of the Group's consolidated results presented below, financial information is also restated to give effect to the following adjustments.

Excluding the effects of acquisitions and disposals

The Group adjusts its results to exclude the effects of acquisitions and disposals. Generally, the Group includes the results of an acquired company in its consolidated financial statements at the date of the acquisition and ceases to include the results of a divested company at the date of its disposal. To neutralize the effects of acquisitions and disposals on the analysis of its operations, the Group compares the results of the current year against the results of the preceding financial year, as if the preceding financial year had the same scope of consolidation for the same periods as the current year.

Excluding the effects of exchange rate fluctuations

Fluctuations in currency rates against the euro affect the value of the Group's sales, expenses and other balance sheet items as well as the income statement. By contrast, the Group has relatively low exposure to currency transaction risk, as cross-border transactions are limited. To neutralize the currency translation effect on the comparability of its results, the Group restates its comparative period results at the current year's exchange rates.

Excluding the non-recurring effect related to changes in copper price

To analyze the financial performance on a constant adjusted basis, the estimated non-recurring effect related to changes in copper-based cable prices, as described in paragraph 4.1.3 above, is excluded from the information presented for both the current and the previous periods. Such information is referred to as "adjusted" throughout this activity report.

Excluding the effects of different numbers of working days in each period on sales

The Group's sales in a given period compared with another period are affected by the number of working days, which changes from one period to another. In the analysis of its consolidated sales, the Group neutralizes this effect by proportionally adjusting the comparative sales number of the comparative period to match with the current period's number of working days. No attempt is made to adjust any line items other than sales for this effect, as it is not considered relevant.

Accordingly, in the following discussion of the Group's consolidated results, some or all of the following information is provided for comparison purposes:

- **on a constant basis,** which means excluding the effect of acquisitions and disposals and the effect of fluctuations in exchange rates. Such information is used for comparison of sales and headcount;
- **on a constant and same number of working days basis,** which means on a constant basis (as described above) and restated for the effect of different numbers of working days in each period. Such information is used only for comparisons related to sales; and
- **on a constant basis,** adjusted, which means on a constant basis (as described above) and adjusted for the estimated non-recurring effect related to changes in copper-based cable prices. Such information is used for comparisons of gross profit, distribution and administrative expenses, and EBITA. This information is not generated directly by the Group's accounting systems but is an estimate of comparable data in accordance with the principles explained above.

Changes in accounting methods

As of June 30, 2012, Rexel has elected for the early adoption of revised IAS 19 "Employee Benefits" following its endorsement by the EU on June 6, 2012. The early adoption of this amendment provides further information as to the Group's financial situation, in particular the presentation in the financial statements of the surplus or deficit of pension funds. Accounting policy changes have been applied retrospectively as of January 1, 2011 and comparative information have been adjusted to reflect the impact on the income statement of this early adoption as follows:

(in millions of euros)	AT DECEMBER 31, 2011	AT JUNE 30, 2012
Decrease in distribution and administrative expenses	2.7	3.2
Increase of financial expenses	(6.0)	(4.5)
Deferred taxes	0.3	0.2
Decrease in net income	**(3.0)**	**(1.1)**

The Group uses the "EBITA" and "Adjusted EBITA" measures to monitor its performance. Neither EBITA nor Adjusted EBITA is an accepted accounting measure under IFRS. The table below reconciles reported operating income before other income and other expenses to Adjusted EBITA on a constant basis.

	YEAR ENDED DECEMBER 31,	
(in millions of euros)	2012	2011
Operating income before other income and other expenses	**754.1**	**706.6**
Change in scope effects	–	13.6
Foreign exchange effects	–	25.5
Non-recurring effect related to copper	(1.8)	6.4
Amortization of the intangible assets recognized as part of the allocation of the purchase price of acquisitions	13.3	15.7
Adjusted EBITA on a constant basis	**765.6**	**767.8**

4.2 CONSOLIDATED RESULTS

4.2.1 Rexel's consolidated financial results

The following table sets out Rexel's consolidated income statement for the full year of 2012 and 2011, in millions of euros and as a percentage of sales.

(in millions of euros)	YEAR ENDED DECEMBER 31, 2012	2011	Change in %
REPORTED			
Sales	**13,449.2**	**12,717.1**	**5.8%**
Gross profit	3,315.0	3,117.5	6.3%
Distribution and administrative expenses (1)	(2,547.6)	(2,395.2)	6.4%
EBITA	**767.4**	**722.3**	**6.2%**
Amortization (2)	(13.3)	(15.7)	(14.9)%
Operating income before other income and expenses	**754.1**	**706.6**	**6.7%**
Other income and expenses	(106.7)	(107.0)	(0.3)%
Operating income	647.4	599.6	8.0%
Financial expenses	(200.1)	(197.1)	1.5%
Share of income from associates	3.1	2.8	10.8%
Income taxes	(131.7)	(89.3)	47.5%
Net income	**318.6**	**316.0**	**0.8%**
as a % of sales	*2.4%*	*2.5%*	
(1) Of which depreciation.	(73.7)	(72.5)	1.7%

(2) Amortization of the intangible assets recognized as part of the allocation of the purchase price of acquisitions.

(in millions of euros)	YEAR ENDED DECEMBER 31, 2012	2011	Change in %
CONSTANT BASIS ADJUSTED FINANCIAL DATA			
Sales	**13,449.2**	**13,711.2**	**(1.9)%**
Same number of working days			*(1.8)%*
Gross profit	3,312.9	3,352.3	(1.2)%
as a % of sales	*24.6%*	*24.4%*	
Distribution and administrative expenses	(2,547.3)	(2,584.5)	(1.4)%
as a % of sales	*(18.9)%*	*(18.8)%*	
EBITA	**765.6**	**767.8**	**(0.3)%**
as a % of sales	***5.7%***	***5.6%***	

Sales

In 2012, Rexel's consolidated sales amounted to €13,449.2 million, a 5.8% increase from 2011, fueled by a positive currency impact and acquisitions, each of them representing respectively 4.0% and 3.8%.

The effect of acquisitions, net of disposals, amounted to €479.2 million and resulted from:

- Acquisitions accounting for €544.1 million, of which Europe for €200.5 million (Eurodis and Société Commerciale Toutelectric (SCT) in France, Wilts Electrical Wholesale in the United Kingdom, Erka in Spain and La Grange in Belgium), North America for €232.6 million (Platt Electric Supply and Munro Distributing in the United States and Liteco in Canada), Asia-Pacific for €23.1 million (Zhongheng in China and AD Electronics in India) and Latin America for €87.9 million (V&F Tecnologia and Dirome in Peru, Delamano and Etil in Brazil); and
- Divestments accounting for €64.9 million, related to the disposal of the non-core ACE business (Agencies/Consumer Electronics), in 2011.

In 2012, the Group recorded a positive currency impact of €515.0 million, mainly due to the strengthening against the euro of the other major currencies (including the U.S. dollar) in which it records sales.

On a constant and same number of working days basis, sales decreased by 1.8%, partially impacted by lower copper-based cable prices and weaker photovoltaic market. By geography, Europe declined by 3.3%, North America was up by 1.8%, Asia-Pacific posted a drop of 5.5% and in Latin America sales grew by 3.7%. Excluding the negative impact of 0.7 percentage point due to the lower copper-based cable prices compared to 2011 and the negative impact of 0.3 percentage point due to lower photovoltaic sales, sales were down 0.8%, on a constant basis and same number of working days. On a constant and actual number of working days basis, sales decreased by 1.9% as the calendar impact was positive at 0.1 percentage point.

SALES GROWTH 2012 COMPARED TO 2011

	Q1	Q2	Q3	Q4	YEAR-TO-DATE
Growth on a constant basis and same number of working days	1.7%	(0.1)%	(3.6)%	(4.7)%	(1.8)%
Number of working days effect	2.6%	(1.0)%	(0.6)%	(1.0)%	(0.1)%
Growth on a constant basis and actual number of working days (a)	***4.3%***	***(1.1)%***	***(4.2)%***	***(5.7)%***	***(1.9)%***
Changes in scope effect	0.6%	2.3%	6.0%	5.9%	3.8%
Foreign exchange effect	2.4%	4.7%	6.0%	3.1%	4.0%
Total scope and currency effects (b)	***3.0%***	***6.9%***	***11.9%***	***9.0%***	***7.8%***
Effective growth (a) x (b) (1)	**7.4%**	**5.8%**	**7.2%**	**2.9%**	**5.8%**

(1) Organic growth compounded by the scope and currency effects.

Gross profit

In 2012, gross profit amounted to €3,315.0 million, an increase of 6.3% as compared to 2011, on a reported basis. On a constant basis, adjusted gross profit slightly decreased by 1.2% and adjusted gross margin increased by 20 basis points to 24.6% of sales, mainly coming from better purchasing conditions in Europe.

Distribution & administrative expenses

In 2012, distribution and administrative expenses amounted to €2,547.6 million, a 6.4% increase as compared to 2011, on a reported basis. On a constant basis, adjusted distribution and administrative expenses decreased by 1.4%, while sales decreased by 1.9%. Personnel costs and other external expenditures decreased respectively by 0.9% and 1.1%, as well as building and occupancy expenses that declined by 3.3%, reflecting the effect of the 111 branch closures in 2012, mainly in the United Kingdom and the United States. At December 31, 2012, the number of employees totaled 30,416 (on a full time equivalent basis), a 2.5% decrease compared to December 31, 2011.

EBITA

In 2012, EBITA stood at €767.4 million, an increase of 6.2% from 2011, on a reported basis. On a constant basis, adjusted EBITA is almost flat at -0.3% and adjusted EBITA margin improved by 10 basis points to 5.7%. This improvement resulted from higher gross margin along with control over distribution and administrative expenses.

Other income and expenses

In 2012, other income and expenses represented a net expense of €106.7 million, consisting mainly of:

- €45.7 million goodwill impairment on the following cash-generating units: The Netherlands for €23.9 million, New Zealand for €20.2 million and Slovenia for €1.6 million, as a result of lower than expected 2012 performance, resulting in downward revised long term perspectives;
- €49.9 million restructuring costs mainly related to restructuring plans in Europe for €39.6 million, mainly in the United Kingdom, Germany, France, Sweden and in The Netherlands; in North America for €5.1 million and in Asia-pacific for €4.4 million;
- €7.8 million acquisition costs arising from completed and on-going transactions; and
- these expenses were partially compensated by €7.8 million income with respect to the release of an unused provision following a favorable judgment on a tax reassessment.

In 2011, other income and expenses represented a net expense of €107.0 million, consisting mainly of:

- €87.9 million impairment of goodwill, tangible and intangible assets on The Netherlands (€47.2 million), Spain (€20.7 million), Slovenia (€7.6 million) and New Zealand (€4.7 million), and €7.0 million of impairment on the assets of Hagemeyer Brands Australia, disposed of in July 2011;
- €39.8 million of costs related to restructuring plans implemented in Europe (€31.2 million, mainly in Spain, in the United Kingdom and in The Netherlands), in North America (€6.3 million) and Asia-Pacific (€1.9 million, mainly in New Zealand); and
- Partially compensated by a €26.1 million gain related to the disposal of Hagemeyer Brands Australia and Kompro B.V.

Net Financial income / (expenses)

In 2012, net financial expenses stood at €200.1 million, as compared to €197.1 million in 2011. The effective interest rate was 7.0% in 2012 (7.2% in 2011), as a result of the optimization of the use of cash available and lower nominal interest rates.

Share of profit/(loss) of associates

In 2012, the share of profit of associates amounted to €3.1 million, related to DPI (US consumer electronics retail distributor), compared to €2.8 million in 2011.

Tax expense

The effective tax rate was 29.4% in 2012, compared to 22.2% in 2011. In 2011, the tax rate included the impact of UK tax losses carried forward and incurred in previous periods that were recognized as a result of the group's ability to utilize these losses against future taxable profits, due to the recovery of the UK operations.

Net income

Net income amounted to €318.6 million in 2012, a 0.8% increase as compared to €316.0 million in 2011. The positive evolution of the operating income is offset by the rise in the effective tax rate.

4.2.2 Europe (56% of Group sales)

(in millions of euros)	YEAR ENDED DECEMBER 31, 2012	2011	Change in %
REPORTED			
Sales	**7,448.6**	**7,420.7**	**0.4%**
Gross profit	2,015.2	1,958.9	2.9%
Distribution and administrative expenses	(1,481.5)	(1,447.0)	2.4%
EBITA	**533.7**	**511.9**	**4.3%**
as a % of sales	*7.2%*	*6.9%*	

(in millions of euros)	YEAR ENDED DECEMBER 31, 2012	2011	Change in %
CONSTANT BASIS ADJUSTED FINANCIAL DATA			
Sales	**7,448.6**	**7,723.7**	**(3.6)%**
Same number of working days			*(3.3)%*
Gross profit	2,012.1	2,042.9	(1.5)%
as a % of sales	*27.0%*	*26.4%*	
Distribution and administrative expenses	(1,481.3)	(1,524.6)	(2.8)%
as a % of sales	*(19.9)%*	*(19.7)%*	
EBITA	**530.9**	**518.3**	**2.4%**
as a % of sales	***7.1%***	***6.7%***	

In 2012, sales in Europe amounted to €7,448.6 million, an increase of 0.4% from 2011, on a reported basis. Acquisitions accounted for €200.5 million. Favorable exchange rate variations accounted for €102.5 million, due to the appreciation of the British Pound and the Swiss franc against the euro. On a constant and same number of working days basis, sales decreased by 3.3% from 2011, reflecting the economic slowdown of major European countries. Excluding the negative impact of photovoltaic sales, sales decreased by 2.8%, on a constant basis and same number of working days.

In France, sales amounted to €2,484.6 million in 2012, a 2.4% decrease as compared to 2011 on a constant and same number of working days basis, reflecting lower demand on the three end-markets and, consequently, a decrease in cable sales and industrial equipment partially offset by higher volumes in lighting products.

In the United Kingdom, sales amounted to €1,042.3 million in 2012, a decrease of 3.3% from 2011 on a constant and same number of working days basis, reflecting the unfavorable impact of branch closures and the drop in photovoltaic sales. Excluding both effects, sales decreased by 1.8% from 2011 on a constant and same number of working days basis, mainly resulting from lower projects activity, especially due to the base effect of the Olympics that favored 2011.

In Germany, sales amounted to €867.6 million in 2012, a 4.1% decrease from 2011 on a constant and same number of working days basis. Excluding photovoltaic sales, sales were down 1.3% from 2011 on a constant and same number of working days basis, reflecting a lower demand in the construction and industrial end-markets.

In Scandinavia sales amounted to €934.6 million in 2012, a decrease of 1.2% from 2011 on a constant and same number of working days basis. A 0.7% increase in sales was recorded in the operations in Norway while sales in Finland and Sweden posted respectively a 2.5% and 2.0% decrease.

In Benelux, sales amounted to €604.1 million in 2012, a 6.9% decrease from 2011 on a constant and same number of working days basis. Operations in Belgium decreased by 3.5%, affected by photovoltaic sales (-2.0% excluding photovoltaic sales), and the operations in The Netherlands posted a 9.6% decline from 2011 on a constant and same number of working days basis, as a consequence of difficult market conditions and an ongoing company reorganization process.

In Switzerland and Austria, sales amounted respectively to €414.7 million and €314.0 million in 2012. Switzerland posted a 1.4% increase from 2011 on a constant and same number of working days basis, mainly driven by higher sales of cables and lightings thanks to solid construction and industrial markets. Austria recorded a 5.2% increase from 2011 on a constant and same number of working days basis, driven by industrial and construction segments despite fierce competition.

In Southern Europe, sales amounted to €402.3 million in 2012, decreasing by 10.5% from 2011 on a constant and same number of working days basis, largely due to the macro-economic environment in Spain and Italy, with a 14.4% and 6.8% decrease from 2011, respectively.

In 2012, Europe recorded a gross profit of €2,015.2 million, an increase of 2.9% from 2011, on a reported basis. On a constant basis, adjusted gross profit decreased by 1.5% and adjusted gross margin was 27.0% of sales, an improvement of 60 basis points from 2011, mainly due to improved product mix and better purchasing terms.

Distribution and administrative expenses amounted to €1,481.5 million, a 2.4% increase from 2011, on a reported basis. On a constant basis, adjusted distribution and administrative expenses decreased by 2.8% in 2012, while sales decreased by 3.6%. Personnel costs decreased by 3.1% as compared to 2011. This decrease is mainly related to a reduction of workforce (17,057 employees at December 31, 2012, a 3.7% decrease compared to December 31, 2011) and lower employee incentives. Building and occupancy expenses decreased by 3.8% as compared to 2011 due to a reorganization of the branch network (40 branch closures) and other external expenditures decreased by 1.6% as compared to 2011.

In 2012, EBITA amounted to €533.7 million, a 4.3% increase from 2011, on a reported basis. On a constant basis, adjusted EBITA increased by 2.4% while the adjusted EBITA margin increased by 40 basis points to 7.1% of sales.

4

4.2.3 North America (32% of Group sales)

	YEAR ENDED DECEMBER 31,		
(in millions of euros)	**2012**	**2011**	**Change in %**
REPORTED			
Sales	**4,348.6**	**3,738.2**	**16.3%**
Gross profit	945.7	801.7	18.0%
Distribution and administrative expenses	(720.1)	(628.0)	14.7%
EBITA	**225.6**	**173.7**	**29.9%**
as a % of sales	*5.2%*	*4.6%*	

	YEAR ENDED DECEMBER 31,		
(in millions of euros)	**2012**	**2011**	**Change in %**
CONSTANT BASIS ADJUSTED FINANCIAL DATA			
Sales	**4,348.6**	**4,267.5**	**1.9%**
Same number of working days			*1.8%*
Gross profit	946.1	925.2	2.3%
as a % of sales	*21.8%*	*21.7%*	
Distribution and administrative expenses	(720.1)	(722.7)	(0.4)%
as a % of sales	*(16.6)%*	*(16.9)%*	
EBITA	**226.0**	**202.5**	**11.6%**
as a % of sales	***5.2%***	***4.7%***	

In 2012, sales in North America amounted to €4,348.6 million, up 16.3% compared to 2011, on a reported basis. The acquisitions of Platt Electric Supply and Munro Distributing in the United States and Liteco in Canada, accounted for €232.6 million. Favorable exchange rate variations accounted for €296.7 million, due to the appreciation of both US and Canadian dollar against the euro during the period. On a constant and same number of working days basis, sales increased by 1.8% in 2012 compared to 2011.

In the United States, sales rose to €2,999.0 million in 2012, an increase of 1.0% from 2011 on a constant and same number of working days basis. Growth was driven by the oil & gas industry and energy conservation projects. We saw the first sign of recovery in residential and commercial markets. Excluding the unfavorable effect of branch closures, sales grew by 2.9% from 2011 on a constant and same number of working days basis.

In Canada, sales amounted to €1,349.5 million in 2012, up by 3.5% from 2011 on a constant and same number of working days basis. Sales were strong in the industrial end-market, particularly in the mining and oil & gas sectors.

In 2012, in North America, gross profit amounted to €945.7 million, an increase of 18.0% from 2011, on a reported basis. On a constant basis, adjusted gross profit increased by 2.3% and adjusted gross margin increased by 10 basis points compared with 2011 at 21.8% of sales, mainly due to pricing initiatives in the United States.

Distribution and administrative expenses amounted to €720.1 million, a 14.7% increase as compared to 2011, on a reported basis. On a constant basis, compared to the 1.9% increase in sales, adjusted distribution and administrative expenses decreased by 0.4% in 2012. Personnel costs slightly increased by 0.9% from 2011. The workforce was 8,647 employees as of December 31, 2012, and remained stable compared to December 31, 2011. Building and occupancy expenses decreased by 5.7% in 2012 as compared to 2011, benefiting from the reorganization of the branch network (29 branch closures in 2012).

In 2012, EBITA rose to €225.6 million, an increase of 29.9% from 2011, on a reported basis. On a constant basis, adjusted EBITA rose by 11.6% from 2011 and the adjusted EBITA margin increased by 50 basis points to 5.2% of sales.

4.2.4 Asia-Pacific (10% of Group sales)

(in millions of euros)	YEAR ENDED DECEMBER 31, 2012	2011	Change in %
REPORTED			
Sales	**1,341.9**	**1,278.4**	**5.0%**
Gross profit	281.2	279.8	0.5%
Distribution and administrative expenses	(221.2)	(201.9)	9.5%
EBITA	**60.0**	**77.9**	**(22.9)%**
as a % of sales	*4.5%*	*6.1%*	

(in millions of euros)	YEAR ENDED DECEMBER 31, 2012	2011	Change in %
CONSTANT BASIS ADJUSTED FINANCIAL DATA			
Sales	**1,341.9**	**1,418.6**	**(5.4)%**
Same number of working days			*(5.5)%*
Gross profit	281.8	314.6	(10.4)%
as a % of sales	*21.0%*	*22.2%*	
Distribution and administrative expenses	(221.2)	(229.0)	(3.4)%
as a % of sales	*(16.5)%*	*(16.1)%*	
EBITA	**60.6**	**85.5**	**(29.2)%**
as a % of sales	***4.5%***	***6.0%***	

In 2012, sales in Asia-Pacific amounted to €1,341.9 million, up 5.0% from 2011, on a reported basis. The acquisitions of Chinese and Indian entities contributed €23.1 million to the increase, with a further €117.2 million from favorable exchange rate variation, primarily due to the appreciation of the Australian dollar against the euro. On a constant and same number of working days basis, sales decreased by 5.5% in 2012.

Australia recorded a 7.4% decrease in sales to €773.2 million from 2011, on a constant and same number of working days basis, macro-economic conditions remaining difficult and the mining industry deteriorating in the fourth quarter 2012 (decrease in commodity prices and implementation of a new carbon tax as from July 1, 2012) and have been affected by closures of 19 branches. Excluding the unfavorable branch closure effect, sales decreased by 5.5% compared to 2011.

New Zealand recorded sales of €133.7 million in 2012, a decrease of 9.7% on a constant and same number of working days basis, from 2011. Sales have been mainly affected by the poor macro-economic environment and by the successive earthquakes in Christchurch that delayed reconstruction work.

In China, sales amounted to €364.9 million in 2012, up 2.0% from 2011, on a constant and same number of working days basis, mainly driven by the industrial automation segment and projects and affected by lower wind-power activity following the anti-dumping tax the United States enforced in July. Excluding the drop in wind-power activity, sales growth stood at 3.8%, on a constant and same number of working days basis compared to 2011.

In 2012, in Asia-Pacific, gross profit increased by 0.5% to €281.2 million, on a reported basis. On a constant basis, adjusted gross profit decreased by 10.4% from 2011 and adjusted gross margin was 21.0% of sales, a decrease of 120 basis points from 2011, as a result of unfavorable macroeconomics conditions (including commodity prices), unfavorable country mix effect (higher sales from China with lower gross margin) and one-off adjustments.

Distribution and administrative expenses amounted to €221.2 million, a 9.5% increase, on a reported basis. On a constant basis, adjusted distribution and administrative expenses decreased by 3.4% from 2011, while sales decreased by 5.4%. Personnel costs decreased by 4.4%, and workforce stood at 2,730 employees at December 31, 2012, a 6.7% decrease compared to December 31, 2011. Building and occupancy expenses and other external expenses decreased respectively by 0.6% and 4.8%, as compared to 2011.

In 2012, EBITA amounted to €60.0 million, a 22.9% decrease as compared to 2011, on a reported basis. On a constant basis, adjusted EBITA decreased by 29.2% from 2011. Adjusted EBITA margin decreased by 150 basis points to 4.5% of sales.

4.2.5 Latin America (2% of Group sales)

(in millions of euros)	YEAR ENDED DECEMBER 31, 2012	2011	Change in %
REPORTED			
Sales	**310.0**	**214.9**	**44.3%**
Gross profit	70.9	50.1	41.5%
Distribution and administrative expenses	(64.8)	(39.9)	62.3%
EBITA	**6.2**	**10.2**	**(39.7)%**
as a % of sales	*2.0%*	*4.7%*	

(in millions of euros)	YEAR ENDED DECEMBER 31, 2012	2011	Change in %
CONSTANT BASIS ADJUSTED FINANCIAL DATA			
Sales	**310.0**	**301.4**	**2.8%**
Same number of working days			*3.7%*
Gross profit	71.0	68.1	4.3%
as a % of sales	*22.9%*	*22.6%*	
Distribution and administrative expenses	(64.8)	(55.1)	17.5%
as a % of sales	*(20.9)%*	*(18.3)%*	
EBITA	**6.3**	**13.0**	**(51.7)%**
as a % of sales	***2.0%***	***4.3%***	

In 2012, sales in Latin America amounted to €310.0 million, up 44.3% from 2011, on a reported basis. The acquisitions of Peruvian and Brazilian entities contributed €87.9 million to the increase.

In 2012, on a constant and same number of working days basis, sales increased by 3.7% from 2011. Sales in Brazil decreased by 1.0% (58% of sales in this segment), whereas Chilean (36% of sales in this segment) and Peruvian (6% of sales in this segment) operations posted a double-digit performance, with respectively 10.1% and 18.9% increase in sales compared to 2011.

In 2012, in Latin America, gross profit amounted to €70.9 million, an increase of 41.5% from 2011, on a reported basis. On a constant basis the adjusted gross profit increased by 4.3% from 2011 and adjusted gross margin was 22.9% of sales, an increase of 30 basis points from 2011, as a result of better purchase conditions and lower inventory losses in Brazil.

Distribution and administrative expenses amounted to €64.8 million, a 62.3% increase on a reported basis. On a constant basis, adjusted distribution and administrative expenses increased by 17.5% from 2011, while sales increased by 2.8%. Personnel costs increased by 24.8% mainly due to inflation and costs incurred to build up a solid business platform in Brazil. In addition, the workforce increased by 3.1% compared to December 31, 2011, to 1,775 employees at December 31, 2012.

In 2012, EBITA amounted to €6.2 million, a 39.7% decrease compared to 2011, on a reported basis. On a constant basis, adjusted EBITA decreased by 51.7% compared to 2011. Adjusted EBITA margin decreased by 230 basis points to 2.0% of sales.

4.2.6 Other operations

(in millions of euros)	YEAR ENDED DECEMBER 31, 2012	2011	Change in %
REPORTED			
Sales	**0.2**	**64.9**	**(99.7)%**
Gross profit	1.9	27.0	(93.0)%
Distribution and administrative expenses	(60.0)	(78.3)	(23.4)%
EBITA	**(58.1)**	**(51.3)**	**13.3%**
as a % of sales	*N/A*	*N/A*	

(in millions of euros)	YEAR ENDED DECEMBER 31, 2012	2011	Change in %
CONSTANT BASIS ADJUSTED FINANCIAL DATA			
Sales	**0.2**	**–**	**N/A**
Same number of working days			*N/A*
Gross profit	1.9	1.5	25.3%
as a % of sales	*N/A*	*N/A*	
Distribution and administrative expenses	(60.0)	(53.1)	13.0%
as a % of sales	*N/A*	*N/A*	
EBITA	**(58.1)**	**(51.6)**	**12.6%**
as a % of sales	***N/A***	***N/A***	

This segment mostly includes unallocated corporate overhead expenses. In 2011, the €64.9 million sales, reported in this segment, were related to the ACE businesses that were divested in 2011.

On a constant basis, EBITA decreased by €6.5 million as compared to 2011, mainly due to new profit sharing plans for employees, higher executive compensation and consulting fees linked to launching the new company plan Energy in Motion.

4.3 CASH FLOW STATEMENT

(in millions of euros)		YEAR ENDED DECEMBER 31, 2012	2011	Change in value
Operating cash flow [1]		**748.5**	**739.3**	**9.2**
Interest	(a)	(169.7)	(155.4)	(14.3)
Taxes	(a)	(143.4)	(85.9)	(57.5)
Change in working capital requirements		(37.2)	(69.9)	32.7
Net cash flow from operating activities	**(b)**	**398.2**	**428.1**	**(29.9)**
Net cash flow from investing activities		(675.2)	(124.1)	(551.1)
Including operating capital expenditures [2]	*(c)*	*(83.8)*	*(68.4)*	*(15.4)*
Net cash flow from financing activities		151.1	(158.1)	309.2
Net cash flow		**(125.9)**	**145.9**	**(271.8)**
Free cash flow:				
– before interest and taxes (b) – (a) + (c)		**627.5**	**601.0**	**26.5**
– after interest and taxes (b) + (c)		**314.4**	**359.7**	**(45.3)**

WCR as a % of sales [3] at:	DECEMBER 31, 2012	2011
Reported financial data	10.6%	9.7%
Financial data on a constant basis	10.7%	10.4%

(1) Before interest, taxes and change in working capital requirements.
(2) Net of disposals.
(3) Working capital requirements, end of period, divided by prior 12-month sales.

4.3.1 Cash flow from operating activities

Rexel's net cash flow from operating activities amounted to an inflow of €398.2 million in 2012 compared to €428.1 million inflow in 2011.

Operating cash flow

Operating cash flow before interest, income tax and changes in working capital requirements increased from €739.3 million in 2011 to €748.5 million in 2012. This increase was mainly due to the EBITA growth by €45.2 million from €722.2 million in 2011 to €767.4 million in 2012.

Interest and taxes

Interest paid in 2012 totaled €169.7 million compared with €155.4 million in 2011 due to a higher average debt while the effective interest rate decreased slightly at 7.0% in 2012 compared to 7.2% in 2011.

In 2012, €143.4 million was paid in income tax compared to €85.9 million paid in 2011, due to higher taxable income, mainly resulting from EBITA improvement.

Change in working capital requirements

In 2012, change in working capital requirement accounted for an outflow of €37.2 million compared to an outflow of €69.9 million in 2011. This €32.7 million improvement in working capital requirement resulted from higher cash collections from customers in 2012.

As a percentage of sales over the last 12 months, working capital requirements amounted to 10.7% as of December 31, 2012 compared to 10.4% as of December 31, 2011 on a constant basis. The increase in working capital requirements as a percentage of sales is mainly due to a higher level of inventories and a lower level of trade payables at December 31, 2012 as compared to December 31, 2011.

4.3.2 Cash flow from investing activities

Cash flow from investing activities consisting of acquisitions and disposals of fixed assets, as well as financial investments, amounted to a €675.2 million outflow in 2012, as compared to an outflow of €124.1 million in 2011.

	YEAR ENDED DECEMBER 31,	
(in millions of euros)	**2012**	**2011**
Acquisitions of operating fixed assets	(90.6)	(98.2)
Gain/(loss) on disposal of operating fixed assets	7.1	26.4
Net change in debts and receivables on fixed assets	(0.3)	3.4
Net cash flow from operating investing activities	**(83.8)**	**(68.4)**
Acquisitions of subsidiaries, net of cash acquired	(595.6)	(100.5)
Gain/(loss) on disposal of financial fixed assets	–	44.8
Dividends received from equity associates	3.8	0.6
Net cash flow from financial investing activities	**(591.8)**	**(55.1)**
Net change in long-term investments	**0.4**	**(0.6)**
Net cash flow from investing activities	**(675.2)**	**(124.1)**

Acquisitions and disposals of operating fixed assets

Acquisitions of operating fixed assets, net of disposals, accounted for an outflow of €83.5 million in 2012, compared to €71.8 million outflow in 2011.

In 2012, gross capital expenditures amounted to €90.6 million, *i.e.* 0.7% of sales for the period, of which €45.5 million related to IT systems, €24.8 million to branch acquisition and renovation, €17.0 million to logistics and €3.3 million to other investments. Disposals of fixed assets in 2012 amounted to €7.1 million. Net changes in the related payables and receivables amounted to €0.3 million, accounting for an increase in net capital expenditures for the period.

In 2011, gross capital expenditures amounted to €98.2 million, *i.e.* 0.8% of sales for the period, of which €44.6 million related to IT systems, €36.3 million to branch acquisition and renovation, €12.2 million to logistics and €5.1 million to other investments. Disposals of fixed assets in 2011 amounted to €26.4 million, mainly related to the disposal of a non-strategic business in Australia. Net changes in the related payables and receivables amounted to €3.4 million, accounting for a decrease in net capital expenditures for the period.

4

Financial investments

Financial investments amounted to a net outflow of €591.8 million in 2012 compared to a net outflow of €55.1 million in 2011.

In 2012, acquisitions net of cash of acquired entities resulted in an outflow of €595.6 million. These investments mainly include Platt Electric Supply and Munro Distributing company in the United-States, SCT in France, Liteco in Canada, La Grange in Belgium, Etil in Brazil, Wilts in the United Kingdom, Erka in Spain, Distribuidora Romero S.L. in Peru and Luxlight Pte Ltd in Singapore.

In 2011, acquisitions net of cash of acquired entities resulted in an outflow of €100.5 million. These investments included Nortel Suprimentos Industriais and Delamano in Brazil, Yantra Automation Private Ltd and AD Electronics in India, Wuhan Rockcenter Automation and Beijing Zongheng in China, Eurodis in France and Tegro in Germany. Furthermore, the consolidation of Grossauer ElektroHandels as of January 1, 2011 resulted in an inflow related to the company's existing cash at that date.

Gain on disposal of financial fixed assets amounted to €44.8 million in 2011 and mainly related to the Hagemeyer Brand Australia (HBA) and Kompro B.V. disposals.

4.3.3 Cash flow from financing activities

Cash flow from financing activities included mainly changes in indebtedness.

In 2012, cash flow from financing activities reflected additional net inflows of €151.1 million. Outflows resulted mainly from:

- buy-back of €69.1 million of senior notes due December 15, 2016,
- dividend distribution in cash of €143.0 million,
- the acquisition of remaining non-controlling interest of Suzhou Xidian Co. company in China for €22.2 million,
- decrease in other borrowings amounting to €9,1 million, and net purchase of treasury shares of €1.5 million.

Inflows were comprised of:

- US$ 500 million issuance of senior notes amounting to €366.2 million net of transaction costs,
- €14.8 million increase in assigned receivables with respect to securitization programs,
- €9.4 million from finance lease, and
- €2.6 million increase in drawings under the senior credit facilities.

In 2011, cash flow from financing activities reflected additional net outflows of €158.1 million, resulting principally from:

- repayment of drawings under the 2009 Senior Credit Agreement amounting to €695.9 million,
- buy-back of notes issued in May 2011 for €11.3 million,
- a decrease in assigned receivables with respect to securitization programs by €5.0 million and related transaction costs of €3.2 million,
- dividend distribution for 2010 period of €105.3 million, and
- acquisition of treasury shares of €30.8 million.

Inflows were comprised of :

- bond issue in May 2011 of €492.8 million net of transaction costs,
- other variations in credit lines amounting to €94.4 million, primarily consisting of the issue of commercial paper (for an €47.8 million increase in commercial paper),
- €16.6 million from new leasing transactions, and
- capital increases of €88.5 million, of which €86.0 million related to the dividends paid in shares.

4.4 SOURCES OF FINANCING

In addition to the cash from operations and equity, the Group's main sources of financing are bond issuances, securitization programs and multilateral credit lines.

At December 31, 2012, Rexel's consolidated net debt amounted to €2,599.2 million, consisting of the following items:

	DECEMBER 31,					
	2012			2011		
(in millions of euros)	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Senior notes	–	1,504.3	1,504.3	–	1,181.4	1,181.4
Credit facility	–	25.9	25.9	–	30.6	30.6
Securitization	351.7	747.8	1,099.5	105.9	973.5	1,079.4
Bank loans	43.3	16.7	60.0	39.7	8.1	47.8
Commercial paper	114.8	–	114.8	104.8	–	104.8
Bank overdrafts and other credit facilities	77.6	–	77.6	86.0	–	86.0
Finance lease obligations	51.2	31.1	82.3	6.8	22.9	29.7
Accrued interest [(1)]	9.4	–	9.4	10.0	–	10.0
Less transaction costs	(20.5)	(22.6)	(43.1)	(19.8)	(33.9)	(53.7)
Total financial debt and accrued interest	***627.6***	***2,303.2***	***2,930.8***	***333.4***	***2,182.6***	***2,516.0***
Cash and cash equivalents			(291.9)			(413.7)
Fair value hedge derivatives			(39.8)			(24.1)
Net financial debt			**2,599.2**			**2,078.2**

(1) Of which accrued interest on Senior Notes in the amount of €4.5 million at December 31, 2012 (€3.5 million at December 31, 2011).

The components of the net financial debt are described in detail in note 20 of Rexel's consolidated financial statements at December 31, 2012, set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*.

During 2013, Rexel is contemplating to refinance its Credit Facilities (including the bilateral facility) maturing in December 2014, to exercise its ability to redeem its Senior Notes maturing in December 2016 and to fund this redemption with a new bond issue (in accordance with the group's policy to actively manage its bonds issuances, Rexel may, from time to time and depending on market conditions, effect open-market purchases of its senior notes). In addition, Rexel should refinance its Europe 2008 securitization program maturing in December 2013.

At December 31, 2012, Rexel's ratings by the financial rating agencies were as follows:

DECEMBER 31, 2012			
Rating agency	Moody's	Standard & Poor's	Fitch Ratings
Long term debt	Ba2	BB	BB
Outlook	Stable	Stable	Stable
Short term debt	NP	B	B

At December 31, 2011, Rexel's ratings by the financial rating agencies had been as follows:

DECEMBER 31, 2011			
Rating agency	Moody's	Standard & Poor's	Fitch Ratings
Long term debt	Ba3	BB	BB-
Outlook	Stable	Stable	Positive
Short term debt	NP	B	B

On February 10, 2012, Fitch Ratings raised its long-term corporate credit from BB- to BB due to Rexel's strong credit metrics demonstrated in 2011, with stable outlook.

Finally, on February 24, 2012, Moody's upgraded the rating of Rexel's long-term debt from Ba3 to Ba2, with stable outlook.

Other Rexel Group commitments are detailed in note 23 of the Notes to the Rexel Group's consolidated financial statements for the year ended December 31, 2012, set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*.

4.5 OUTLOOK

The objectives and estimates presented in this chapter have been determined on the basis of data, assumptions and estimates that are considered reasonable by the Rexel Group's management. These data, assumptions and estimates may change as a result of uncertainties relating to, among other things, the economic, financial, accounting, competitive and regulatory environment, or other factors that are currently unknown to the Rexel Group as of the date of this Document de Référence. In addition, the occurrence of certain of the risks described in chapter 2 "Risk Factors and Internal Control" of this Document de Référence could have an impact on the business, the financial condition, and the results of operations of the Rexel Group and hence its ability to achieve these objectives. The Rexel Group can give no assurances and provide no guarantee that the following objectives will be met.

4.5.1 Rexel Group 2012 outlook and estimates

In the *Document de Référence* filed with the *Autorité des marchés financiers* on March 15, 2012 under number D.12-0164, Rexel had announced that organic growth excluding the impact of copper in 2012 should continue to outperform the weighted average GDP growth of the regions in which the Group operates.

Rexel had also annouced that, in this context, Rexel should also in 2012:

- At least maintain its Adjusted EBITA margin at the same level as the 5.7% reached in 2011, and
- Generate free cash flow before interest and tax of around €600 million.

On the basis of Rexel's consolidated financial statements for the financial year ended on December 31, 2012, sales decreased by 1.8% on a constant and same days basis, the Adjusted EBITDA margin stood at 5.7% and the amount of available cash flow before interest and taxes stood at €627.5 million.

4.5.2 Rexel Group outlook for 2013

The trend in organic sales is likely to remain negative in the first half, with an expected return to growth in the second half, helped by improving indicators in North America and fast-growing countries. As a result, Rexel targets slightly positive organic sales growth for the year as a whole.

On this basis, Rexel aims at delivering in 2013:

- Stable Adjusted EBITA margin of 5.7%,
- Free cash flow of more than €600 million before interest and tax, corresponding to around €300 million after interest and tax.

This outlook is based on activity trends described above as well as on the following assumptions:

- Exchange rates for one euro of US dollar 1.25, British pound 0.80, Canadian dollar 1.25, Swiss franc 1.20, Australian dollar 1.25 and Swedish krona 8.75,
- A copper price around US dollar 7,500 per ton.

4.5.3 Rexel Group medium-term outlook

Assuming a return to organic sales growth in the second half of 2013 and beyond, combined with the benefits of the Energy in Motion plan, Rexel confirms its mid-term objective of an Adjusted EBITA margin above 6.5% and free cash flow after interest and tax above €500 million in 2015.

4.6 SIGNIFICANT CHANGES IN THE ISSUER'S FINANCIAL OR COMMERCIAL POSITION

Since December 31, 2012, to Rexel's knowledge, and with the exception of the items described in this *Document de Référence*, there has been no other significant change in the Rexel Group's financial or commercial position since the end of the financial year ended December 31, 2012.

5
CONSOLIDATED FINANCIAL STATEMENT

5.1 CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012 — 98

Consolidated income statement 98
Consolidated statement of comprehensive income 99
Consolidated balance sheet 100
Consolidated statement of cash flows 101
Consolidated statement of changes in shareholders' equity 102
Accompanying notes to the consolidated financial statements
1. *General information* 103
2. *Significant accounting policies* 103
3. *Acquisitions* 114
4. *Segment reporting* 117
5. *Distribution & administrative expenses* 119
6. *Salaries & benefits* 119
7. *Other income & other expenses* 119
8. *Net financial expenses* 120
9. *Income tax* 120
10. *Long-term assets* 122
11. *Current assets* 126
12. *Assets held for sale* 128
13. *Cash and cash equivalents* 128
14. *Summary of financial assets* 128
15. *Share capital and premium* 129
16. *Share-based payments* 130
17. *Earnings per share* 135
18. *Provisions and other non-current liabilities* 135
19. *Post-employment and long-term benefits* 136
20. *Financial liabilities* 144
21. *Market risks and financial instruments* 149
22. *Summary of financial liabilities* 153
23. *Operating leases* 153
24. *Related party transactions* 154
25. *Litigation* 154
26. *Events after the reporting period* 155
27. *Consolidated entities as of December 31, 2012* 156

5.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2012 — 161

Pursuant to article 28 of the Commission Regulation (EC) N°809/2004 of April 29, 2004, the following information is incorporated by reference in this *Document de Référence*:

- the consolidated financial statements and the audit report for the financial year ended December 31, 2011 set out on pages 96 to 154 of the *Document de Référence* for the financial year ended December 31, 2011 filed with the *Autorité des marchés financiers* on March 15, 2012 under number D.12-0164; and
- the consolidated financial statements and the audit report for the financial year ended December 31, 2010 set out on pages 89 to 148 of the *Document de Référence* for the financial year ended December 31, 2010 filed with the *Autorité des marchés financiers* on April 11, 2011 under number D.11-0272, as supplemented by the update to the *Document de Référence* filed with the *Autorité des marchés financiers* on April 28, 2011 under number D.11-0272-A01.

5.1 CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

Consolidated income statement

		FOR THE YEAR ENDED DECEMBER 31,	
(in millions of euros)	NOTE	2012	2011 (1)
Sales	4	13,449.2	12,717.1
Cost of goods sold		(10,134.2)	(9,599.6)
Gross profit		**3,315.0**	**3,117.5**
Distribution and administrative expenses	5	(2,560.9)	(2,410.9)
Operating income before other income and expenses		**754.1**	**706.6**
Other income	7	15.9	39.6
Other expenses	7	(122.6)	(146.6)
Operating income		**647.4**	**599.6**
Financial income		2.3	4.3
Interest expense on borrowings		(178.8)	(183.2)
Other financial expenses		(23.7)	(18.2)
Net financial expenses	*8*	*(200.1)*	*(197.1)*
Share of profit / (loss) of associates		3.1	2.8
Net income before income tax		**450.3**	**405.3**
Income tax	9	(131.7)	(89.3)
Net income		**318.6**	**316.0**
Portion attributable:			
to the Group		318.1	315.3
to non-controlling interests		0.5	0.7
Earnings per share:			
Basic earnings per share (in euros)	15	1.18	1.18
Fully diluted earnings per share (in euros)	15	1.17	1.17

(1) Restated for changes in accounting policies following the early adoption of revised IAS 19 (see note 2.2.1).

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31, 2012	2011 (1)
Net income	**318.6**	**316.0**
Items to be reclassified to profit and loss		
Net gain / (loss) on net investment in foreign subsidiaries	10.5	(14.1)
Income tax	(2.5)	4.0
Sub-total	**8.0**	**(10.1)**
Foreign currency translation	0.6	17.8
Net gain / (loss) on cash flow hedges	3.9	20.3
Income tax	(0.9)	(6.9)
Sub-total	**2.8**	**13.5**
Items not to be reclassified to profit and loss		
Remeasurements of net defined benefit liability	(133.8)	(50.8)
Income tax	22.6	13.0
Sub-total	**(111.1)**	**(37.8)**
Other comprehensive income / (loss) for the period, net of tax	*(99.7)*	*(16.6)*
Total comprehensive income for the period, net of tax	**218.9**	**299.4**
Portion attributable:		
to the Group	218.4	297.8
to non-controlling interests	0.5	1.6

(1) Restated for changes in accounting policies following the early adoption of revised IAS 19 (see note 2.2.1).

The accompanying notes are an integral part of these consolidated financial statements.

5

Consolidated balance sheet

(in millions of euros)	NOTE	AS OF DECEMBER 31, 2012	AS OF DECEMBER 31, 2011[1]	AS OF JANUARY 1, 2011[1]
ASSETS				
Goodwill	10.1	4,369.2	4,002.2	3,931.2
Intangible assets	10.1	1,035.8	935.7	934.4
Property, plant and equipment	10.2	282.7	261.7	245.4
Long-term investments	10.3	79.5	97.1	132.1
Investments in associates	10.4	10.8	11.8	9.3
Deferred tax assets	9.2	171.9	153.4	155.6
Total non-current assets		**5,949.9**	**5,461.9**	**5,408.0**
Inventories	11.1	1,426.7	1,240.8	1,203.1
Trade accounts receivable	11.2	2,123.9	2,122.9	2,022.0
Current tax assets		26.1	21.0	29.7
Other accounts receivable	11.3	476.4	455.2	406.4
Assets held for sale	12	21.2	3.7	23.1
Cash and cash equivalents	13	291.9	413.7	311.9
Total current assets		**4,366.2**	**4,257.3**	**3,996.2**
Total assets		**10,316.1**	**9,719.2**	**9,404.2**
EQUITY				
Share capital	15	1,359.6	1,344.1	1,301.0
Share premium	15	1,418.3	1,412.2	1,383.7
Reserves and retained earnings		1,331.4	1,274.1	1,074.6
Total equity attributable to equity holders of the parent		**4,109.3**	**4,030.4**	**3,759.3**
Non-controlling interests		8.3	11.5	9.3
Total equity		**4,117.6**	**4,041.9**	**3,768.6**
LIABILITIES				
Interest bearing debt (non-current part)	20.1	2,303.2	2,182.3	2,463.5
Employee benefits	19	372.9	280.4	257.2
Deferred tax liabilities	9.2	152.3	111.3	144.5
Provision and other non-current liabilities	18	101.8	157.6	156.3
Total non-current liabilities		**2,930.1**	**2,731.6**	**3,021.5**
Interest bearing debt (current part)	20.1	618.3	323.5	116.8
Accrued interest	20.1	9.3	10.0	5.2
Trade accounts payable		1,937.2	1,903.3	1,866.2
Income tax payable		42.6	56.0	39.8
Other current liabilities	22	661.1	652.9	584.1
Liabilities related to assets held for sale		–	–	2.0
Total current liabilities		**3,268.5**	**2,945.7**	**2,614.1**
Total liabilities		**6,198.6**	**5,677.3**	**5,635.6**
Total equity and liabilities		**10,316.1**	**9,719.2**	**9,404.2**

(1) Restated for changes in accounting policies following the early adoption of revised IAS 19 (see note 2.2.1).

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

(in millions of euros)	NOTE	FOR THE YEAR ENDED DECEMBER 31, 2012	2011 (1)
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income		647.4	599.6
Depreciation, amortization and impairment of assets	5 – 7	133.7	176.1
Employee benefits		(37.3)	(22.5)
Change in other provisions		(17.4)	1.7
Other non-cash operating items		22.1	(15.6)
Interest paid		(169.7)	(155.4)
Income tax paid		(143.4)	(85.9)
Operating cash flows before change in working capital requirements		**435.4**	**498.0**
Change in inventories		(76.8)	(27.5)
Change in trade receivables		113.7	(68.4)
Change in trade payables		(55.5)	12.9
Changes in other working capital items		(18.6)	13.1
Change in working capital requirements		**(37.2)**	**(69.9)**
Net cash from operating activities		**398.2**	**428.1**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of tangible and intangible assets		(90.9)	(94.8)
Proceeds from disposal of tangible and intangible assets		7.1	26.4
Acquisition of subsidiaries, net of cash acquired	3.1	(595.6)	(100.5)
Proceeds from disposal of subsidiaries, net of cash disposed of		–	44.8
Change in long-term investments		0.4	(0.6)
Dividends received from associates		3.8	0.6
Net cash from investing activities		**(675.2)**	**(124.1)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of capital	15	2.9	2.4
Contribution received from minority shareholders		–	0.8
Disposal / (Purchase) of treasury shares		(1.5)	(30.8)
Acquisition of non-controlling interests	3.2	(22.2)	–
Issuance of senior notes net of transaction costs	20.2	366.2	–
Buy-out of senior notes	20.2	(69.1)	–
Net change in credit facilities and other financial borrowings	20.2	(6.4)	(122.8)
Net change in securitization	20.2	14.8	(5.0)
Net change in finance lease liabilities	20.2	9.4	16.5
Dividends paid	15.1	(143.0)	(19.2)
Net cash from financing activities		**151.1**	**(158.1)**
Net (decrease) / increase in cash and cash equivalents		**(125.9)**	**145.9**
Cash and cash equivalents at the beginning of the period		413.7	311.9
Effect of exchange rate changes on cash and cash equivalents		4.1	(44.1)
Cash and cash equivalents at the end of the period		**291.9**	**413.7**

(1) Restated for changes in accounting policies following the early adoption of revised IAS 19 (see note 2.2.1).

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in shareholders' equity

(in millions of euros)	NOTE	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION	CASH FLOW HEDGE RESERVE	REMEASUREMENT OF NET DEFINED BENEFIT LIABILITY	TOTAL ATTRIBUTABLE TO THE GROUP	NON-CONTROLLING INTERESTS	TOTAL
FOR THE YEAR ENDED DECEMBER 31, 2011										
At January 1, 2011 (as reported)		**1,301.0**	**1,383.7**	**1,036.8**	**122.9**	**(19.3)**	**–**	**3,825.1**	**9.3**	**3,834.4**
Effect of changes in accounting policies following the early adoption of revised IAS 19		–	–	(65.8)	–	–	–	(65.8)	–	(65.8)
At January 1, 2011 (1)		**1,301.0**	**1,383.7**	**971.0**	**122.9**	**(19.3)**	**–**	**3,759.3**	**9.3**	**3,768.6**
Net income		–	–	315.3	–	–	–	315.3	0.7	316.0
Other comprehensive income		–	–	–	6.8	13.5	(37.8)	(17.5)	0.9	(16.6)
Total comprehensive income for the period		**–**	**–**	**315.3**	**6.8**	**13.5**	**(37.8)**	**297.8**	**1.6**	**299.4**
Appropriation of net income	15.1	–	–	(105.2)	–	–	–	(105.2)	(0.2)	(105.4)
Share capital increase	15.1	43.1	28.5	17.0	–	–	–	88.6	0.8	89.4
Share based payments (2)		–	–	19.6	–	–	–	19.6	–	19.6
Disposal (Purchase) of treasury shares		–	–	(29.7)	–	–	–	(29.7)	–	(29.7)
At December 31, 2011 (1)		**1,344.1**	**1,412.2**	**1,188.0**	**129.7**	**(5.8)**	**(37.8)**	**4,030.4**	**11.5**	**4,041.9**
FOR THE YEAR ENDED DECEMBER 31, 2012										
At January 1, 2012		**1,344.1**	**1,412.2**	**1,188.0**	**129.7**	**(5.8)**	**(37.8)**	**4,030.4**	**11.5**	**4,041.9**
Net income		–	–	318.1	–	–	–	318.1	0.5	318.6
Other comprehensive income		–	–	–	8.6	2.8	(111.1)	(99.7)	–	(99.7)
Total comprehensive income for the period		**–**	**–**	**318.1**	**8.6**	**2.8**	**(111.1)**	**218.4**	**0.5**	**218.9**
Appropriation of net income	15.1	–	–	(173.5)	–	–	–	(173.5)	–	(173.5)
Share capital increase	15.1	15.5	6.1	11.8	–	–	–	33.4	–	33.4
Share based payments (2)		–	–	21.0	–	–	–	21.0	–	21.0
Disposal (Purchase) of treasury shares		–	–	(2.0)	–	–	–	(2.0)	–	(2.0)
Acquisition of non-controlling interests	3.2	–	–	(18.9)	0.5	–	–	(18.4)	(3.7)	(22.1)
At December 31, 2012		**1,359.6**	**1,418.3**	**1,344.5**	**138.8**	**(3.0)**	**(148.9)**	**4,109.3**	**8.3**	**4,117.6**

(1) Restated for changes in accounting policies following the early adoption of revised IAS 19 (see note 2.2.1).
(2) Of which €19.9 million (€17.2 million in 2011) free shares expense (see note 16) and €1.1 million relating to the tax effect of free shares granted in the United States (€2.4 million in 2011).

The accompanying notes are an integral part of these consolidated financial statements.

Accompanying Notes

1. GENERAL INFORMATION

Rexel was incorporated on December 16, 2004. Shares of Rexel were admitted to trading on the Eurolist market of Euronext Paris on April 4, 2007. The group consists of Rexel and its subsidiaries (hereafter referred to as "the Group" or "Rexel").

The Group is mainly involved in the business of the distribution of low and ultra-low voltage electrical products to professional customers. It serves the needs of a large variety of customers and markets in the fields of construction, industry, and services. The product offering covers electrical installation equipment, conduits and cables, lighting, security and communication, climate control, tools, and white and brown goods. The principal markets in which the Group operates are in Europe, North America (United States and Canada), Asia-Pacific (mainly in Australia, New Zealand and China) and Latin America (mainly Brazil and Chile).

These consolidated financial statements cover the period from January 1 to December 31, 2012, and were authorized for issue by the Management Board on February 5, 2013.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The consolidated financial statements (hereafter referred to as "the financial statements") for the period ending December 31, 2012 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, as well as the standards of the International Accounting Standards Board (IASB) which are in force as at December 31, 2012.

IFRS as adopted by the European Union can be consulted on the European Commission's website (http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

2.2 Basis of preparation

The financial statements as at December 31, 2012 are presented in euros and all values are rounded to the nearest tenth of a million, unless otherwise stated. Totals and sub-totals presented in the consolidated financial statements are first computed in thousands of euros and then rounded to the nearest tenth of a million. Thus, the numbers may not sum precisely due to this rounding.

They are prepared on a historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments held for trading, and financial instruments classified as available-for-sale.

Long-term assets and disposal groups held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed frequently, and thus the effect of changes in accounting estimates is accounted for from the date of the revision.

Information related to the main estimates and judgments made on the application of accounting policies which have significant effect on the financial statements are described in the following notes:

- Business combinations (notes 2.5 and 3),
- Impairment of intangible assets and goodwill (notes 2.5, 2.8, and 10.1),
- Employee benefits (notes 2.14 and 19),
- Provisions and contingent liabilities (notes 2.16, 18, and 25),
- Measurement of financial instruments (notes 2.10.4 and 21),
- Recognition of deferred tax assets (notes 2.20 and 9),
- Measurement of share-based payments (notes 2.15 and 16).

2.2.1 Changes in accounting policies and amended standards and interpretations

Changes in accounting policies: IAS 19 Employee Benefits

The Group early adopted the amendment to IAS 19 "Employee benefits", endorsed by the EU on June 6, 2012 and which application is compulsory as from January 1, 2013. This amendment improves information on the Group's financial situation, in particular the presentation in the financial statements of the surplus or deficit of pension funds.

This amendment to IAS 19 "Employee Benefits":

- eliminates the previous option to defer the recognition of actuarial gains and losses, under the "corridor method",
- removes the concept of expected returns on plan assets,
- changes the recognition method of past service costs which are no longer expensed on a straight-line basis over the average period until the benefits become vested,

- requires to recognize administration costs other than those associated with the management of plan assets in profit and loss when the services are rendered and removes the option to include such costs in the calculation of the return on plan assets or in the defined benefit obligation,
- updates the presentation of changes in assets and liabilities arising from defined benefit plans, including a requirement to present the remeasurements in other comprehensive income (OCI), and
- increases the disclosure requirements for defined benefit plans, including the disclosure of information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans.

The Group adopted this amendment as of June 30, 2012. Accounting policy changes have been applied retrospectively in accordance with *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors,* resulting in the restatement of prior year financial information.

As a result of the voluntary early adoption of the amendment to IAS 19, the following adjustments were made to the financial statements:

(in millions of euros)	AS OF JAN. 1, 2011 (1)	AS OF DEC. 31, 2011 (1)
Net increase in employee benefit liabilities	(82.8)	(139.6)
Net increase in deferred tax assets	17.0	30.7
Net decrease in shareholders' equity	**(65.8)**	**(108.9)**
Net income / (expense) recognized in other comprehensive income	–	(37.8)
Decrease in distribution and administrative expenses	–	2.7
Increase in financial expenses	–	(6.0)
Deferred tax income	–	0.3
Decrease in net income	**–**	**(3.0)**
Basic earning per share	–	(0.02)
Fully diluted earnings per share	–	(0.01)

(1) Unrecognised actuarial gains and losses adjusted for Canadian changes in plan asset value due to variances between estimated and actual values as of December 31, 2010 and for revised discount rate in the United Kingdom as of December 31, 2011.

Amended standards and interpretations

In 2012, the Group has applied the following new amendments, standards and interpretations previously endorsed by the European Union:

- Amendment to IAS 1 "Presentation of Items of Other Comprehensive Income" improves the consistency and clarity of the presentation of items of other comprehensive income (OCI). It requires presenting separately the items that have to be reclassified to profit and loss. When items of OCI are presented before tax, tax effect must split on the same basis.
- Amendment to IFRS 7 "Transfers of Financial Assets" increases the required disclosures on the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, but its application had no impact on the Group's financial statements.

The European Union also endorsed the following amendments which are not applicable to the Group and therefore had no impact on the Group's financial position and performance:

- Amendment to IAS 12 Income tax – Deferred taxes : Recovery of Underlying Assets which clarifies the determination of deferred tax on investment property measured at fair value under the model of IAS 40.
- Amendment to IFRS 1 First-Time Adoption of International Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters which provides guidance on how to present IFRS financial statements when functional currency ceases to be subject to hyperinflation.

2.2.2 New accounting standards and interpretations endorsed by the European Union with effect in future periods

The standards and interpretations that are issued and endorsed by the European Union, but not yet effective are disclosed below.

- IFRS 10 "Consolidated Financial Statements" provides a single consolidation model that identifies control as the basis for consolidation for all types of entities. IFRS 10 supersedes IAS 27 "Consolidated and Separate Financial Statements" and SIC-12 "Consolidation—Special Purpose Entities".
- IFRS 11 "Joint Arrangements" provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities that meet definition of a joint venture.
- IFRS 12 "Disclosures of Interests in Other Entities" combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities.

  The application of IFRS 10, 11 and 12 is compulsory for fiscal years starting on January 1, 2014 with earlier application permitted and would not have any significant impact on the Group's financial performance. In addition, following the issuance of IFRS 10, IFRS 11, and IFRS 12, IAS 27 and IAS 28 have been revised as follows:

- IAS 27 "Separate Financial Statements" now only includes requirements for separate financial statements and is thus no longer applicable to Rexel, and
- IAS 28 "Investments in Associates and Joint Ventures" prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

– IFRS 13 "Fair Value Measurement" defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when other IFRSs require or permit fair value measurements. It does not introduce any new requirements to measure an asset or a liability at fair value, change what is measured at fair value in IFRSs or address how to present changes in fair value. IFRS 13 is applicable for fiscal years starting on January 1, 2013.

– Amendment to IAS 32 "Offsetting Financial Assets and Financial Liabilities" clarifies the requirement for offsetting financial instruments and is applicable for fiscal years starting on January 1, 2013.

2.2.3 Accounting standards and interpretations issued by IASB but not yet approved by the European Union

The following standards and interpretations issued by IASB are not yet approved by the European Union. Except if otherwise noted, the potential impact is currently under review by the Group.

– IFRS 9 "Financial Instruments" aims at replacing IAS 39 "Financial Instruments – Recognition and Measurement". It is a 3-phase project where only phase 1, "Classification and Measurement" was issued. Phase 2, "Impairment Methodolodgy", and phase 3 "Hedge Accounting", have not been issued yet. The endorsement process by the UE has been placed on hold, pending the completion of the whole project by the IASB.

– Amendment to IFRS 7 "Disclosures – Offsetting Financial Assets and Financial Liabilities" increases disclosures requirements to improve comparability with US GAAP with regard to the set-off of financial instruments.

– Amendment to IFRS 9 and IFRS 7 "Mandatory Effective Date and Transition Disclosures" postpones the mandatory application date of IFRS to January 1, 2015 and modifies the requirements on transition disclosures.

– Amendments to IFRS 10, IFRS 11 and IFRS 12 "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities : Transition Guidance" : the amendments clarify the transition guidance in IFRS 10 Consolidated Financial Statements. The amendments also provide additional transition relief in IFRS 10, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied.

– Amendments to IFRS 10, IAS 27 and IFRS 12: Investment Entities: the amendments provide an exception to the consolidation requirement in IFRS 10 "Consolidated Financial Statements" for investment entities and require these to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. Investment entities are defined as entities whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both.

In addition, in 2012, IASB issued an omnibus of improvements to IFRS, applicable on or after January 1, 2013, including:

– Amendments to IFRS 10, 11 and 12 giving additional transition relief by limiting the requirement to provide adjusted comparative information to only the preceding comparative period,

– Amendment to IAS 1, clarifying the requirements for comparative information,

– Amendment to IAS 16 clarifying the classification of servicing equipment,

– Amendment to IAS 32 clarifying the accounting for the tax effect of distributions to holders of equity instruments, and

– Amendment to IAS 34, clarifying the requirement for segment information on total assets and liabilities in interim financial reporting.

2.3 Basis of consolidation

The consolidated financial statements include the financial statements for Rexel S.A., parent company of the Group, and its direct and indirect subsidiaries as of December 31, 2012. The subsidiaries (including Special Purpose Entities) are controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

In assessing control, present and potential exercisable voting rights are taken into account.

The subsidiaries are fully consolidated from the date on which control is obtained to the date when control ceases. The financial statements for subsidiaries are prepared for the period corresponding to that for the presentation of the Group's consolidated financial statements using consistent accounting policies. All assets and liabilities, unrealized gains and losses, income and expenses, dividends, and other transactions arising from inter-group transactions are eliminated in preparing the consolidated financial statements.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

A change to the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. In the event that the Group loses control over a subsidiary, the Group:

– Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
– Derecognizes the carrying amount of any non-controlling interests.
– Reclassifies the foreign currency translation into the net income.
– Recognizes the fair value of the consideration received.
– Recognizes the fair value of any investment retained.
– Recognizes any benefit or deficit in profit or loss.
– Reclassifies components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

2.4 Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The functional currency of Rexel and the presentation currency of the Group's financial statements are the euro.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency at the foreign exchange rate prevailing at that date. Exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at the closing date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except where hedge accounting is applied (see note 2.10.5). Non-monetary assets and liabilities that are measured at cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation are translated into euro at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated into euros at rates approximating the foreign exchange rates ruling at the dates of the transactions. All resulting translation differences are recognized as a separate component of equity (foreign currency translation reserve).

Net investment in foreign operations

Exchange differences arising from the translation of the net investment in foreign operations are taken to the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognized in the income statement as part of the gain or loss on disposal.

Hedge of net investment in foreign operations

The portion of the gain or loss on an instrument used to hedge a net investment in a foreign operation that is determined to be an effective hedge is recognized directly in other comprehensive income. The ineffective portion is recognized immediately in profit or loss. Gains and losses accumulated in equity are recognized in the income statement when the foreign operation is disposed of.

2.5 Intangible assets

Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured at acquisition date as the aggregate of the fair value of the consideration transferred and the amount of any non-controlling interest in the acquiree. For each business combination, the Group measures the non-controlling interests either at fair value or at the proportionate share of the acquiree's identifiable net assets. The costs of acquisition are recognized as expenses.

Any contingent considerations are recognized at their fair value at the acquisition date. Subsequent changes in the fair value of contingent considerations classified as assets or liabilities are recorded in the income statement.

At the acquisition date, any excess of the consideration transferred and the non-controlling interests over the fair value of the net assets acquired is allocated to goodwill.

Goodwill is then measured at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortized but is tested annually for impairment and as soon as there is an indication that the cash-generating unit may be impaired (the impairment testing policy is described in note 2.8).

When goodwill is allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Other intangible assets

Intangible assets other than goodwill are stated at cost less accumulated amortization (see below) and impairment losses (see note 2.8).

Identifiable intangible assets existing at the date of acquisition in a business combination are recognized as part of the purchase accounting and measured at fair value. Intangible assets are considered identifiable if they arise from contractual or legal rights or are separable.

Strategic partnerships acquired in business combinations arise from contractual rights. Their valuation is determined on the basis of a discounted cash flow model.

Distribution networks are considered separable assets as they could be franchised. They correspond to the value added to each branch through the existence of a network, and include notably banners and catalogues. Their measurement is performed using the royalty relief method based on royalty rates used for franchise contracts, taking their profitability into account. The royalty rate ranges from 0.4% to 1.0% of sales depending on each country.

Strategic partnerships and distribution networks are regarded as having an indefinite useful life when there is no foreseeable limit to the period over which they are expected to generate net cash inflows for the Group. They are not amortized and are tested for impairment annually or as soon as there is an indication that these assets may be impaired.

Customer relationships are recognized when the acquired entity establishes relationships with key customers through contracts. Customer relationships are measured using an excess profit method and are amortized over their useful lives based on historical attrition ranging from 5 to 15 years.

Computer software purchased for routine processing operations is recognized as an intangible asset. Internally developed software which enhances productivity is capitalized.

Amortization

Amortization is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Goodwill and intangible assets with an indefinite useful life are tested for impairment at each annual balance sheet date, at least. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the assessment of indefinite useful life for this asset continues to be justified. If not, a change in the useful life assessment from indefinite to finite is made on a prospective basis. Other intangible assets are amortized from the date that they are available for use. Estimated useful lives of capitalized software development costs range from 5 to 10 years.

2.6 Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see note 2.8).

When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items of property, plant and equipment.

Leased assets

Lease contracts which substantially transfer to the Group all of the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

Assets held under finance leases are stated at an amount equal to the fair value of the leased property or, if this is lower, the present value of the minimum lease payments at inception of the lease, less accumulated depreciation (see below) and impairment losses (see note 2.8). Minimum lease payments are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. The capital gains arising from the sale and leaseback of property, plant and equipment are recognized in full upon sale when the lease qualifies as an operating lease and the transaction is realized at fair value. They are spread on a straight-line basis over the lease term in case of a finance lease.

5

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, when shorter, the term of the finance lease.

Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognized in the income statement on a straight-line basis as an integral part of the total lease expense.

Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives are as follows:

– Commercial and office buildings	20 to 35 years
– Building improvements and operating equipment	5 to 10 years
– Transportation equipment	3 to 8 years
– Computers and hardware	3 to 5 years

The assets' residual values, useful lives, and methods of depreciation are reviewed and adjusted if appropriate at each balance sheet date.

2.7 Investments in associates

Investments in entities over which the Group has a significant influence are accounted for using the equity method.

Interests in associates are initially carried at cost which includes transaction costs.

The consolidated financial statements include the Group's share in the results of operations and other components of the comprehensive income, after taking into account adjustments for homogenization with the Group's accounting policies.

When the Group's share in the losses is greater than the value of their interest in the associate, the carrying amount is reduced to zero and the Group ceases to account for its share in future losses, unless the Group has an obligation to share in the losses.

2.8 Impairment

The carrying amounts of the Group's assets, other than inventories (see note 2.9), trade, and other accounts receivable (see note 2.10.3), and deferred tax assets (see note 2.20), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below).

The recoverable amount of intangible assets that have an indefinite useful life and of intangible assets that are not yet available for use is estimated annually or as soon as there is an indication of impairment.

Goodwill is not amortized but subject to an impairment test, as soon as there is an indication that it may be impaired, and at least once a year. Indications that goodwill may be impaired include material adverse changes of a lasting nature affecting the economic environment or the assumptions and objectives made at the time of acquisition.

An impairment loss is recognized whenever the carrying amount of an asset or of its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement (in "Other expenses").

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a *pro rata* basis.

Calculation of the recoverable amount

The recoverable amount of the Group's investments in held-to-maturity securities and receivables carried at amortized cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (*i.e.*, the effective interest rate computed at initial recognition of these financial assets) when the effect is material.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate before tax that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The Group performs impairment tests of goodwill at the country level, which represents the lowest level within the entity at which operations are monitored by management for the purpose of measuring return on investment.

Reversal of impairment losses

An impairment loss in respect of a held-to-maturity security or receivable carried at amortized cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized.

Impairment losses in respect of goodwill may not be reversed.

With respect to other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.9 Inventories

Inventories are mainly composed of goods held for resale. Inventories are stated at the lower of cost and net realizable value. Cost is calculated by reference to a first-in first-out basis, including freight in costs, net of any purchase rebates. Net realizable value is the estimated selling price at balance sheet date, less the estimated selling expenses, taking into account technical or marketing obsolescence and risks related to slow moving inventory.

2.10 Financial assets

2.10.1 Long-term investments

Long-term investments principally include investments in non-consolidated companies and other shareholdings, deposits required for operating purposes, and loans.

Investments in non-consolidated companies and other shareholdings are classified as assets available-for-sale and measured at fair value. When fair value is not reliably measurable, investments are stated at cost less impairment losses when necessary. Changes in fair value are recognized in other comprehensive income and transferred to profit or loss when the asset is sold or permanently impaired.

2.10.2 Held for trading instruments

Financial instruments held for trading mainly include marketable securities and are stated at fair value, with any resulting gain or loss recognized in profit or loss.

The fair value of financial instruments classified as held for trading is their quoted bid price at the balance sheet date. Change in fair value is recognized in profit or loss.

2.10.3 Trade and other accounts receivable

Trade and other accounts receivable are measured initially at fair value and subsequently measured at amortized cost using the effective interest rate method (see note 2.13) less impairment losses.

Impairment losses from estimated irrecoverable amounts are recognized in the income statement when there is objective evidence that the asset is impaired. The principal factors considered in recognizing these potential impairments include actual financial difficulties or aging of overdue receivables in excess of 30 days.

2.10.4 Derivative financial instruments

Derivative financial instruments that qualify for hedge accounting according to IAS 39 are classified as hedges. The derivative financial instruments that do not qualify for hedge accounting, although set up for the purpose of managing risk (the Group's policy does not authorize speculative transactions), are designated as and accounted for as trading instruments.

Derivative financial instruments are measured at fair value. The gain or loss on remeasurement to fair value is recognized immediately in profit or loss. However, when derivatives qualify for hedge accounting, the recognition of any resulting gain or loss is dependent on the nature of the item being hedged (see note 2.10.5). They are classified as assets or liabilities depending on their fair value.

Interest rate & foreign exchange risks

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks. In accordance with Group procedures, derivative financial instruments are not used for speculative purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Fair value estimates

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price. This valuation method is referred to as Level 1 in the hierarchy established by IFRS 7.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The assumptions used are observable either directly (*i.e.* as prices) or indirectly (*i.e.* derived from prices). This valuation method is referred to as Level 2 in the hierarchy established by IFRS 7.

Whether a financial instrument is valued using one or the other of these methods is indicated in the summary of financial assets (note 14) and the summary of financial liabilities (note 22).

2.10.5 Hedge accounting

Cash flow hedges

When a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognized asset or liability, or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognized in the cash flow hedge reserve as other comprehensive income. When the forecasted transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated cumulative gain (loss) is removed from the cash flow hedge reserve and included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecasted transaction subsequently results in the recognition of a financial asset or a financial liability, then the associated gains and losses that were recognized as other comprehensive income are reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss (*i.e.*, when interest income or expense is recognized).

For cash flow hedges, other than those covered by the two preceding policy statements, the associated cumulative gain (loss) is removed from the cash flow hedge reserve and recognized in profit or loss in the same period or periods during which the hedged forecast transaction affects profit or loss. The ineffective part of any gain or loss is recognized immediately in profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the Group revokes the designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain (loss) at that point is retained in cash flow hedge reserve and is recognized in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, then the cumulative unrealized gain (loss) recognized as other comprehensive income is immediately reclassified to profit or loss.

Fair value hedges

Fair value hedge accounting is used when a derivative financial instrument is designated as a hedge of the variability of the fair value of a recognized asset or liability (or firm commitment), including fixed rate indebtedness such as indexed bonds and other fixed rate borrowings.

The hedging instrument is measured at fair value with changes in fair value recognized in the income statement. The hedged item is remeasured to fair value in respect of the hedged risk. Any resulting adjustment to the carrying amount of the hedged item related to the hedged risk is recognized in the income statement.

Hedge of monetary assets and liabilities denominated in foreign currency

When a derivative financial instrument is used as an economic hedge of the foreign exchange exposure of a recognized monetary asset or liability, hedge accounting is not applied and any gain or loss on the hedging instrument is recognized in profit or loss (“natural hedge”).

2.10.6 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and demand deposits with banks and other short-term highly liquid investments subject to an insignificant risk of changes in value.

2.11 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) and liabilities are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. The Group must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Immediately before classification as held for sale, the measurement of the assets (and all assets and liabilities in a disposal group) is brought up to date in accordance with applicable IFRS. Then, on initial classification as held for sale, non-current assets and disposal groups are recognized at the lower of their carrying amount and fair value less costs to sell.

2.12 Share capital

Repurchase of equity instruments

When an equity instrument is repurchased by the entity, the amount of the consideration paid, including directly attributable costs, is recognized as a change in equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares and presented as a deduction from total equity.

Dividends

Dividends are recognized as a liability in the period in which the distribution has been approved by the shareholders.

2.13 Financial liabilities

Interest-bearing borrowings

Interest-bearing borrowings are recognized initially at fair value less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between the proceeds (net of the transaction costs) and redemption value being recognized in the income statement over the period of the borrowings on an effective interest rate basis.

Effective interest rate

The effective interest rate is the rate that exactly discounts the expected stream of future cash flows through to maturity to the current net carrying amount of the liability on initial recognition. When calculating the effective interest rate of a financial liability, future cash flows are determined on the basis of contractual commitments.

Transaction costs

Transaction costs are incremental costs that are directly attributable to the issue of the credit line. They include fees and commissions paid to agents and advisers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums, or allocations of internal administrative or overhead expenses.

For financial liabilities that are carried at amortized cost, transaction costs are included in the calculation of amortized cost using the effective interest rate method and, in effect, amortized through the income statement over the life of the instrument.

Net financial debt

Net financial debt includes interest-bearing borrowings and accrued interest less cash and cash equivalents.

2.14 Employee benefits

Short-term employee benefits include wages, salaries, social security contributions, compensated absences, profit-sharing and bonuses and are expected to be settled wholly before twelve months after the end of the reporting period. Short-term employee benefit obligations are measured on an undiscounted basis and are recognized in operating income as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long-term benefits include various post-employment benefit schemes operated by Group companies. Some of these schemes are funded by insurance companies or trustee-administered funds in accordance with local regulation.

Post-employment and other long-term benefits include:

– post-employment benefits including pensions, retirement supplements and medical benefits after retirement,

– other long-term benefits (during employment) mainly including jubilees and long service awards.

These benefits are classified as either:

– defined contribution plans when the employer pays fixed contributions into a separate entity recognized as an expense in profit and loss and will have no legal or constructive obligation to pay further contributions, or

– defined benefit plans when the employer guarantees a future level of benefits.

The Group's net obligation in respect of defined post-employment benefit plans, including pension plans, is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed periodically by an independent actuary using the projected unit credit method.

The liability recognized in the balance sheet in respect of defined benefit schemes is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets.

When the calculation results in plan assets exceeding liability, the recognized asset is limited to the present value of any currently available future refunds from the plan or reductions in future contributions to the plan.

When the benefits of a plan are improved (reduced), the portion of the increased (decreased) benefit relating to past service by employees is recognized immediately as an expense (income) in the income statement. The current and past service costs as well as administrative costs paid from registered pension plans' assets outside of IAS 19 are presented in the income statement as part of the distribution and administrative expenses. The net interest expenses (income) relating to the discounting of the net funded position (defined benefit obligation less plan assets) is presented in net financial expenses in the income statement.

Remeasurements of net defined benefit obligation including (i) actuarial gains and losses, (ii) actual return on plan assets and (iii) changes in the effect of the asset ceiling are recognized in other comprehensive income.

Other long-term benefits

Long-term benefits mainly include jubilees or long service leaves. The Group's net obligation in respect of long-term benefits, other than post-employment plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The value of the obligation is determined using the projected unit credit method. This amount is discounted at the rate based on high quality corporate bonds with maturity dates close to those of the Group's obligations prevailing on the balance sheet date.

Actuarial gains and losses are immediately recognized in the income statement as part of the distribution and administrative expenses.

2.15 Share-based payments

Bonus share programs allow the Group employees to receive shares of the parent company of the Group. The fair value of bonus shares granted is recognized as a personnel expense with a corresponding increase in other reserves in equity (when the plan qualifies as equity-settled) over the period during which the employees become unconditionally entitled to the options (the vesting period). The expense is based on fair value estimate of the equity instruments in accordance with conditions of granting.

Fair value of bonus shares is measured at grant date using an appropriate model depending on the characteristics of the plans.

2.16 Provisions

A provision is recognized in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of economic benefits will be required to settle the obligation and when the amount can be estimated reliably.

If the effect of time value is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

Provision for restructuring

A restructuring is a program that is planned and controlled by management that materially changes either the scope of the business or the manner in which that business is conducted.

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for. Certain restructuring expenses are presented in "Other expenses" (see note 2.18). Restructuring costs principally include personnel costs (severance payments, early retirement costs, notice time not worked), branch closure costs, and indemnities for the breach of non-cancellable agreements.

Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Provisions for disputes and litigations

Provisions for disputes and litigation include estimated costs for risks, disputes, litigation and third party claims, and the probable costs associated with warranties given by the Group in the context of the disposal of non-current assets or subsidiaries.

These provisions also include costs of personnel disputes and tax litigation. A provision is not made for tax assessments received or in course of preparation when it is considered that the assessment is not justified or when there is a reasonable probability that the Group will succeed in convincing the authority of its position.

Any accepted assessment is recorded as a liability when the amount can be reasonably estimated.

2.17 Sales

Revenue arising from the sale of goods is presented in sales in the income statement. Sales are recognized when the significant risks and rewards of ownership have been transferred to the buyer, which usually occurs with the delivery or shipment of the product.

Sales are recognized net of customer rebates and discounts.

The Group may enter into direct sales (as opposed to warehouse sales) whereby the product is sent directly from the supplier to the customer without any physical transfer to and from the Group's warehouse. The Group is acting as principal and therefore recognizes the gross amount of the sale transaction.

2.18 Other income and other expenses

Operating income and expenses as a result of abnormal or unusual events are included as separate line items "Other income" and "Other expenses". These line items include in particular, irrespective of their amount, gains and losses on asset disposals, asset depreciation, expenses arising from the restructuring or integration of acquired companies, separation costs, acquisition costs from business combinations and other items such as significant disputes. These items are presented separately in the income statement in order to allow Rexel's Management Board, acting as Chief operating decision maker within the meaning of IFRS 8 "Operating Segments", to assess the recurrent performance of the operating segments.

2.19 Financial expenses (net)

Financial expenses (net) comprise interest payable on borrowings calculated using the effective interest rate method, dividends on preference shares classified as liabilities, interest receivable on funds invested, dividend income, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognized in profit or loss (see note 2.10.5).

Interest income is recognized in profit or loss as it accrues, using the effective interest rate method. Dividend income is recognized in profit or loss on the date the entity's right to receive payment is established which in the case of quoted securities is the ex-dividend date. The interest expense component of finance lease payments is recognized in profit or loss using the effective interest rate method.

2.20 Income tax

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A net deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when they relate to income tax levied by the same tax jurisdiction and the Group intends to settle its current tax assets and liabilities on a net basis.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Information as to the calculation of income tax on the profit for the periods presented is included in note 9.

2.21 Segment reporting

In accordance with IFRS 8 "Operating segments", operating segments are based on the Group's management reporting structure. The information is shown by geographic zone for the electrical equipment distribution business, whereas the other businesses and holding entities are shown separately.

Operations that present substantially similar characteristics are combined as a single segment. Factors considered in identifying such segments include the similarity of economic and political conditions, the proximity of operations, the absence of special risks associated with operations in the various areas where the Group operates and when they have similar long-term financial performance.

Based on this structure, the reportable segments, including the electrical equipment distribution business of the Group, are:

- Europe, aggregating Southern continental Europe, Eastern and Central Europe, United Kingdom / Ireland, and Benelux and Nordics,
- North America, aggregating United States and Canada,
- The Asia-Pacific area,
- Latin America.

The Group's financial reporting is reviewed monthly by the Management Board acting as the Chief operating decision maker.

2.22 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares.

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options and free shares granted to employees.

3. ACQUISITIONS

3.1 2012 Business combinations

As part of Rexel's external growth policy, which aims to strengthen its presence in emerging markets, increase its market share in mature countries and improve the offering of its high value-added services, the Group completed the following acquisitions in 2012:

Europe

United Kingdom

Wilts Wholesale Electrical business was acquired on February 24, 2012. The entity, based in Trowbridge (Witshire), recorded annual sales of around €40 million in 2011. This entity has been consolidated starting on March 1, 2012.

France

The business of Société Commerciale Toutelectric (SCT), based in Toulouse, was acquired on April 5, 2012. This entity has generated around €72 million of sales on an annualized basis and has been consolidated starting on its acquisition date.

Spain

Suministros Electricos Erka S.L., Erka Materiales Electricos S.L. and Erka Bizkaia S.L, based in San Sebastian, were acquired on April 30, 2012. They recorded annual sales of around €35 million in 2011. These companies have been consolidated starting on its acquisition date.

Belgium

L.G.B. NV (La Grange), based in Gent, was acquired on May 31, 2012. It recorded annual sales of around €45 million in 2011. This entity has been consolidated starting on its acquisition date.

North America

Canada

Liteco Inc., operating from 13 branches located in the provinces of New Brunswick, Nova Scotia and Prince Edward Island, was acquired on February 1, 2012. It recorded annual sales of around €50 million in 2011. The company has been consolidated starting on its acquisition date.

United States

On July 2, 2012, the Group completed the acquisition of Platt Electric Supply, a premier independent distributor of electrical products & services in the Western U.S, operating 111 branches located in 7 states. The Group acquired 100% ownership interest for a total consideration, of €325.7 million (US$410.0 million). The goodwill of €199.1 million was recognised on a provisional basis, the fair value measurement of working capital, fixed assets and lease agreements being still under progress as of balance sheet date. Platt Electric Supply has been consolidated starting on its acquisition date. The company posted annual sales of around €310 million in 2011.

On November 30, 2012, the Group completed the acquisition of Munro Distributing Company, a progressive, independent distributor of electrical products and services in the Eastern United States of America and California, specializing in energy efficiency and conservation solutions, operating 12 branches located in the 5 states. The Group acquired 100% ownership interest for a total consideration, of €113.2 million (US$147.0 million). The goodwill of €86.6 million was recognised on a provisional basis, the purchase price allocation being outstanding as of the balance sheet date. Munro Distributing Company has been consolidated starting on its acquisition date. The company posted annual sales of around €88 million in 2011.

Asia-Pacific

Singapore

LuxLight Pte Ltd, based in Singapore and operating in South East Asia, was acquired on November 30, 2012. It recorded annual sales of around €10 million in 2011. This entity will be consolidated starting on January 1, 2013.

Latin America

Brazil

Etil Comercio de Material Electrico Ltda, based in São Paulo, was acquired on February 3, 2012. It recorded annual sales of around €40 million in 2011. The company has been consolidated starting on April 1, 2012.

Peru

Distribudora Romero S.L., operating in Peru, was acquired on July 31, 2012. It recorded annual sales of around €10 million in 2011. This entity has been consolidated starting on October 1, 2012.

The table below shows the consideration allocated to identifiable assets and liabilities, estimated on a provisional basis as of December 31, 2012, for the entities acquired in 2012 and those acquired in late 2011 that were consolidated as of January 1, 2012, such as disclosed in note 3.1 in the financial statements as of December 31, 2011:

- Delamano Solucões EM MRO Ltda and Delamano Montagens e Instalações Industriais Ltda, based in Santo André in the state of São Paulo (Brazil),
- V&F Tecnologia Comercial SAC, based in Lima (Peru),
- Eurodis Sécurité and Eurobat, based in France.

(in millions of)	PLATT (USD)	PLATT (euros)	MUNRO (USD)	MUNRO (euros)	OTHERS (euros)	TOTAL (euros)
Distribution networks	57.7	45.8	–	–	–	45.8
Customer relationship	60.1	47.7	–	–	8.7	56.4
Other fixed assets	7.8	6.2	1.4	1.1	15.6	22.8
Other non-current assets	0.1	0.1	0.5	0.4	4.5	5.0
Current liabilities	123.9	98.4	48.9	37.6	109.2	245.2
Financial debt	–	–	(0.7)	(0.5)	(26.9)	(27.4)
Other non-current liabilities	(37.6)	(29.9)	(0.2)	(0.1)	(5.2)	(35.2)
Current liabilities	(52.7)	(41.8)	(15.4)	(11.8)	(50.2)	(103.9)
Net asset acquired (except goodwill acquired)	**159.3**	**126.5**	**34.6**	**26.6**	**55.6**	**208.8**
Goodwill acquired	250.7	199.1	112.4	86.6	125.3	411.0
Consideration transferred	**410.0**	**325.7**	**147.0**	**113.2**	**180.9**	**619.8**
Cash acquired	–	–	–	–	(3.8)	(3.8)
Deferred payments	–	–	–	–	(1.5)	(1.5)
Payments related to entities not yet consolidated	–	–	–	–	13.9	13.9
Net cash paid for acquisitions	**410.0**	**325.7**	**147.0**	**113.2**	**189.5**	**628.4**
Payments in 2011 (1)	–	–	–	–	(32.8)	(32.8)
Net cash flow for the period	**410.0**	**325.7**	**147.0**	**113.2**	**156.8**	**595.6**

(1) Converted at the exchange rate on the acquisition date.

The amount of fees associated with these acquisitions totaled €8.7 million, of which €6.4 million (€1.0 million for Platt Electric Supply and €1.0 million for Munro) was incurred for the period ended December 31, 2012.

For the period ended December 31, 2012, the contribution of the entities newly consolidated in 2012 to the Group's sales and operating income amounts approximately to €509.9 million and €12.0 million respectively.

Had these acquisitions been consolidated from January 1, 2012, the income statement would have included sales of €792.3 million and operating income of €17.2 million on a yearly basis.

3.2 Acquisition of non-controlling interests

Pursuant to the share purchase agreement dated October 7, 2008 and the supplemental agreement to the Joint Venture Contract for the Establishment of Suzhou Xidian Co., dated March 12, 2011, Rexel acquired the non-controlling interests of Xidian, or 36.5% of the equity interest. The purchase price amounted €22.3 million (US$26.9 million), on July 25, 2012.

This transaction was accounted for as an equity transaction. As a result, the difference between the carrying amount of the non-controlling interests acquired and the consideration paid was recognized directly as a decrease of the Group shareholders' equity for €19.1 million.

3.3 2011 Business combinations

The Group completed the following acquisitions in 2011:

Europe

France

R-Scan, a start-up company specialized in energy efficiency audits and based in Western France and operating under the trade name of Inoveha, was acquired on September 23, 2011. This transaction bears on the acquisition of an initial 70% ownership interest in the share capital and further put and call options exercisable until 2018. This entity has been consolidated as of October 1, 2011.

Eurodis Sécurité, a distributor of security equipment (fire detection, intrusion, access control, CCTV), was acquired on December 29, 2011. In 2010, it posted annual sales of approximately €18 million. This entity has been consolidated as of January 1, 2012.

Germany

Tegro (Tech. Elektro Großhandels) GmbH, based in Germany, was acquired on May 3, 2011. It booked sales of approximately €10 million in 2010. This entity has been consolidated as of May 1, 2011.

Asia Pacific

China

Wuhan Rockcenter Automation, acquired in January 2011 and based in Wuhan, posted annual sales of approximately €10 million in 2010. This entity has been consolidated as of January 1, 2011.

In accordance with an Asset and Business Transfer Agreement executed in June 2011, assets of Beijing Zhongheng, a company based in Beijing were acquired by a newly created company for that purpose and 65% controlled by the Group. Beijing Zhongheng posted sales of approximately €34 million in 2010. The Group holds a call exercisable in 2014 to acquire the remaining 35% interest. This entity has been consolidated as of July 1, 2011.

India

Yantra Automation Private Ltd, acquired in January 2011 and based in Pune, is a distributor specialised in Automotive and industrial controls. In 2010, it posted annual sales of approximately €12 million. The Purchase Agreement stipulates the acquisition of 74% of the share capital rights in January 2011 and the acquisition of the rest of the share capital in 2014. This entity has been consolidated as of January 1, 2011.

AD Electronics, a company specialized in industrial automotive distribution and based in Mumbai, was acquired on May 17, 2011. The Purchase Agreement provides for the acquisition of 75% of the share capital rights in May and July 2011 and the acquisition of the rest of the share capital in 2015. This entity has been consolidated as of July 1, 2011.

Latin America

Brazil

Nortel Suprimentos Industriais, which was acquired on January 19, 2011, is one of the top three Brazilian distributors of electrical materials. It is based in Campinas in the state of São Paulo and recorded annual sales of around €104 million in 2010. The Group acquired the full ownership of this company. This entity has been consolidated as of January 1, 2011.

Delamano Soluções EM MRO Ltda and Delamano Montagens e Instalações Industriais Ltda, based in Santo André in the state of São Paulo, were acquired on November 30, 2011. They recorded annual sales of around €54 million in 2010. The Group acquired the full ownership of these companies.This entity has been consolidated as of January 1, 2012.

Peru

V&F Tecnologia Comercial SAC, a distributor of electrical supplies specialized in industrial automation projects based in Lima with annual sales of around €10 million in 2010, was acquired on October 4, 2011. The Group acquired full ownership of this company. This entity has been consolidated as of January 1, 2012.

The table below shows the consideration allocated as of December 31, 2011 to identifiable assets and liabilities of the acquired entities in 2011, with the exception of Delamano, V&F and Eurodis that have been consolidated starting on January 2012. It also includes entities acquired in 2010 and consolidated as of January 1, 2011, Grossauer and Luckywell.

The amount of fees associated with these acquisitions totaled €7.5 million, of which €5.6 million was incurred for the period ended December 31, 2011. In Brazil, the amount of goodwill deductible for tax purposes is €45.3 million and led to the recognition of a deferred tax asset of €3.6 million.

(in millions of euros)	
Customer relationship	14.6
Other fixed assets	18.4
Other non-current assets	6.7
Current assets	79.7
Financial debt	(14.4)
Other non-current liabilities	(9.2)
Current liabilities	(32.3)
Net asset acquired (except goodwill acquired)	**63.3**
Goodwill acquired	92.1
Consideration transferred	**155.4**
Cash acquired	(11.3)
Deferred payments	(6.4)
Payments related to entities consolidated as of January 1, 2012	33.1
Net cash paid for acquisitions	**170.7**
Payments in 2010 (1)	(66.4)
Foreign currency translation	(3.8)
Net cash flow for the period	**100.5**

(1) Converted at the exchange rate on the acquisition date.

4. SEGMENT REPORTING

In 2012, the Group made minor changes in its organization and therefore discloses the Latin-American segment separately. Therefore, the reportable segments are Europe, North America, Asia-Pacific and Latin America. 2011 comparative data were restated accordingly together with changes in accounting policies following the early adoption of revised IAS19 "Employee Benefits" such as disclosed in note 2.2.1.

In 2011, other operations included non core businesses that were disposed of.

Information by geographic segment for the periods ending December 31, 2012 and 2011

	2012							
(in millions of euros)	EUROPE	NORTH AMERICA	ASIA-PACIFIC	LATIN-AMERICA	OTHER OPERATIONS	**TOTAL OPERATING SEGMENTS**	CORPORATE HOLDINGS AND OTHER RECONCILING ITEMS	**TOTAL GROUP**
INCOME STATEMENT ITEMS								
Sales to external customers (2)	7,448.6	4,348.6	1,341.9	310.0	–	**13,449.0**	0.2	**13,449.2**
Depreciation	(48.3)	(16.4)	(5.5)	(1.5)	–	**(71.7)**	(2.0)	**(73.7)**
EBITA (1)	533.7	225.6	60.0	6.2	–	**825.5**	(58.1)	**767.4**
Goodwill impairment	(25.5)	–	(20.2)	–	–	**(45.7)**	–	**(45.7)**
CASH FLOW STATEMENT ITEM								
Capital expenditures net of disposals	(53.0)	(14.8)	(7.1)	(4.6)	–	**(79.5)**	(4.3)	**(83.8)**
BALANCE SHEET ITEMS								
Working capital	730.2	496.0	173.6	50.2	–	**1,450.0**	(21.5)	**1,428.5**
Goodwill	2,714.9	1,340.0	248.0	66.3	–	**4,369.2**	–	**4,369.2**

(in millions of euros)	2011 EUROPE	NORTH AMERICA	ASIA-PACIFIC	LATIN-AMERICA	OTHER OPERATIONS	TOTAL OPERATING SEGMENTS	CORPORATE HOLDINGS AND OTHER RECONCILING ITEMS	TOTAL GROUP
INCOME STATEMENT ITEMS								
Sales to external customers [2]	7,420.7	3,738.2	1,278.4	214.9	64.9	**12,717.0**	–	**12,717.0**
Depreciation	(47.3)	(17.0)	(4.8)	(1.0)	(0.8)	**(70.9)**	(1.7)	**(72.6)**
EBITA [1]	511.9	173.7	77.9	10.2	(0.1)	**773.5**	(51.2)	**722.3**
Goodwill impairment	(54.8)	–	(4.7)	–	–	**(59.5)**	–	**(59.5)**
CASH FLOW STATEMENT ITEM								
Capital expenditures net of disposals	(51.4)	(11.7)	(8.0)	(2.3)	10.1	**(63.3)**	(5.1)	**(68.4)**
BALANCE SHEET ITEMS								
Working capital	627.9	394.9	174.6	36.5	–	**1,233.9**	36.7	**1,270.6**
Goodwill	2,646.9	1,049.9	266.7	38.7	–	**4,002.2**	–	**4,002.2**

(1) EBITA is defined as operating income before amortization of intangible assets recognized upon purchase price allocation and before other income and other expenses.
(2) Of which €2,484.6 million generated in France in 2012 (€2,474.7 million in 2011).

The reconciliation of EBITA with the Group's consolidated income before income taxes is presented in the following table:

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31, 2012	2011
EBITA – Total Group	**767.4**	**722.3**
Amortization of intangible assets recognized upon allocation of the acquisition price of acquired entities	(13.3)	(15.7)
Other income and other expenses	(106.7)	(107.0)
Net financial expenses	(200.1)	(197.1)
Share of profit/(loss) of associates	3.1	2.8
Group consolidated income before income tax	**450.3**	**405.3**

The reconciliation of the total allocated assets and liabilities with the Group's consolidated total assets is presented in the following table:

(in millions of euros)	AS OF DECEMBER 31, 2012	2011
Working capital	1,428.5	1,270.6
Goodwill	4,369.2	4,002.2
Total allocated assets & liabilities	**5,797.7**	**5,272.8**
Liabilities included in allocated working capital	2,590.0	2,546.2
Other non-current assets	1,408.8	1,306.3
Deferred tax assets	171.9	153.4
Current tax assets	26.1	21.0
Other current assets	0.4	–
Assets classified as held for sale	21.2	3.7
Derivatives	8.1	2.1
Cash and cash equivalents	291.9	413.7
Group consolidated total assets	**10,316.1**	**9,719.2**

5. DISTRIBUTION & ADMINISTRATIVE EXPENSES

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31, 2012	2011
Personnel costs (salaries & benefits)	1,535.0	1,436.8
Building and occupancy costs	269.5	257.0
Other external costs	622.3	583.7
Depreciation expense	73.7	72.5
Amortization of intangible assets recognized upon the allocation of the acquisition price of acquired entities	13.3	15.7
Bad debt expense	47.1	45.2
Total distribution and administrative expenses	**2,560.9**	**2,410.9**

6. SALARIES & BENEFITS

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31, 2012	2011
Salaries and social security charges	1,460.7	1,367.6
Share-based payments	19.9	17.2
Pension and other post-retirement benefits-defined benefit plans	10.8	13.0
Other employee expenses	43.5	39.0
Total employee expenses	**1,535.0**	**1,436.8**

7. OTHER INCOME & OTHER EXPENSES

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31, 2012	2011
Gains on disposal of consolidated entities	–	26.1
Gains on disposal of tangible assets	2.3	8.4
Write-back asset impairment	0.1	0.2
Release of unused provisions	11.7	4.5
Other operating income	1.8	0.4
Total other income	**15.9**	**39.6**
Restructuring costs	(49.9)	(39.8)
Losses on non-current assets disposed of	(2.2)	(2.0)
Impairment of goodwill and fixed assets	(46.8)	(87.9)
Acquisition related costs	(7.8)	(5.6)
Losses on earn-out	(2.3)	–
Other operating expenses	(13.6)	(11.3)
Total other expenses	**(122.6)**	**(146.6)**

7.1 Other income

Gain on disposal of consolidated entities

In 2011, €26.1 million gains on consolidated entities included (i) a gain related to the disposal of Hagemeyer Brands Australia Pty Limited, corresponding to the exchange gain initially recognized in other comprehensive income and reclassified to profit and loss and (ii) a gain related to the disposal of Kompro B.V. in The Netherlands.

Release of unused provisions

In 2012, this line item mainly includes the release of a provision of €7.8 million on a tax reassessment with respect to the deduction of VAT related to services rendered by the investment funds, at the time of Rexel's LBO. The Group filed a claim to the Administrative Court, which dismissed the French tax authority from its request (see note 25.2).

In 2011, it mainly included the release of provisions on litigation with French social security authorities for €2.1 million and on the closing of the liquidation of Ceteco, a Dutch subsidiary of Hagemeyer for €1.0 million.

7.2 Other expenses

Restructuring costs

In 2012, restructuring costs were mainly related to restructuring plans in Europe for €39.6 million (€31.2 million in 2011), mainly in the United Kingdom, Germany, France, Sweden and in The Netherlands in North America for €5.1 million (€6.3 million in 2011) and in Asia-pacific for €4.4 million (€1.9 million in 2011).

Goodwill and assets impairment

In 2012, impairment on goodwill has been recognized on the following cash-generating units: The Netherlands for €23.9 million (€47.2 million in 2011), New Zealand for €20.2 million (€4.7 million in 2011) and Slovenia for €1.6 million (€7.6 million in 2011), as a result of lower than expected operating performance (see note 10.1).

In addition, in 2011, impairment charges were recognised on Spanish fixed assets other than goodwill for €20.7 million and on Hagemeyer Brands Australia Pty Ltd intangible assets prior to their disposal in 2011 for €7 million.

Other operating expenses

In 2012, other operating expenses mainly include (i) the cost of indemnities for termination of employee contracts for €4.8 million, (ii) the early settlement of incentive schemes granted to prior owners of Nortel in Brazil for €1.6 million, (iii) tax reassessments from French tax authorities regarding salaries tax and property tax for respectively €1.3 million and €1.1 million and (iv) the settlement of claim from previous owner of Gexpro in the United States for €1.0 million.

In 2011, other expenses were mainly related (i) to litigation with social security authorities for €6.5 million, (ii) to employee claims for €2.0 million and (iii) to tax claims for €0.8 million.

8. NET FINANCIAL EXPENSES

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31, 2012	2011
Interest income on cash and cash equivalents	0.7	2.0
Interest income on receivables and loans	1.6	2.3
Financial income	**2.3**	**4.3**
Interest expense on financial debt (stated at amortized cost)	(182.6)	(156.0)
Gains and losses on derivative instruments previously deferred in other comprehensive income and recycled in the income statement	(5.6)	(24.3) (1)
Foreign exchange gain (loss)	(8.6)	11.0
Change in fair value of exchange rate derivatives through profit and loss	8.8	(5.9)
Change in fair value of interest rate derivatives through profit and loss	9.2	(8.0)
Interest expense on borrowings	**(178.8)**	**(183.2)**
Net financial expense on employee benefit obligations	(11.8)	(11.0)
Others	(11.9)	(7.3)
Other financial expenses	**(23.7)**	**(18.2)**
Financial expenses (net)	**(200.1)**	**(197.1)**

(1) Including an expense of €13.1 million resulting from the de-designation of cash flow hedge swaps following the partial repayment of the underlying senior credit facilities.

9. INCOME TAX

Rexel and its French subsidiaries have formed a tax group from January 1, 2005. Rexel uses tax consolidation in other countries where similar options exist.

9.1 Income tax expense

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31, 2012	2011
Current tax	(119.4)	(104.5)
Prior year adjustments on current income tax	(0.8)	1.5
Deferred tax	(11.5)	13.7
Total income tax expense	**(131.7)**	**(89.3)**

9.2 Deferred tax assets and liabilities

Changes in net deferred tax assets / liabilities are as follows:

(in millions of euros)	2012	2011
Net deferred tax at the beginning of the period	**42.1**	**11.1**
Deferred tax income (expense)	(11.5)	13.7
Other comprenhensive income	21.8	8.0
Change in consolidation scope	(30.1)	(0.9)
Translation differences	(0.2)	4.8
Other changes	(2.3)	5.4
Net deferred tax at the end of the period	**19.7**	**42.1**

In 2012, other comprehensive income mainly consisted of tax effect on remeasurements of net defined benefit liability recognized for €22.6 million (€13.0 million in 2011).

Deferred tax assets and liabilities are broken down as follows:

(in millions of euros)	AS OF DECEMBER 31, 2012	2011
Intangible assets	(314.2)	(274.5)
Property, plant and equipment	3.5	7.8
Financial assets	10.2	(11.7)
Trade accounts receivable	21.8	18.6
Inventories	13.0	8.2
Employee benefits	122.6	91.9
Provisions	6.8	7.8
Financing fees	2.3	(1.0)
Other items	13.3	23.9
Tax losses carried forward	327.2	350.3
Deferred tax assets / (liabilities), net	**206.5**	**221.5**
Valuation allowance on deferred tax assets	(186.8)	(179.4)
Net deferred tax assets / (liabilities)	**19.7**	**42.1**
of which deferred tax assets	171.9	153.4
of which deferred tax liabilities	(152.3)	(111.3)

Depreciation of deferred tax assets of €186.8 million as of December 31, 2012 (€179.4 million as of December 31, 2011), is determined in respect of the recoverability of net deferred tax assets assessed by each tax entity. The recoverable amount is based on the expected taxable profits over the next 5 years as well as risks arising from tax reassessments. As of December 31, 2012, it mainly refers to the losses carried forward in the United Kingdom, France, Germany and Spain.

9.3 Effective tax rate

(in millions of euros)	2012		2011	
Income before tax and before share of profit in associates	447.3		402.5	
French legal tax rate		*36.1%*		*36.1%*
Income tax calculated at the legal tax rate	(161.5)		(145.3)	
Differences of tax rates in foreign jurisdictions	32.7	(7.3)%	22.8	(5.7)%
Changes in tax rates	(4.2)	0.9%	(2.0)	0.5%
(Current year losses unrecognized), prior year losses utilized	(1.3)	0.3%	38.6	(9.6)%
(Non-deductible expenses), tax exempt revenues	2.6	(0.6)%	(3.4)	0.8%
Actual income tax expense	**(131.7)**	**29.4%**	**(89.3)**	**22.2%**

In 2012, non-deductible expenses and tax exempt revenues include a release of provision of €15.3 million in connection with the dismissal by Administrative Court of a tax reassessment (see note 25.2), partially offset by the tax effect of Goodwill impairment for an amount of €11.9 million.

In 2011, the impact on the income tax expense of non-deductible expenses and tax exempt revenues mainly included a tax gain resulting from legal reorganisations of French holding companies for €39.1 million partially offset by tax reassessment in France for €31.6 million. Prior year losses carried forward have been partially recognized in the UK and resulted in a deferred tax asset of €42.8 million (£37.1 million) following the assessment of future taxable profits as of the balance sheet date.

10. LONG-TERM ASSETS

10.1 Goodwill and intangible assets

(in millions of euros)	STRATEGIC PARTNERSHIPS	DISTRIBUTION NETWORKS	SOFTWARE AND INTANGIBLE ASSETS WITH FINITE USEFUL LIVES (1)	TOTAL INTANGIBLE ASSETS	GOODWILL
Gross carrying amount as of January 1, 2011	**185.6**	**600.7**	**361.5**	**1,147.8**	**4,081.6**
Effect of acquisitions and divestitures	–	–	5.0	**5.0**	**90.9**
Additions	–	–	34.0	**34.0**	**–**
Disposals	–	–	(2.4)	**(2.4)**	**–**
Exchange differences	–	7.4	5.7	**13.1**	**39.0**
Other changes	–	–	(1.1)	**(1.1)**	**(0.1)**
Gross carrying amount as of December 31, 2011	**185.6**	**608.1**	**402.7**	**1,196.4**	**4,211.4**
Effect of acquisitions and divestitures	–	45.8	59.7	**105.5**	**405.6**
Additions	–	-	32.2	**32.2**	**–**
Disposals	–	-	(4.9)	**(4.9)**	**–**
Exchange differences	–	0.7	(2.6)	**(1.9)**	**9.1**
Other changes	–	–	–	**–**	**(0.3)**
Gross carrying amount as of December 31, 2012	**185.6**	**654.6**	**487.1**	**1,327.3**	**4,625.8**
Accumulated amortization and depreciation as of January 1, 2011	**–**	**–**	**(213.4)**	**(213.4)**	**(150.4)**
Change in consolidation scope	–	–	8.2	**8.2**	**0.4**
Amortization expense	–	–	(37.1)	**(37.1)**	**–**
Impairment losses (2)	–	(5.8)	(11.4)	**(17.2)**	**(59.5)**
Decrease of amortization	–	–	(0.5)	**(0.5)**	**–**
Exchange differences	–	–	(4.3)	**(4.3)**	**0.2**
Other changes	–	–	3.6	**3.6**	**0.1**
Accumulated amortization and depreciation as of December 31, 2011	**–**	**(5.8)**	**(254.9)**	**(260.7)**	**(209.2)**
Change in consolidation scope	–	–	(2.6)	**(2.6)**	**–**
Amortization expense	–	–	(32.5)	**(32.5)**	**–**
Impairment losses (3)	–	–	(0.7)	**(0.7)**	**(45.7)**
Decrease of amortization	–	–	3.5	**3.5**	**–**
Exchange differences	–	–	1.1	**1.1**	**(1.7)**
Other changes	–	–	0.4	**0.4**	**–**
Accumulated amortization and depreciation as of December 31, 2012	**–**	**(5.8)**	**(285.7)**	**(291.5)**	**(256.6)**
Carrying amount at January 1, 2011	**185.6**	**600.7**	**148.1**	**934.4**	**3,931.2**
Carrying amount at December 31, 2011	**185.6**	**602.3**	**147.8**	**935.7**	**4,002.2**
Carrying amount at December 31, 2012	**185.6**	**648.8**	**201.4**	**1,035.8**	**4,369.2**

(1) Including customer relationships for a net book value of €67.2 million as of December 31, 2012 (€26.0 million as of December 31, 2011).
(2) Goodwill impairment in The Netherlands, New Zealand and Slovenia. Assets impairment in Spain.
(3) Goodwill impairment in The Netherlands, New Zealand and Slovenia.

Impairment testing of goodwill and intangibles with indefinite lives

Goodwill arising in a business combination represents a payment made in anticipation of future economic benefits arising from assets that are not capable of being identified individually and accounted for separately, such as market shares, the value of workforce, the potential to develop existing business assets and expected synergies from the combination. In the wholesale distribution sector, these synergies notably include those expected in terms of purchasing, logistics, network and administration. Goodwill is tested at least annually for impairment purposes.

For the requirements of impairment testing, goodwill and other intangible assets (strategic partnerships and distribution networks) with an indefinite life have been allocated to the following cash-generating units:

(in millions of euros)		AT DECEMBER 31, 2012			2011		
CGU	GEOGRAPHIC SEGMENT	GOODWILL	OTHER INTANGIBLE ASSETS [1]	TOTAL	GOODWILL	OTHER INTANGIBLE ASSETS [1]	TOTAL
France	Europe	966.3	169.4	1,135.7	946.6	169.4	1,116.0
United States	North America	839.1	123.4	962.5	575.0	81.2	656.2
Canada	North America	506.1	77.1	583.2	480.2	76.7	556.9
The Netherlands	Europe	102.1	17.3	119.4	126.0	17.3	143.3
Sweden	Europe	208.4	21.9	230.3	200.7	21.1	221.8
Germany	Europe	172.9	51.7	224.6	172.9	51.7	224.6
United Kingdom	Europe	199.8	62.7	262.5	185.8	61.3	247.1
Norway	Europe	204.1	16.9	221.0	193.4	16.0	209.4
Australia	Asia-Pacific	191.3	30.5	221.8	191.3	30.5	221.8
Switzerland	Europe	226.3	34.9	261.2	224.8	34.7	259.5
Other		752.8	228.6	981.4	705.5	228.0	933.5
Total		**4,369.2**	**834.4**	**5,203.6**	**4,002.2**	**787.9**	**4,790.1**

Key assumptions retained in the determining of the value-in-use

The recoverable amount of the cash-generating units was determined based on value in use. The calculation of the value in use is based on cash flows arising from the three-year strategic plan performed in June and updated during the budgetary process in November 2012. Cash flows are extrapolated over a period of five years and take into account a terminal value. A perpetuity growth rate has been used for the calculation of the terminal value.

Cash flows were discounted on the basis of the weighted average cost of capital net of tax calculated for each country. Country-specific risk is incorporated by applying individual risk-free rates and beta factors. The weighted average cost of capital reflects the time value of money and the specific risks of the asset, not already factored in the cash flow forecasts, by taking into account the financial structure and the financing terms and conditions of a standard market participant.

The calculation of value in use is mostly sensitive to the EBITA margin computed in the terminal value, the discount rate and the perpetuity growth rate:

Discount rate

The following discount rates are used to estimate the value-in-use:

	2012	2011
France	7.40%	7.40%
United States	7.50%	7.00%
Canada	6.70%	6.80%
The Netherlands	7.80%	8.00%
Sweden	7.80%	8.10%
Germany	7.40%	7.70%
United Kingdom	7.20%	7.50%
Norway	8.30%	8.70%
Australia	9.00%	9.10%
Switzerland	6.40%	6.50%
Other	6.9% to 13.0%	6.8% to 12.5%

Perpetuity growth rate

This growth rate is used to extrapolate cash flows beyond a five-year horizon and is based on expected long-term inflation, assuming no growth in volume. This rate is not subject to changes over the short term. The perpetuity growth rates used to measure the terminal value were 2% for mature markets, 3% for China and India and 4.5% for Brazil, similar to 2011.

As a result of impairment tests, a loss of €45.7 million was recognized in 2012 (€59.5 million in 2011) and allocated to goodwill in The Netherlands for €23.9 million (47.2 million 2011), in New Zealand for €20.2 million (€4.7 million in 2011), and in Slovenia for €1.6 million (€7.6 million in 2011) due to the deterioration of the expected performance of these CGUs resulting in revised long term prospects.

Sensitivity analysis

With regards to the assessment of value-in-use of goodwill and other intangible and fixed assets, the Group believes that no reasonably possible changes in the EBITA margin, discount rate or perpetuity growth rate (less than or equal to 50 basis points) would cause the carrying value of the above cash-generating units to materially exceed its recoverable amount, excluding Brazil (for which the carrying value equals the recoverable amount) and the cash-generating units already impaired in 2012. Therefore, for the latter countries, any adverse movement in a key assumption would lead to a further impairment.

A 50 basis points increase in the discount rate, applied to the value in use of all cash-generating units would result in an additional €28.2 million impairment expense. A 50 basis points decrease in the perpetuity growth rate or in the terminal value EBITA margin would result in additional impairment expenses of €14.4 million and €37.1 million respectively.

10.2 Property, plant and equipment

(in millions of euros)	LAND & BUILDINGS	PLANT & EQUIPMENT	OTHER TANGIBLE ASSETS	TOTAL PROPERTY, PLANT AND EQUIPMENT
Gross carrying amount as of January 1, 2011	**204.2**	**629.9**	**34.9**	**869.0**
Effect of acquisitions and divestitures	24.3	(0.7)	(5.4)	**18.2**
Additions	21.0	39.0	4.4	**64.4**
Disposals	(22.7)	(41.3)	(6.7)	**(70.7)**
Exchange differences	2.7	5.4	–	**8.1**
Other changes	15.4	3.6	(1.5)	**17.5**
Gross carrying amount as of December 31, 2011	**244.9**	**635.9**	**25.7**	**906.5**
Effect of acquisitions and divestitures	8.5	47.5	0.4	**56.4**
Additions	4.0	46.4	8.0	**58.4**
Disposals	(7.2)	(47.0)	(3.2)	**(57.4)**
Exchange differences	1.1	(0.4)	0.2	**0.9**
Other changes	1.8	1.5	(5.7)	**(2.4)**
Gross carrying amount as of December 31, 2012	**253.1**	**683.9**	**25.4**	**962.4**
Accumulated depreciation and amortization as of January 1, 2011	**(95.2)**	**(501.4)**	**(27.0)**	**(623.6)**
Change in consolidation scope	(11.9)	3.7	4.3	**(3.9)**
Depreciation expense	(10.4)	(38.2)	(2.5)	**(51.1)**
Impairment losses	(9.3)	(1.9)	–	**(11.2)**
Release	7.5	39.7	6.6	**53.8**
Exchange differences	(1.2)	(4.5)	–	**(5.7)**
Other changes	(2.1)	(0.8)	(0.2)	**(3.1)**
Accumulated depreciation and amortization as of December 31, 2011	**(122.6)**	**(503.4)**	**(18.8)**	**(644.8)**
Change in consolidation scope	(1.2)	(33.2)	–	**(34.4)**
Depreciation expense	(10.1)	(42.8)	(1.7)	**(54.6)**
Impairment losses	(0.2)	(0.1)	–	**(0.3)**
Release	4.7	44.4	3.0	**52.1**
Exchange differences	(0.4)	–	(0.1)	**(0.5)**
Other changes	(0.5)	1.0	2.3	**2.8**
Accumulated depreciation and amortization as of December 31, 2012	**(130.3)**	**(534.1)**	**(15.3)**	**(679.7)**
Carrying amount at January 1, 2011	**109.0**	**128.5**	**7.9**	**245.4**
Carrying amount at December 31, 2011	**122.3**	**132.5**	**6.9**	**261.7**
Carrying amount at December 31, 2012	**122.8**	**149.8**	**10.1**	**282.7**

Additions of the period include €10.4 million of assets (€18.4 million in 2011) acquired through finance lease contracts. In the consolidated cash flow statement, these acquisitions have been included in cash flows from investing activities, and the corresponding variation of financial debt was included in "Net change in finance lease liabilities" in cash flows from financing activities.

Tangible assets impairment

In 2011, impairment losses accounted for and recognized under "Other expenses" (see notes 2.18 and 7.2) resulted in the write down of certain properties and equipment to bring their net book value to their recoverable amount. Impairments were recorded mainly in Spain, for €10.6 million (see note 10.1).

The assumptions used to establish the value in use of tangible assets are identical to those used for goodwill impairment tests.

10.3 Long-term investments

(in millions of euros)	AS OF DECEMBER 31, 2012	2011
Loans	0.1	0.8
Deposits	23.3	15.8
Other long-term investments	56.0	80.52
Long-term investments	**79.5**	**97.1**

As of December 31, 2012, other long-term investments mainly include:

(i) the fair value of hedging instruments for €39.8 million (€25.9 million as of December 31, 2011) and derivatives held for trading for €2.4 million (€1.6 million as of December 31, 2011), and

(ii) the purchase price of the shares of Luxlight for €13.6 million (see note 3.1); this company was acquired in late 2012 and will be consolidated in 2013.

As of December 31, 2011, other long-term investments were comprised of :

(i) the asset surplus of defined benefit plans relating to the liability of Hagemeyer pension plans in The Netherlands for €18.0 million, and

(ii) the purchase price of the shares and quotas in the Peruvian company V&F Tecnología for €4.5 million, in the Brazilian company Delamano for €14.5 million and in the French company Eurodis for €14 million (see note 3.3). These companies were consolidated as from January 1, 2012.

10.4 Investments in associates

The Group holds 66.67% of the shares in DPI, Inc., of which 59.52% are held in the form of non-voting preference shares. The investment in DPI, Inc., a company based in Saint Louis (USA) and specialized in the distribution of consumer electronics, was accounted for using the equity method.

The following table presents the financial information of DPI, Inc.:

(in millions of euros) – unaudited	AS OF DECEMBER 31, 2012	2011
DPI, INC. BALANCE SHEET INFORMATION		
Total assets	60.8	58.3
Total liabilities	(41.8)	(37.8)
Shareholders' equity	**18.9**	**20.6**

(in millions of euros) – unaudited	FOR THE YEAR ENDED DECEMBER 31, 2012	2011
DPI, INC. SALES AND NET INCOME		
Sales	124.0	122.4
Net income	4.6	4.2

11. CURRENT ASSETS

11.1 Inventories

(in millions of euros)	AS OF DECEMBER 31, 2012	2011
Cost	1,530.6	1,334.8
Allowance	(103.9)	(94.0)
Net inventories	**1,426.7**	**1,240.8**

Changes in impairment losses

(in millions of euros)	2012	2011
Allowance for inventories as of January 1	**(94.0)**	**(91.7)**
Change in consolidation scope	(17.7)	(4.1)
Net change in allowance	7.2	2.3
Translation difference	0.6	(0.4)
Allowance for inventories as of December 31	**(103.9)**	**(94.0)**

11.2 Trade accounts receivable

(in millions of euros)	AS OF DECEMBER 31, 2012	2011
Nominal value	2,276.5	2,269.9
Impairment losses	(152.6)	(147.0)
Trade accounts receivable	**2,123.9**	**2,122.9**

Trade accounts receivable include taxes collected on behalf of the tax authorities that, in certain circumstances, may be recovered when the client defaults. These recoverable taxes amounted to €252.5 million as of December 31, 2012 (€243.7 million as of December 31, 2011).

The Group has put in place credit insurance programs in most major countries. Trade accounts receivable covered by these programs amounted to €723.0 million as of December 31, 2012 (€836.7 million as of December 31, 2011).

Finally, in certain countries, the Group benefits from supplementary guarantees according to the specificities of local jurisdictions, notably in the United States. Trade accounts receivable covered by these guarantees represented €260.1 million as of December 31, 2012 (€238.0 million as of December 31, 2011).

On December 23, 2009, the Group entered into an agreement with Ester Finance Titrisation (the purchaser), a French subsidiary of Calyon, to sell a participating interest in eligible trade receivables of Rexel's US subsidiaries under a *Receivables Participation Agreement* ("RPA"). This agreement allows the Group to assign eligible receivables and receive cash consideration up to a maximum amount of US$220 million. This securitization program matures in December 2015.

The purchase price of the receivables is equal to the face value of the receivables sold less a discount including a credit risk premium and the funding. Under the RPA, the Group is liable for collecting the receivables on behalf of the purchaser and receives servicing fees as remuneration of this obligation. As part of this transaction, the Group entered into a Collateral and Intercreditor Agreement to secure the performance of its obligations under the RPA. The obligations of the Group under the RPA guarantee the transfer of cash collected by the Group on behalf of the purchaser, as well as the payment of expenses and allowances due by the Group. However, these guarantees do not include any compensation obligation in relation to unrecovered receivables.

As a result of the transfer to the purchaser of all risks and obligations attached to the receivables assigned in relation to the Ester program, these receivables are derecognized. The difference between the sale price and the carrying value of these receivables is recorded in the income statement as a financial expense.

As of December 31, 2012, derecognized receivables totaled €112.2 million (€102.8 million as of December 31, 2011) and the resulting loss was recorded as a financial expense for €5.3 million (€4.1 million in 2011). Cash received in relation to derecognized receivables and not yet transferred to the purchaser totaled €18.5 million and was recognized in financial liabilities.

In addition, the Group manages other on-balance sheet securitization programs as described in note 20.1.3.

Changes in impairment losses

(in millions of euros)	2012	2011
Impairment losses on trade accounts receivable as of January 1	**(147.0)**	**(136.0)**
Change in consolidation scope	(8.3)	(1.8)
Net depreciation	3.1	(9.0)
Translation difference	(0.4)	(0.3)
Impairment losses on trade accounts receivable as of December 31	**(152.6)**	**(147.0)**

As of December 31, 2012, customer receivables were subject to impairment losses estimated on an individual basis following the assessment of a confirmed default risk for the customer in question for €98.1 million (€101.9 million as of December 31, 2011).

The balance of impairment losses recorded corresponds to the risks estimated on the basis of late payments.

The summary of overdue receivables for which no impairment provision has been raised is as follows:

	AS OF DECEMBER 31,	
(in millions of euros)	2012	2011
From 1 to 30 days	262.4	232.3

In accordance with the accounting principle stated in note 2.10.3, all receivables above 30 days are subject to an impairment provision.

11.3 Other accounts receivable

	AS OF DECEMBER 31,	
(in millions of euros)	2012	2011
Purchase rebates	324.3	318.7
VAT receivable and other sales taxes	30.7	25.8
Prepaid expenses	38.2	40.4
Derivatives	8.1	2.1
Other receivables	75.2	68.2
Total accounts receivable	**476.4**	**455.2**

12. ASSETS HELD FOR SALE

As of December 31, 2012, assets held for sale were €21.2 million (€3.7 million as of December 31, 2011). They mainly included a vacant property in the United Kingdom, held under a lease agreement, which was disposed of to a third party on January 9, 2013 for €15.4 million (£12.5 million) as a result of the different following transactions.

On December 21, 2012, the Group entered into agreements to early terminate the existing lease agreement with the lessor and undertook to purchase the leased property effective on January 9, 2013. Concurrently to this transaction, the Group entered into a sale agreement with a third party, effective on January 9, 2013, for €15.4 million (£12.5 million). In that respect, the property held under the finance lease was recognized as an asset held for sale for its selling price (€15.4 million).

13. CASH AND CASH EQUIVALENTS

(in millions of euros)	AS OF DECEMBER 31, 2012	2011
Cash equivalents	133.9	135.3
Cash at bank	156.6	277.2
Cash in hand	1.3	1.2
Cash and cash equivalents	**291.9**	**413.7**

As of December 31, 2012, short-term investments include units in mutual funds, valued at their fair market value, for a total of €133.9 million (€133.3 million as of December 31, 2011). These investments were made in accordance with the Group's investment policy which requires that funds in which it invests are highly liquid, easily convertible into a known amount of cash and liable to a negligible risk of loss.

14. SUMMARY OF FINANCIAL ASSETS

			AS OF DECEMBER 31, 2012		2011	
(in millions of euros)	IAS 39 CATEGORY	IFRS 7 HIERARCHY*	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Loans	L&R		0.1	0.1	0.8	0.8
Deposits	L&R		23.3	23.3	15.8	15.8
Assets available for sale	AFS		13.8	13.8	33.3	33.3
Hedging derivatives (1)	N/A	2	39.8	39.8	25.9	25.9
Other derivative instruments	TR	2	2.4	2.4	1.6	1.6
Others (2)	N/A		–	N/A	46.7	N/A
Total long-term investments			**79.5**	**–**	**124.1**	**–**
Trade accounts receivable	**L&R**		**2,123.9**	**2,123.9**	**2,122.9**	**2,122.9**
Supplier rebates receivable	L&R		324.3	324.3	318.7	318.7
VAT and other taxes receivable (2)	N/A		30.7	N/A	25.8	N/A
Other accounts receivable	L&R		75.2	75.2	68.2	68.2
Hedging derivatives (1)	N/A	2	–	–	0.7	0.7
Other derivative instruments	TR	2	8.1	8.1	1.4	1.4
Prepaid expenses (2)	N/A		38.2	N/A	40.4	N/A
Total other current assets			**476.4**	**–**	**455.1**	**–**
Cash equivalents	FV	1	133.9	133.9	135.3	135.3
Cash	L&R		157.9	157.9	278.4	278.4
Cash and cash equivalents			**291.9**	**–**	**413.7**	**–**

(1) Specific accounting treatment for hedging.
(2) Not a financial instrument under IAS 39.

Loans and receivables	L&R
Assets available for sale	AFS
Investments held for trading	TR
Fair value through profit or loss	FV
Not applicable	N/A

* For IFRS 7 hierarchy see note 2.10.4.

15. SHARE CAPITAL AND PREMIUM

15.1 Changes in share capital and issuance premium

Rexel's share capital is composed of ordinary shares, with a par value of €5. The following table shows changes in the share capital and issuance premium:

	NUMBER OF SHARES	SHARE CAPITAL (in millions of euros)	ISSUANCE PREMIUM (in millions of euros)
On January 1, 2011	**260,212,996**	**1,301.0**	**1,383.7**
Exercise of share subscription options (1)	347,152	1.8	1.2
Issuance of shares in connection with payments of dividends	5,376,107	26.9	58.7
Issuance of shares in connection with free shares plan	2,883,504	14.4	(12.6)
Allocation of free shares	–	–	(18.8)
On December 31, 2011	**268,819,759**	**1,344.1**	**1,412.2**
Exercise of share subscription options (1)	65,936	0.3	–
Issuance of shares in connection with payments of dividends (3)	2,273,474	11.4	18.8
Issuance of shares in connection with free shares plan and employee share purchase plans 2010 (2)	426,595	2.1	(14.4)
Issuance of shares in connection with free shares plan and employee share purchase plans 2012 (4)	337,465	1.7	1.7
On December 31, 2012	**271,923,229**	**1,359.6**	**1,418.3**

(1) Exercise of share subscription options

For the period ended December 31, 2012, 65,936 shares options were exercised by senior employees and key management personnel (347,152 for the period ended December 31, 2011).

(2) Issuance of shares in connection with free shares plan and employee share purchase plans

In May 2012, 48,788 shares were issued in connection the 2010 bonus free shares plan ("Plan 2+2").

In June and October 2012, 377,666 shares were issued in connection with the 2008 bonus free shares plan ("Plan 4+0").

In April and December 2012, 141 shares were issued in connection the 2010 employee share purchase plan.

(3) Issuance of shares in connection with payments of dividends

The Shareholders' Meeting of May 16, 2012 approved the payment of a dividend of €0.65 per share, either in cash or in Rexel shares at a price of €13.39, at the option of each shareholder. The total amount of the dividend distributed was €173.5 million, of which €143.0 million was paid in cash and €30.5 million was settled by the issuance of 2,273,474 new shares. Capital increase related costs of €0.3 million were recognized in reduction of the share premium.

	FOR THE YEAR ENDED DECEMBER 31, 2012	FOR THE YEAR ENDED DECEMBER 31, 2011
Dividends on ordinary shares	€0.65	€0.40
Dividends paid *(in millions of euros)*	**173.5**	**105.2**
of which:		
– dividends paid in cash	143.0	19.2
– dividends paid in shares	30.5	86.0

(4) Issuance of shares in connection with the Employee Share Purchase Plan

The settlement and delivery of the shares subscribed by employees under the Employee Share Purchase Plan occurred in November 2012. 297,665 shares were issued at a price of €12.14, and 39,800 shares at a price of €13.76 for US employees. Capital increase related costs of €1.1 million were recognized in reduction of the share premium.

15.2 Capital Management and treasury shares

The Shareholders' Meeting of May 19, 2011 authorized the Company's Management Board, subject to the prior approval by the Supervisory Board, with the option of sub-delegation, to buy a maximum number of shares representing up to 10% of the company's share capital for a maximum price of €22 per share. This program is capped at €200 million with a term of 18 months from the date of the Shareholders' Meeting (ending November 19, 2012).

The objectives of this program in decreasing order of priority are as follows:

– insuring the liquidity and activity in the market for the shares through the intermediary of an investment services provider;

– setting up any stock option plan of the Company;

– retaining and delivering shares further to an exchange or as a consideration in the context of external growth transactions and within the limit of 5% of the share capital of Rexel;

– granting shares in connection with the exercise of rights attached to securities conferring access to Rexel shares;

– cancelling all or part of the shares so repurchased;

– any other actions that may comply with regulation in force.

Under this share buy-back program, Rexel entered into a mandate with Natixis, complying with a Code of Ethics recognized by the *Autorité des marchés financiers* (AMF), the French securities regulator, to promote the liquidity of Rexel share transactions for an amount of €12.8 million.

In addition to this agreement, Rexel also mandated Natixis in order to buy 1,975,000 treasury shares to serve its free share plans, in the fourth quarter 2011 for an amount of €23.7 million and 500,000 treasury shares for €7.0 million in the second quarter 2012. In May 2012, 459,723 treasury shares were delivered in order to serve 2010 Free Share Plans.

On December 31, 2012, Rexel held 2,292,534 treasury shares (2,590,773 as of December 31, 2011) valued at an average price of €12.72 per share (€12.12 per share as of December 31, 2011) and recorded as a reduction in shareholders' equity, for an amount of €29.2 million (€31.4 million as of December 31, 2011).

Net capital gains realized on the sale of treasury shares in 2012 amounted to €1.3 million net of tax and were recognized as an increase in shareholders' equity (net capital loss of €0.6 million in 2011).

16. SHARE-BASED PAYMENTS

16.1 Bonus share plans

In addition to its long-term profit sharing policy for employees, Rexel has bonus share plans in place, the principal characteristics of which are described below:

Plans issued in 2012

On May 2, 2012 and on July 26, 2012, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 2,262,404 shares. According to these plans, these employees and executives will either be eligible to receive Rexel shares two-years after the grant date (May 3, 2014 and July 27, 2014), these being restricted for an additional two-year period (until May 3, 2016 and July 27, 2016), the so-called "2+2 Plan", or four years after the granting date with no subsequent restrictions, the so-called "4+0 Plan".

The delivery of these shares is subject to service and performance conditions of the schemes as described below:

BENEFICIARIES	MEMBERS OF GROUP EXECUTIVE COMMITTEE AND TOP MANAGERS		TOTAL
Vesting conditions	Two-year service condition from grant date and performance conditions based on: (i) 2012 adjusted EBITA, (ii) 2011/2013 adjusted EBITA margin increase and (iii) average free cash flow before interest and tax / EBITDA between 2012 and 2013 (iv) free cash flow before interest and tax 2012		
Plan	2+2	4+0	
May plan's delivery date	May 3, 2014	May 3, 2016	
Share fair value at grant date May 2, 2012 (1)	€14.47	€13.14	
Maximum number of shares granted on May 2, 2012	737,024	1,282,300	**2,019,324**
July plan's delivery date	July 27, 2014	July 27, 2016	
Share fair value at grant date July 26, 2012 (1)	€11.85	€10.46	
Maximum number of shares granted on July 26, 2012	59,243	183,837	**243,080**
Total maximum number of shares granted in 2012	796,267	1,466,137	**2,262,404**
Cancelled in 2012	(118,149)	(227,478)	**(345,627)**
Total maximum number of shares granted in 2012	678,118	1,238,659	**1,916,777**

(1) The fair value of Rexel's shares granted to employees is estimated based upon the stock price at the grant date. The restrictions attached to the dividends until the delivery date of the shares to the beneficiaries are computed as a reduction of the fair value.

Plans issued in 2011

On May 12, 2011 and October 11, 2011, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 2,423,467 shares. According to these plans, these employees and executives will either be eligible to receive Rexel shares two-years after the grant date (May 12, 2013 / October 11, 2013), these being restricted for an additional two-year period (until May 12, 2015 / October 11, 2015), the so-called "2+2 Plan", or four years after the granting date with no subsequent restrictions, the so-called "4+0 Plan".

The actual delivery of these bonus shares is subject to service and performance conditions set forth in the plan.

Vesting conditions are presented in the following table:

BENEFICIARIES	MEMBERS OF GROUP EXECUTIVE COMMITTEE AND TOP MANAGERS		OTHER KEY EMPLOYEES		OPERATIONAL MANAGER		TOTAL
Vesting conditions	Two-year service condition from grant date and performance conditions based on: (i) 2011 adjusted EBITDA, (ii) 2010/2012 adjusted EBITDA margin increase and (iii) 2011 ratio Net Debt to adjusted EBITDA		Two-year service condition from grant date and 80% based on additional performance conditions relative to: (i) 2011 adjusted EBITDA, (ii) 2010/2012 adjusted EBITDA margin increase and (iii) 2011 ratio Net Debt to adjusted EBITDA		Two-year service condition from grant date		
Plan	2+2	4+0	2+2	4+0	2+2	4+0	
Delivery date	May 12, 2013 / October 11, 2013	May 12, 2015 / October 11, 2015	May 12, 2013 / October 11, 2013	May 12, 2015 / October 11, 2015	May 12, 2013 / October 11, 2013	May 12, 2015 / October 11, 2015	
Maximum number of shares granted on May 12, 2011	429,203	507,879	177,931	484,110	96,375	387,250	**2,082,748**
Maximum number of shares granted on October 11, 2011 (1)	295,550	8,381	10,929	25,859	–	–	**340,719**
Cancelled in 2011	(65,301)	(82,178)	(18,474)	(60,197)	(9,750)	(11,500)	**(247,400)**
Maximum number of shares allocated as of December 31, 2011	659,452	434,082	170,386	449,772	86,625	375,750	**2,176,067**
Cancelled in 2012	(311,597)	(239,950)	(76,333)	(203,856)	(3,625)	(24,625)	**(859,986)**
Maximum number of shares allocated as of December 31, 2012	347,855	194,132	94,053	245,916	83,000	351,125	**1,316,081**
Share fair value at the attribution date May 12, 2011	*€17.22*	*€16.42*	*€17.22*	*€16.42*	*€17.22*	*€16.42*	
Share fair value at the attribution date October 11, 2011	*€11.39*	*€10.34*	*€11.39*	*€10.34*			

(1) Of witch 59,018 shares granted to members of Group Executive Committee with only two-year service.

Furthermore, October 11, 2011, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 1,343,310 shares. According to these plans, these employees and executives will either be eligible to receive Rexel shares three years after the grant date (October 11, 2014), these being restricted for an additional two-year period (October 11, 2016), the so-called “3+2 Plan”, or five years after the granting date with no subsequent restrictions, the so-called “5+0 Plan”.

The delivery of these shares is subject to service and market conditions as described below:

BENEFICIARIES	MEMBERS OF GROUP EXECUTIVE COMMITTEE AND TOP MANAGERS	OTHER KEY EMPLOYEES	TOTAL
Vesting conditions	Three-year service condition from grant date and Rexel share performance compared with a panel of shares from firms of the same activity segment condition		
Plan	3+2	5+0	
Delivery date	October 11, 2013	October 11, 2015	
Maximum number of shares granted on October 11, 2011	840,334	502,976	**1,343,310**
Maximum number of shares allocated as of December 31, 2011	840,334	502,976	**1,343,310**
Cancelled in 2012	–	(56,387)	**(56,387)**
Maximum number of shares allocated as of December 31, 2012	840,334	446,589	**1,286,923**
Share fair value at the attribution date	*€7.17*	*€6.15*	

The fair value of Rexel's shares granted to key employees was computed based on a Monte Carlo model which simulates the evolution of Rexel's and panel shares' quotations at the end of the three years vesting period. Also, restrictions attached to the dividends until the delivery date of the shares to the beneficiaries were deducted from the fair value.

Plans issued in 2010 and before

In 2010, 2009 and 2008, Rexel entered into several bonus share plans for its senior executives and key employees for a total of 4,499,989 shares. Depending on local regulations, these employees and executives will be eligible to receive Rexel shares, either after a period of two-years from the grant dates, with a restriction on their sale for an additional two-year period, or after a period of four years from the grant date with no subsequent restrictions on their sale.

The actual transfer of these free shares is subject to the service and performance conditions of the schemes.

	PLANS ISSUED IN 2010	PLANS ISSUED IN 2009	PLANS ISSUED IN 2008
Maximum number of shares granted initially	**1,519,862**	**1,372,166**	**1,607,961**
Shares cancelled	(148,267)	(335,335)	(1,080,455)
Shares delivered	–	(268,416)	(147,763)
Maximum number of shares allocated as of December 31, 2011 and not yet delivered	**1,371,595**	**768,415**	**379,743**
Shares cancelled in 2012	(25,630)	(2,187)	(2,077)
Shares delivered in 2012	(508,511)	–	(377,666)
Maximum number of shares allocated as of December 31, 2012 and not yet delivered	**837,454**	**766,228**	**–**
Share fair value at the grant date	*€6.42*	*€7.88*	*€16.5*

16.2 Stock option plans

On October 28, 2005, Rexel established a share option subscription program that entitles key management personnel to purchase Rexel shares, on May 31, 2006 and October 4, 2006, further options were granted to new management personnel. On November 30, 2005, a share option subscription arrangement was set up for a broader circle of key employees of the Group with vesting conditions based on a four-year service period or the occurrence of certain events including in particular admission of the Company's shares to trading on a regulated market. On May 31, 2006, this plan was extended to new entrants.

Options granted under these plans were vested in full upon the Initial Public Offering of Rexel shares in April 2007.

These options are exercisable by the beneficiaries at the fair value of the shares at the date of grant for a period of 10 years from grant date. These plans are qualified as equity-settled transactions.

DATE OF ALLOCATION / BENEFICIARIES	NUMBER OF INSTRUMENTS ORIGINALLY ALLOCATED	NUMBER OF OPTIONS ACTIVE AS OF DECEMBER 31, 2012	OPTIONS TERM	EXERCISE PRICE
OPTIONS GRANTED TO KEY MANAGERS ("PLAN NO. 1")				
– on October 28, 2005	2,711,000	32,820	October 28, 2015	€5.0
– on May 31, 2006	169,236	–		
– on October 4, 2006	164,460	–		
OPTIONS GRANTED TO KEY EMPLOYEES ("PLAN NO. 2")				
– on November 30, 2005	259,050	165,154	November 30, 2015	€5.0
– on May 31, 2006	34,550	11,276		€6.5
Total options granted by Rexel	**3,338,296**	**209,250**		

16.3 Employee share purchase plans

Pursuant to the authorization granted by the shareholders' meeting held on May 16, 2012 and by the Supervisory Board on May 16, 2012, the Management Board meeting held on September 3, 2012 decided to realize a reserved capital increase in favour of employees in sixteen countries.

In most of these eligible countries, subscription has been carried out directly or through employee shareholding funds (*fonds communs de placement d'entreprise* or FCPE) which received approval from the *Autorité des marchés financiers* (AMF) on July 17, 2012. The subscription period closed on September 28, 2012.

The price of the employee offering, except for US participating employees, was set at the average of the opening price of Rexel shares over the 20 trading days preceding the decision of the Management Board, minus a 20% discount, thus resulting in a subscription price of €12.14 per share. For US employees the subscription price is equal to 85% of the Rexel share price on the Paris Stock Exchange on September 7, 2012, *i.e.* €13.76 per share.

In France, participating employees benefited from an employer matching contribution equal to 150% of the subscribed amount up to €200 and 50% from €201 to €500.

Outside France, employees are granted two matching shares for each of the first fifteen whole shares subscribed and for subsequent shares up to €800 invested one matching share is allocated for each share subscribed. Matching shares are subject to a five-year service condition within the Group.

In the United Kingdom, a specific share incentive plan has been proposed to employees through a trustee. Subscription price will be the minimum of the Rexel share market value as measured on September 29, 2012 (€15.55) and on March 13, 2013. Employees are granted two matching shares for each of the first fifteen whole shares subscribed and for subsequent shares up to €800 invested one matching share is allocated for each share subscribed. Matching shares are subject to a three-year service condition within the Group.

The settlement and delivery of the shares subscribed for pursuant to this plan took place in November 2012, except for the United Kingdom plan, scheduled in March 2013. The overall subscription was 3.7 million of euros. Benefits granted to employees resulted in personnel costs of €1.4 million before tax of which €0.9 million related to the discount granted to employees and €0.5 million related to the employer matching contribution offered to French beneficiaries for the period ended December 31, 2012.

16.4 Share-based payment expenses

Expenses related to free share plans are accounted for in "Distribution and administrative expenses" (except for the 2007 plan which was accounted for in "Other expenses" in consideration of the non-recurring nature of the IPO) and are summarized as follows:

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31, 2012	2011
Plans issued in 2009	0.2	1.2
Plans issued in 2010	2.3	6.9
Plans issued in 2011	13.6	8.8
Plans issued in 2012	2.7	–
Expense related to employee share purchase plan	1.1	0.3
Total free share plans expense	**19.9**	**17.2**

17. EARNINGS PER SHARE

Information on the earnings and number of ordinary and potential dilutive shares included in the calculation is presented below:

	FOR THE YEAR ENDED DECEMBER 31, 2012	2011
Net income attributed to ordinary shareholders (in millions of euros)	***318.1***	***315.3***
Weighted average number of ordinary shares *(in thousands)*	267,931	264,688
Non dilutive potential shares *(in thousands)*	1,440	1,637
Weighted average number of issued common shares and non dilutive potential shares (in thousands)	***269,371***	***266,325***
Basic earning per share *(in euros)*	**1.18**	**1.18**
Net income attributed to ordinary shareholders (in millions of euros)	***318.1***	***315.3***
Weighted average number of issued common shares and non dilutive potential shares *(in thousands)*	269,371	266,325
Potential dilutive shares *(in thousands)*	2,822	2,331
– of which share options *(in thousands)*	138	189
– of which bonus shares *(in thousands)* (1)	2,684	2,142
Weighted average number of common shares used for the calculation of fully diluted earnings per share (in thousands)	***272,193***	***268,656***
Fully diluted earnings per share	**1.17**	**1.17**

(1) The number of potential dilutive shares does not take into account the free shares whose allocation is subject to performance conditions.

18. PROVISIONS AND OTHER NON-CURRENT LIABILITIES

(in millions of euros)	AS OF DECEMBER 31, 2012	2011
Provisions	75.2	125.3
Other non-current liabilities	26.6	32.3
Total	**101.8**	**157.6**

Other non-current liabilities essentially comprise the fair value of derivative instruments at €16.4 million (€22.9 million at December 31, 2011) (see note 21.1) and debts related to profit sharing schemes for French employees in the amount of €10.2 million (€9.4 million at December 31, 2011).

The variation in provisions is detailed in the table below:

(in millions of euros)	RESTRUCTURING	TAX LITIGATION	OTHER LITIGATION & WARRANTY CLAIMS	VACANT PROPERTIES	TOTAL PROVISIONS
At January 1, 2011	**29.2**	**22.4**	**19.9**	**53.1**	**124.6**
Change in consolidation scope	(0.3)	–	1.4	(3.1)	**(2.0)**
Increase	15.5	1.6	15.7	15.3	**48.1**
Use	(20.3)	(2.8)	(1.7)	(16.4)	**(41.2)**
Release	(0.3)	(1.5)	(3.7)	(0.7)	**(6.2)**
Translation differencies	(0.2)	–	(0.1)	1.9	**1.6**
Other changes	(5.2)	–	(3.2)	8.8	**0.4**
At December 31, 2011	**18.4**	**19.7**	**28.3**	**58.9**	**125.3**
Change in consolidation scope	–	0.2	–	–	**0.2**
Increase	27.4	0.1	3.9	9.1	**40.5**
Use	(21.3)	(1.3)	(6.3)	(18.2)	**(47.1)**
Release	(0.5)	(12.2)	(2.5)	(28.9)	**(44.1)**
Translation differencies	–	–	–	1.1	**1.1**
Other changes	(0.1)	–	(0.5)	(0.1)	**(0.7)**
At December 31, 2012	**23.9**	**6.5**	**22.9**	**21.9**	**75.2**

Provisions mainly comprise:

- Provisions for redundancy plans to adapt the Group's structure to current trading conditions. These restructuring plans resulted in the closure of branches, distribution centers and administrative headquarters. Provisions for restructuring activities undertaken at December 31, 2012, mainly concerned, Europe for €18.1 million (€15.3 million in 2011), North America for €4.8 million (€2.4 million in 2011) and Asia-Pacific for €1.1 million (€0.4 million in 2011).
- Tax litigation concerned mainly France for €4.2 million (€16.8 million in 2011) and Canada for €2.0 million (€2.5 million in 2011). In 2012, provisions for tax litigation were released by €12.2 million, of which €7.8 million following the favorable judgment of the French Administrative Court (see note 25.2).
- Other litigations and warranty claims amounted to €22.9 million (€28.3 million in 2011), of which €7.5 million (€8.8 million in 2011) relating to litigation with French social security authorities, €3.5 million for employee claims (€6.6 million in 2011) and €2.3 million for commercial litigations (€2.2 million in 2011).
- Provisions for lease commitments related to vacant properties concern mainly the United Kingdom for €11.0 million (€41.5 million in 2011), the United States for €6.0 million (€10.7 million in 2011) and France for €2.5 million (€2.7 million in 2011). As part of agreements entered into on December 21, 2012 in connection with the termination of a lease contract and the disposal of a vacant property in the United Kingdom, the provision for lease payments, previously accounted for as an onerous lease, was fully released for €28.4 million (see notes 12).

19. POST-EMPLOYMENT AND LONG-TERM BENEFITS

19.1 Defined benefit plans description

The Group provides employee benefits under various arrangements, including defined benefit and defined contribution plans. The specific conditions of these plans vary according to the rules applying in each country concerned. These plans include pensions, lump-sum payments on retirement, jubilees, early retirement benefits, and health care and life insurance benefits in favor of former employees, including retired employees.

The most significant funded defined benefit pension plans sponsored by the Group are in Canada, in the United Kingdom, in The Netherlands and in Switzerland. Related funds are managed through independent vehicles.

In the United Kingdom, Rexel operates deferred final salary defined benefits through the *Rexel UK Pension Scheme* fund. All sections under this plan are closed to new entrants with effect of April 5, 2002. Accrued benefits and pensions are subject to indexation. Statutory funding objectives are agreed between the Trustee Board and the company. In that respect, the Trustee Board carries out a full valuation of the Scheme at least every three-years, after which a recovery plan of contributions is agreed with the company to restore any funding deficit. The next valuation is due to be performed as at April 5, 2014. The Trustee Board is also responsible for determining the investment strategy of the plan.

In Switzerland, Rexel provides a second pillar pension plan for their employees. Assets are managed through a pension fund *"Pension Kasse"*, the *Elektro Material Pension Plan*. The plan runs under a contribution-based pension plan agreement with guaranteed return, thus qualifying as a defined benefit plan. The Pension Board *"Conseil de Fondation"* is responsible to set up adequate Company's and employee's contribution and asset allocation strategy that seeks to meet at least guaranteed return.

In The Netherlands, the main pension plan in force is a mix between defined benefit and defined contribution ("hybrid-type" plan). The defined benefit portion is subject to a ceiling. Above the defined benefit portion, a defined contribution section applies. Defined benefit pension plan is a salary average plan open for new entrants and managed through a Board, *Sagittarius Pension Fund*. This Board is responsible for applying the administration agreement, the contributions with the company, and determining the investment strategy of the plan so as to comply with minimum funding levels required by the Dutch regulator (DNB).

In Canada, defined benefit pension plans mainly include:

– The Employees' Plan which is a registered plan and has both defined benefit and defined contribution provisions. The defined benefit provision of the plan has a career average type formula. This plan was closed to new entrants on January 1, 2000.

– The Executives' Pension Plan and the Supplementary Executives' Retirement Plan "SERP" which provides retirees with a pension based on a percentage of their prior earnings. The Executives' Plan is a final average earnings defined benefit registered plan. The SERP has two provisions: the first provides benefit in excess of the limits of the Executives' Plan and the second portion provides a term annuity upon retirement based on a notional account.

For both plans, a valuation is performed every three-years. Employee's plan next valuation is due on December 31, 2013. Last Executive's Pension Plan valuation was performed as of December 31, 2012.

19.2 Employee Benefit Plan information

The change in the present value of the obligation in respect of defined benefit plans is as follows:

(in millions of euros)	DEFINED BENEFIT OBLIGATIONS THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
At January 1, 2011	**328.8**	**310.5**	**223.6**	**134.5**	**135.7**	**1,133.2**
Service cost	2.2	0.1	2.8	4.4	4.6	14.2
Interest cost	16.4	16.7	11.4	4.1	6.6	55.2
Benefit payments	(18.8)	(9.9)	(10.7)	(7.5)	(6.3)	(53.2)
Employee contributions	0.6	–	0.8	2.4	0.2	4.0
Change in consolidation scope	–	–	–	14.1	1.5	15.6
Translation differencies	–	10.1	3.0	4.1	1.9	19.0
Past service cost / settlement and other	–	–	–	(1.3)	–	(1.3)
Remeasurements						
Effect of change in financial assumptions	*11.1*	*12.0*	*25.4*	*1.6*	*0.2*	*50.3*
Effect of experience adjustments	*(6.2)*	*(4.1)*	*(1.6)*	*(3.2)*	*(0.6)*	*(15.7)*
At December 31, 2011	**334.2**	**335.5**	**254.7**	**153.0**	**144.0**	**1,221.3**
Service cost	2.3	0.1	3.8	4.5	4.8	15.5
Interest cost	16.5	16.2	11.4	4.2	6.6	54.9
Benefit payments	(18.8)	(11.3)	(11.5)	(6.3)	(6.8)	(54.7)
Employee contributions	0.6	–	0.8	2.6	0.3	4.3
Change in consolidation scope	–	–	–	–	1.7	1.7
Translation differencies	–	7.6	0.8	1.0	(0.2)	9.2
Past service cost / settlement and other	(3.0)	–	(0.7)	(1.8)	(1.1)	(6.6)
Remeasurements						
Effect of change in demographic assumptions	*0.2*	*0.2*	*–*	*–*	*(0.1)*	*0.3*
Effect of change in financial assumptions	*78.4*	*41.8*	*19.4*	*20.3*	*24.9*	*184.8*
Effect of experience adjustments	*(10.9)*	*7.0*	*(0.8)*	*(4.5)*	*0.8*	*(8.4)*
At December 31, 2012	**399.5**	**397.1**	**277.9**	**173.0**	**174.9**	**1,422.3**

The change in the fair value of the defined benefit plan assets breaks down as follows:

	PLAN ASSETS					
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
At January 1, 2011	**364.3**	**228.7**	**158.0**	**121.3**	**48.4**	**920.7**
Employer contributions	3.1	14.5	7.7	3.7	5.2	34.1
Employee contributions	0.6	–	0.8	2.4	0.2	4.0
Interest income	18.8	11.2	7.8	4.1	2.3	44.2
Benefit payments	(18.8)	(9.9)	(10.7)	(7.5)	(6.3)	(53.2)
Change in consolidation scope	–	–	–	11.4	0.6	12.0
Translation differencies	–	9.2	1.7	3.7	0.8	15.4
Return on plan assets excluding interest income (OCI)	(21.4)	8.2	(4.7)	3.0	(1.6)	(16.6)
At December 31, 2011	**346.5**	**261.9**	**160.6**	**142.0**	**49.6**	**960.6**
Employer contributions	2.8	16.1	14.3	5.2	6.6	45.0
Employee contributions	0.6	–	0.8	2.6	0.3	4.3
Interest income	17.6	12.1	7.3	4.0	2.1	43.1
Benefit payments	(18.8)	(11.3)	(11.5)	(6.3)	(6.8)	(54.7)
Translation differencies	–	7.4	0.7	1.0	0.2	9.3
Return on plan assets excluding interest income (OCI)	33.7	4.4	1.7	0.2	2.1	42.1
At December 31, 2012	**382.4**	**290.6**	**173.9**	**148.7**	**54.1**	**1,049.7**

The change in the net liability / (asset) breaks down as follows:

	NET LIABILITY / (ASSET)					
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
At January 1, 2011	**(35.4)**	**81.8**	**65.6**	**13.1**	**87.4**	**212.5**
Service cost	2.2	0.1	2.8	4.4	4.6	14.2
Interest cost	(2.4)	5.4	3.6	–	4.3	11.0
Past service cost / settlement and other	–	–	–	(1.3)	–	(1.3)
Employer contributions	(3.1)	(14.5)	(7.7)	(3.7)	(5.2)	(34.1)
Change in consolidation scope	–	–	–	2.7	0.9	3.6
Translation differencies	–	0.9	1.3	0.3	1.1	3.6
Remeasurements	26.3	(0.2)	28.5	(4.7)	1.2	51.2
At December 31, 2011	**(12.4)**	**73.6**	**94.1**	**10.9**	**94.3**	**260.7**
Service cost	2.3	0.1	3.8	4.5	4.8	15.5
Interest cost	(1.1)	4.1	4.1	0.2	4.5	11.8
Past service cost / settlement and other	(3.0)	–	(0.7)	(1.8)	(1.1)	(6.6)
Employer contributions	(2.8)	(16.1)	(14.3)	(5.2)	(6.6)	(45.0)
Change in consolidation scope	–	–	–	–	1.7	1.7
Translation differencies	–	0.2	0.1	–	(0.4)	(0.1)
Remeasurements	34.0	44.6	16.9	15.6	23.5	134.6
At December 31, 2012	**17.0**	**106.5**	**104.0**	**24.2**	**120.7**	**372.6**

The reconciliation of the liability recognized on the balance sheet with the present value of the obligation in respect of defined benefit plans is as follows:

	LIABILITY RECONCILIATION					
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
For the year ended December 31, 2011						
Defined benefit obligations	**334.2**	**335.5**	**254.7**	**153.0**	**144.0**	**1,221.3**
of which funded schemes	*334.2*	*334.3*	*216.9*	*150.8*	*75.9*	*1,112.0*
of which unfunded schemes	–	*1.2*	*37.8*	*2.2*	*68.1*	*109.3*
Fair value of plan assets	(346.5)	(261.9)	(160.6)	(142.0)	(49.6)	(960.6)
Recognized net liability for defined benefit obligations	**(12.4)**	**73.6**	**94.1**	**10.9**	**94.3**	**260.7**
of which "Employee benefits"	*5.6*	*73.6*	*94.1*	*10.9*	*96.0*	*280.4*
of which "Other financial assets" (1)	*(18.0)*	–	–	–	*(1.7)*	*(19.7)*
For the year ended December 31, 2012						
Defined benefit obligations	**399.5**	**397.1**	**277.9**	**173.0**	**174.9**	**1,422.3**
of which funded schemes	*399.5*	*395.7*	*236.1*	*170.6*	*91.7*	*1,293.6*
of which unfunded schemes	–	*1.4*	*41.8*	*2.4*	*83.2*	*128.7*
Fair value of plan assets	(382.4)	(290.6)	(173.9)	(148.7)	(54.1)	(1,049.7)
Recognized net liability for defined benefit obligations	**17.0**	**106.5**	**104.0**	**24.2**	**120.7**	**372.6**
of which "Employee benefits"	*17.0*	*106.5*	*104.0*	*24.2*	*120.7*	*372.6*
of which "Other financial assets"	–	–	–	–	–	–

(1) The €18.0 million surplus of the defined benefit plan assets over liabilities related to the Hagemeyer post-employment scheme in The Netherlands which is subject to minimum funding rules. Pursuant to the plan, the company is entitled to contribution holidays when the funding ratio is beyond 175%, and a refund of 80% of the surplus when the ratio is above 225% or upon termination of the plan for the amount of the surplus. As a result, no asset ceiling was recognized at December 31, 2011.

19.3 Re-measurements of the net defined benefit liability

	OTHER COMPREHENSIVE INCOME					
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Return on plan assets excluding interest income	21.4	(8.2)	4.7	(3.0)	1.5	16.5
Effect of change in financial assumptions	11.1	12.0	25.4	1.6	0.1	50.2
Effect of experience adjustments	(6.2)	(4.1)	(1.6)	(3.5)	(0.5)	(15.9)
OCI recognized for the year ended December 31, 2011	**26.3**	**(0.2)**	**28.5**	**(5.0)**	**1.1**	**50.8**
Return on plan assets excluding interest income	(33.7)	(4.4)	(1.7)	(0.2)	(2.2)	(42.2)
Effect of change in demographic assumptions	0.2	0.2	–	–	(0.1)	0.3
Effect of change in financial assumptions	78.4	41.8	19.3	20.2	24.5	184.2
Effect of experience adjustments	(10.9)	7.0	(0.8)	(4.5)	0.7	(8.5)
OCI recognized for the year ended December 31, 2012	**34.0**	**44.6**	**16.8**	**15.5**	**22.9**	**133.8**

19.4 Employee Benefit expense

The expense recognized in the consolidated income statement breaks down as follows:

	EXPENSE					
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Service cost (1)	2.2	0.1	2.8	4.4	4.6	14.2
Past service costs (1)	–	–	–	(1.3)	–	(1.3)
Net Interest expense (2)	(2.4)	5.4	3.6	–	4.3	11.0
Other (1)	–	–	–	0.3	–	0.3
Expense recognized for the year ended December 31, 2011	**(0.1)**	**5.6**	**6.4**	**3.4**	**9.0**	**24.2**
Service costs (1)	2.3	0.1	3.8	4.5	4.8	15.5
Past service costs (1)	(3.0)	–	(0.7)	(1.8)	(1.1)	(6.6)
Net Interest expense (2)	(1.1)	4.1	4.1	0.2	4.5	11.8
Other (1)	–	–	–	0.1	0.5	0.6
Expense recognized for the year ended December 31, 2012	**(1.8)**	**4.2**	**7.2**	**3.0**	**8.7**	**21.3**

(1) Recognized as personnel costs (see note 6) and in other income (see note 7).
(2) Recognized as net financial expenses (see note 8).

Description of plan amendments and curtailements

In the Netherlands, following a reduction in workforce a curtailment gain was recognized for €0.8 million.

In addition, plan changes affecting retirement age, partner pension and conditional indexation have been implemented during 2012. The gain resulting from plan amendment was recognized in the income statement for €2.2 million.

The Swiss retirement plan was amended as a result of a decision of the Trustees Board to improve funding levels, comprising of a decrease in conversion rates and increase in future employee and employer contributions resulting in a gain of €1.8 million recognized in the income statement.

In Canada, medical care benefits rationalization of post-employment healthcare program have led to a reduction of the defined benefit obligation recognized in the income statement for €0.9 million.

19.5 Plan asset allocation

(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND
Cash and cash equivalents	–	–	1.5	–
Equity instruments (quoted in an active market)	101.2	14.4	69.7	40.3
Debt instruments (quoted in an active market)	181.3	135.7	86.5	60.8
Real estate	–	–	–	23.4
Investment funds	–	105.3	–	–
Asset held by insurance company	64.0	–	–	–
Other	–	6.5	2.9	17.5
At December 31, 2011	**346.5**	**261.9**	**160.6**	**142.0**
Cash and cash equivalents	–	30.5	0.8	–
Equity instruments (quoted in an active market)	109.1	16.2	75.2	44.6
Debt instruments (quoted in an active market)	190.0	107.9	94.5	66.9
Real estate	–	–	–	26.8
Investment funds	–	135.4	–	–
Asset held by insurance company	83.3	–	–	–
Other	–	0.6	3.4	10.4
At December 31, 2012	**382.4**	**290.6**	**173.9**	**148.7**

19.6 Actuarial assumptions

The main actuarial assumptions are as follows:

	THE NETHERLANDS		UNITED KINGDOM		CANADA		SWITZERLAND	
	2012	2011	2012	2011	2012	2011	2012	2011
Average plan duration (years)	15	12	17	16	13	14	12	10
Discount rate (%)	3.25	5.25	4.00	4.70	3.98	4.48	1.75	2.75
Future salary increases (%)	3.75	3.75	3.50	3.50	3.00	3.00	2.00	2.00

Discount rates have been set by reference to market yields on high quality corporate bonds (AA rated-bonds) with a similar duration to the underlying obligation. Each future year expected benefit payments are discounted by the corresponding of the yield curve and when there is no deep market in bonds with a sufficiently long maturity to match the maturity of the benefit payments, the discount rate is estimated by extrapolating current market rates along the yield curve. Then a single discount rate is calculated that, when applied to all cash flows, results in the same interest cost as the application of the individual rates would have produced.

19.7 Post-employment plan risks

In order to identify and deal with the risks in relation to the management of pension and other post-retirement plans, a pension committee made up by Finance and Human Resources representatives, meets on a quarterly basis. This pension committee, supported by experts, reviews, in particular, the funding of pension plans, and the performance of the pension plan's assets. It is informed of any material event in relation to the benefits granted to employees, the financial impact in relation to the plans, or changes in the regulations. The committee reports to Audit Committee on a yearly basis.

The Group's major defined benefit plans are subject to funding requirements that mainly fluctuate based on interest rates, performance of plan assets and changes in local regulations. Depending on changes in the above parameters, the Group may be required to make additional contributions to the pension funds in a defined time frame.

Volatility in discount rates and inflation

The defined benefit liability is calculated by discounting future expected cash flows. Discount rates are determined based upon bonds yield prevailing at the measurement date which may fluctuate from one period to another. In addition, accrued benefits and pension annuities are usually subject to salary increase and conditional or unconditional indexation which vary depending on inflation level. Any change in the above parameters may adversely affect the defined benefit liability and the service cost, and thus triggers additional contributions to comply with local minimum funding requirements.

Volatility in asset values

Plan assets mainly include equities, fixed incomes securities and other assets which values are subject to market volatility. A downturn in financial markets would result in an increase of the net liability and, therefore, in reduced funding ratios requiring additional contributions from the Group in a defined time frame.

Sensitivity analysis

	SENSITIVITY TO A 25 BASIS POINTS DECREASE IN DISCOUNT RATE					
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Service cost	0.1	–	0.2	0.1	0.1	0.5
Defined Benefit Obligation	14.7	16.4	8.8	5.0	4.3	49.2

	SENSITIVITY TO A 10% DOWNTURN IN FINANCIAL MARKET					
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Plan assets	(10.9)	(1.6)	(7.5)	(4.5)	(2.1)	(26.6)

5

Risk Management

To mitigate risks identified above, the Group has already implemented or is currently setting up the following actions which include changes in the design of the defined benefit schemes as well as financial measures:

- closure of defined benefits schemes, where appropriate, and move to defined contribution plans, with frozen benefit rights,
- rationalization of benefits including the level of pension benefits, conversion rate factors and indexation caps,
- selective additional cash contributions to increase funding level, on top of regular contributions,
- inflation and Interest rate hedging,
- adoption of investment strategies that broadly match the nature of the liabilities, with a progressive alignment of asset allocation and pension plans duration,
- regular meetings with trustees, and
- periodic review of investment performance by independent advisors to monitor investment volatility.

19.8 Expected cash flows

	EXPECTED CASH FLOW					
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Expected benefit payments for 2013	18.1	9.2	16.0	6.4	13.4	63.1
Expected benefit payments for 2014	18.6	9.5	16.7	6.2	7.5	58.5
Expected benefit payments for 2015	18.8	10.4	17.4	6.1	10.9	63.5
Expected benefit payments for 2016	18.8	10.7	18.0	6.2	8.8	62.4
Expected benefit payments for 2017 and after	115.5	78.8	122.1	52.9	78.6	447.9
Expected benefit contributions for 2013	2.8	16.1	14.3	5.2	6.6	45.0

20. FINANCIAL LIABILITIES

This note provides information on financial liabilities as of December 31, 2012. Financial liabilities include interest-bearing loans from financial institutions, borrowings and accrued interest less transaction costs.

20.1 Net financial debt

	AS OF DECEMBER 31,					
	2012			2011		
(in millions of euros)	CURRENT	NON-CURRENT	TOTAL	NON-CURRENT	NON COURANT	TOTAL
Senior Notes	–	1,504.3	1,504.3	–	1,181.4	1,181.4
Credit Facilities	–	25.9	25.9	–	30.6	30.6
Securitization	351.7	747.8	1,099.5	105.9	973.5	1,079.4
Bank loans	43.3	16.7	60.0	39.7	8.1	47.8
Commercial paper	114.8	–	114.8	104.8	–	104.8
Bank overdrafts and other credit facilities	77.6	–	77.6	86.0	–	86.0
Finance lease obligations	51.2	31.1	82.3	6.8	22.9	29.7
Accrued interests [1]	9.4	–	9.4	10.0	–	10.0
Less transaction costs	(20.5)	(22.6)	(43.1)	(19.8)	(33.9)	(53.7)
Total financial debt and accrued interest	***627.6***	***2,303.2***	***2,930.8***	***333.5***	***2,182.6***	***2,516.0***
Cash and cash equivalents			(291.9)			(413.7)
Fair value hedge derivatives			(39.8)			(24.1)
Net financial debt			**2,599.2**			**2,078.2**

(1) Of which accrued interests on Senior Notes for €4.5 million as of December 31, 2012 (€3.5 million as of December 31, 2011).

20.1.1 Senior notes

	AS OF DECEMBER 31,									
	2012					2011				
		NOMINAL AMOUNT *(in millions of currency)*	NOMINAL AMOUNT *(in millions of euros)*	FAIR VALUE ADJUST-MENTS	TOTAL		NOMINAL AMOUNT *(in millions of currency)*	NOMINAL AMOUNT *(in millions of euros)*	FAIR VALUE ADJUST-MENTS	TOTAL
Senior notes due 2016	EUR	586.3	586.3	43.7	**630.0**	EUR	650.0	650.0	42.7	**692.7**
Senior notes due 2018	EUR	488.8	488.8	5.4	**494.2**	EUR	488.8	488.8	–	**488.8**
Senior notes due 2019	USD	500.0	379.0	1.2	**380.1**	–	–	–	–	**–**
TOTAL			**1,454.1**	**50.3**	**1,504.3**			**1,138.8**	**42.7**	**1,181.4**

Senior notes due 2016

On December 21, 2009, Rexel issued senior unsecured notes for a nominal amount of €575 million. The funds raised were used to refinance part of the debt obligation related to the previous Senior Credit Agreement. The notes bear interest annually at 8.25% and are listed on the Luxembourg Stock Exchange. Rexel pays interest on the Notes semi-annually on June 15 and December 15, starting from June 15, 2010. The notes will mature on December 15, 2016. On January 20, 2010, an additional €75 million principal amount of these notes were issued at a price of 102.33% of their nominal amount (*i.e.* an issuance price of €76.7 million). The additional notes were fully assimilated to the original notes and have identical terms and conditions.

Notes due 2016 and all of Rexel's existing and future unsecured senior debt rank pari passu and senior to all its existing and future subordinated debt. These notes are redeemable in whole or in part at any time prior to December 15, 2013 at a redemption price equal to 100% of their principal amount, plus a "make-whole" premium and accrued and unpaid interest. On or after December 15, 2013, the notes are redeemable in whole or in part by paying the redemption price set forth below:

REDEMPTION PERIOD BEGINNING ON:	REDEMPTION PRICE (AS A % OF PRINCIPAL AMOUNT)
December 15, 2013	104.125%
December 15, 2014	102.063%
December 15, 2015 and after	100.000%

In the first half of 2012, Rexel bought-out €63.8 million nominal amount of senior notes due December 15, 2016, at their market value of €69.6 million. This transaction resulted in a net financial expense of 1.0 M€ after taking into consideration the impact of fair value hedging adjustment.

As of December 31, 2012, the fair value of notes due 2016 is hedged for an amount of €386.3 million (€200 million as of December 31, 2011). The notes carrying value has been adjusted to reflect interest rate fluctuations on the hedged part.

Notes due 2018

On May 27, 2011, Rexel issued €500 million senior unsecured notes, the proceeds of which were applied to partially repay its senior credit facilities. The notes were issued at 99.993% of their nominal amount and bear interest annually at 7%. They are listed on the Luxembourg Stock Exchange. Rexel pays interest on the Notes semi-annually in arrears on June 17 and December 17, with the first payment made on December 17, 2011. The notes will mature on December 17, 2018.

Notes due 2018 and all of Rexel's existing and future unsecured senior debt rank *pari passu* and senior to all its existing and future subordinated debt.

Notes due 2018 are redeemable in whole or in part at any time prior to June 17, 2015 at a redemption price equal to 100% of their principal amount, plus a "make-whole" premium and accrued and unpaid interest. On or after June 17, 2015, the Notes are redeemable in whole or in part by paying the redemption price set forth below.

REDEMPTION PERIOD BEGINNING ON:	REDEMPTION PRICE (AS A % OF PRINCIPAL AMOUNT)
June 17, 2015	103.500%
June 17, 2016	101.750%
June 17, 2017 and after	100.000%

In addition, at any time on or prior to June 17, 2014, Rexel may redeem up to 35% of the outstanding aggregate principal amount of the Notes using the net proceeds from one or more specified equity offerings.

As of December 31, 2012, the fair value of Senior Notes due 2018 is hedged for an amount of €300 million (nil as of December 31, 2011). The notes carrying value has been adjusted to reflect interest rate fluctuations on the hedged part.

Notes due 2019

On March 28, 2012, Rexel issued US$400 million (€299.9 million) senior unsecured notes. The notes were issued at 100% of their nominal amount and bear interest annually at 6.125%. They are listed on the Luxembourg Stock Exchange. On April 23, 2012, an additional US$100 million principal amount of these notes was issued at a price of 100.75% of nominal (*i.e.* an issuance price of €76.7 million). The additional notes are fully fungible with the previously-issued notes and have identical terms and conditions.

Rexel will pay interest on the notes semi-annually in arrears on June 15 and December 15, with the first payment on December 15, 2012. The notes will mature on December 15, 2019.

The notes are redeemable in whole or in part at any time prior to December 15, 2015 at a redemption price equal to 100% of their principal amount, plus a "make-whole" premium and accrued and unpaid interest. On or after December 15, 2015, the notes are redeemable in whole or in part by paying the redemption price set forth below.

REDEMPTION PERIOD BEGINNING ON:	REDEMPTION PRICE (AS A % OF PRINCIPAL AMOUNT)
December 15, 2015	103.063%
December 15, 2016	101.531%
December 15, 2017 and after	100.000%

In addition, at any time on or prior to June 15, 2015, Rexel may redeem up to 35% of the outstanding aggregate principal amount of the notes using the net proceeds from one or more specified equity offerings.

As of December 31, 2012, the fair value of notes due 2019 is hedged for an amount of US$300.0 million (€227.4 million). The notes carrying value has been adjusted to reflect interest rate fluctuations on the hedged part.

20.1.2 Senior Credit Agreement

On December 21, 2009, Rexel entered into a €1,700 million credit facilities agreement which provided for two facilities:

- Facility A, a three-year multi-currency revolving credit facility, for an initial maximum amount of €600 million, which matured in December 2012 and therefore is no longer available,

– Facility B, a five-year multi-currency revolving credit facility, for an initial maximum amount of €1,100 million, reduced by €25.9 million in 2010 following the execution of a bilateral term loan agreement.

As of December 31, 2012, the bilateral term loan agreement was drawn at the level of its maximum level of €25.9 million, and the total available amount of €1,074.1 million on Facility B under the Senior Credit Agreement remained unused:

		BALANCE DUE AS OF DECEMBER 31,					
		2012			2011		
CREDIT FACILITY	MONTANT AUTORISÉ *(in millions of euros)*		*(in millions of local currency)*	*(in millions of euros)*		*(in millions of local currency)*	*(in millions of euros)*
Facility B under Senior Credit Agreement	1,074.1		–	–		–	–
Bilateral facility	25.9	EUR	25.9	25.9	EUR	30.6	30.6
Total	**1,100.0**			**25.9**			**30.6**

Interests and margin

These multicurrency credit facilities carry interest at EURIBOR or LIBOR rates depending on the currency in which amounts are drawn, plus a margin which varies depending on the leverage ratio.

At December 31, 2012 the applicable margin stood at 2.00% (Facility B).

The margin applicable varies in accordance with the ranges in which the *Pro Forma* Leverage Ratio (as defined below) falls at the end of each semester as set out below:

LEVERAGE RATIO	FACILITY B MARGIN
Greater than or equal to 5.00:1	4.50%
Less than 5.00:1 but greater than or equal to 4.50:1	3.75%
Less than 4.50:1 but greater than or equal to 4.00:1	3.25%
Less than 4.00:1 but greater than or equal to 3.50:1	2.75%
Less than 3.50:1 but greater than or equal to 3.00:1	2.25%
Less than 3.00:1 but greater than or equal to 2.50:1	2.00%
Less than 2.50:1	1.75%

In addition, the applicable margin shall be increased by a utilization fee equal to:

– 0.25% per annum *pro rata temporis* for the period during which the facilities are drawn down for an amount less than or equal to 66% but greater than 33% of the total commitments; and

– 0.50% per annum *pro rata temporis* for the period during which the facilities are drawn down for an amount greater than 66% of the total commitments.

Rexel shall also pay a commitment fee in the base currency computed at the rate of 40% of the applicable margin on that lender's available commitment under each facility.

Covenant (*Pro Forma* Leverage Ratio)

The *Pro Forma* Leverage Ratio corresponds to adjusted consolidated net debt relative to adjusted consolidated EBITDA, as such terms are defined below:

Adjusted Consolidated EBITDA means operating income before other income and other expenses, plus depreciation and amortization as set forth in the Group's consolidated financial statements and :

– includes adjusted EBITDA over the last 12 months of all of the companies acquired during the relevant period, *pro rata* to the Group's participation;

– includes proceeds relating to commodity price derivatives to hedge exposure to price fluctuations of certain commodities which do not qualify for cash flow hedge accounting under IFRS;

– excludes expenses relating to employee profit sharing and any share based payments or the granting of share subscription options;

– excludes restructuring costs relating to the integration of Hagemeyer and any other restructuring and/or acquisition costs relating to any other acquisitions,

– adjusted to exclude the non-recurring impact on the Group's consolidated EBITDA related to the price of copper in cables.

Adjusted consolidated net debt means all financial debt (whether the interest with respect to such debt is paid or capitalized) converted to the average rate of the last 12 months when the debt is in a currency other than the euro:

– less intra-group loans and transaction costs, as well as the financial charges accounted for as a result of the repayment of the debt outstanding under the previous facilities agreement;

– plus all indebtedness relating to the issuance of securities that are not mandatorily redeemable into shares and any other amount relating to a loan under international accounting standards;

– plus accrued interest (including capitalized interest), excluding interest accrued on intra-group loans;

– minus cash and cash equivalents.

Commitments

Under the terms of the Senior Credit Agreement, Rexel must maintain the *Pro Forma* Leverage Ratio below the following levels on the dates indicated:

DATE	INDEBTEDNESS RATIO
December 31, 2012	3.50:1
June 30, 2013	3.50:1
December 31, 2013	3.50:1
June 30, 2014	3.50:1

As of December 31, 2012, this ratio was 2.95, in compliance with the provisions of the Senior Credit Agreement.

Other undertakings

The Senior Credit Agreement contains covenants relating to limits on capital expenditure and restrictions on dividend payments when the Leverage Ratio *pro forma* exceeds 4.00:1.

Other covenants

The Senior Credit Agreement contains certain covenants that restrict the capacity of Group companies, parties to that Agreement and certain subsidiaries from (i) granting security interests or warranties based on their assets; (ii) making loans to others; (iii) creating security interests; (iv) undertaking certain investments; (v) disposing of assets; or (vi) substantially changing the general nature of the Group's business.

Prepayment

The Senior Credit Agreement contains certain covenants for total or partial acceleration of maturity, particularly in the event of a change of control of Rexel, the sale of all or a part of Rexel's assets, payment default or in the event of accelerated maturity of other financial debt of certain Group entities (above established thresholds) or other events that are likely to have a significant negative effect on the obligations of borrowers and guarantors.

20.1.3 Securitization programs

The Rexel Group runs several securitization programs presented in the table below, which enable it to obtain financing at a lower cost than issuing bonds or bank loans.

The specific characteristics of the Rexel Group's securitization programs vary depending on the country. The relevant subsidiaries remain responsible for the collection of receivables once assigned. These receivables are assigned to special-purpose entities operating with no action required by the subsidiaries. The special purpose vehicles obtain the financing required to purchase these receivables, notably through the issuance of short-term debt instruments such as French, US, or Canadian commercial paper, which is rated by rating agencies.

In exchange for the assigned receivables, the subsidiaries receive a cash payment from the special purpose vehicle, the amount of which represents the value of the receivables minus an amount committed to guarantee their recovery, which latter amount is only reimbursed, in whole or in part, after complete payment of the receivables. However, under certain programs, the Group also has the option of contributing its receivables in exchange for subscribing the securitization vehicle's subordinated notes.

In view of their characteristics, notably the fact that the Group retains a significant part of the late payment and credit risks, these receivables assignment programs, with the exception of the off-balance sheet US program such as disclosed in note 11.2, do not qualify for derecognition under IAS 39 requirements. Therefore, assigned receivables remain classified as assets on the Group's balance sheet on the line "Trade accounts receivable" whereas the financing received is shown as financial debt.

Securitization programs are subject to certain covenants concerning the quality of the trade receivables portfolio including dilution (ratio of credit notes to eligible receivables), delinquency and default criteria (aging ratios measured respectively as overdue and doubtful receivables to eligible receivables). As of December 31, 2012, Rexel had satisfied all of these covenants.

The features of Rexel's securitization programs including the off-balance sheet programs are summarized in the table below:

PROGRAM	COMMITMENT	AMOUNT OF RECEIVABLES ASSIGNED AS OF DECEMBER 31, 2012	AMOUNT DRAWN DOWN AS OF DECEMBER 31, 2012	BALANCE AS OF DECEMBER 31, 2012	2011	REPAYMENT
	(in millions of currency)			*(in millions of euros)*		
2011 – Europe and Australia	EUR 425.0	EUR 572.6	EUR 422.3	422.3	428.6	12/16/2016
United States	USD 470.0	USD 501.9	USD 370.4	280.7	289.0	12/18/2015
Canada (1)	CAD 190.0	CAD 279.5	CAD 190.0	144.6	105.9	11/17/2017
2008 – Europe	EUR 384.0	EUR 535.9	EUR 351.8	351.8	358.7	12/17/2013
TOTAL				**1,199.5**	**1,182.2**	
Of which:						
– on balance sheet				1,099.6	1,079.4	
– off balance sheet (Ester program)				99.9	102.8	

(1) On November 19, 2012, Rexel renewed the securitization program in Canada over a five-year period.

These securitization programs pay interest at variable rates plus a spread which is specific to each program. As of December 31, 2012, the total outstanding amount authorized for these securitization programs was €1,309.9 million, of which €1,199.5 million was utilized.

20.1.4 Commercial paper program

In September 2010, Rexel launched a €500 million commercial paper program with fixed maturities ranging from one to three months depending on the notes issued to diversify its investor base and minimize the cost of financing.

As of December 31, 2012, the company had issued €114.8 million of commercial paper (€104.8 million as of December 31, 2011).

20.2 Change in net financial debt

As of December 31, 2012 and 2011, the change in net financial debt was as follows:

(in millions of euros)	FOR THE PERIOD ENDED DECEMBER 31, 2012	2011
At January 1	**2,078.2**	**2,273.3**
Issuance of Senior Notes	376.6	500.0
Buy-out of Senior Notes	(69.1)	(11.3)
Net change in term loan facilities	2.6	(695.9)
Transaction costs	(10.6)	(10.4)
Net change in other credit facilities and bank overdrafts	(9.0)	94.4
Net change in credit facilities	**290.6**	**(123.1)**
Net change in securitization	14.8	(5.0)
Net change in finance lease liabilities	9.4	16.5
Net change in financial liabilities	***314.8***	***(111.6)***
Change in cash and cash equivalents	125.8	(145.9)
Translation differences	(8.5)	22.3
Effect of changes in consolidation scope on gross indebtedness	27.4	14.3
Amortization of transaction costs	21.1	20.0
Other changes	40.2	5.8
At December 31	**2,599.2**	**2,078.2**

(1) Of which €43.4 million relating to the recognition of financial lease obligation following amendments to lease agreement of vacant properties in the United Kingdom (see note 12).

21. MARKET RISKS AND FINANCIAL INSTRUMENTS

21.1 Interest rate risk

In order to hedge its exposure to changing interest rates, the Group has adopted an interest rate hedging strategy aimed at maintaining a hedging ratio on a one-year rolling basis of close to 80% of its net financial debt at fixed or capped rates with the remainder at variable interest rates.

The breakdown of financial debt between fixed and variable rates, before and after hedging, is as follows:

(in millions of euros)	AS OF DECEMBER 31, 2012	2011
Senior Notes and other fixed rate debt	1,522.1	1,168.2
Floating to fixed rate swaps	1,026.1	1,330.0
Fixed to floating rate swaps	(938.7)	(475.0)
Sub-total fixed or capped rate instruments	**1,609.5**	**2,023.3**
Floating rate debt before hedging	1,369.0	1,323.6
Floating to fixed rate swaps	(1,026.1)	(1,330.0)
Fixed to floating rate swaps	938.7	475.0
Cash and cash equivalents	(291.9)	(413.7)
Sub-total floating rate debt instruments	**989.7**	**54.9**
Total net financial debt	**2,599.2**	**2,078.2**

Fair value hedge derivatives

As of December 31, 2012, the portfolio associated with derivative financial instruments qualified as fair value hedges is as follows:

	TOTAL NOTIONAL AMOUNT *(in millions of currency)*	TOTAL NOTIONAL AMOUNT *(in millions of euros)*	MATURITY	WEIGHTED AVERAGE FIXED RATE RECEIVED	FLOATING RATE PAID	FAIR VALUE (1) *(in millions of euros)*
SWAPS PAYING VARIABLE RATE						
Euro	386.3	386.3	December 2016	2.73%	3M EURIBOR	34.5
Euro	300.0	300.0	December 2018	1.08%	3M EURIBOR	5.1
American dollar	300.0	227.4	December 2019	1.31%	3M LIBOR	0.9
Total		**913.7**				**40.4**

(1) Derivative instruments are presented at fair value, including accrued interest receivable for €0.6 million.

The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognized in the income statement as interest expenses on borrowings. The changes in fair value of the derivatives and the changes in the fair value of the hedged item are recognized in the income statement to match each other.

The change in fair value of these fair value hedging swaps for the period ending December 31, 2012 represented a gain of €18.0 million, partially offset by a loss of €7.6 million resulting from the change in the fair value of the Senior Notes.

Cash flow hedge derivatives

In accordance with the policy described above, the Group has entered into several fixed interest rate swap contracts.

Cash flow hedge swaps mature until March 2014. The Group intends to renew a significant portion of these swaps in order to hedge the variability of future interest expense related to its floating interest debt, in accordance with the strategy described above. The allocation of hedging instruments among currencies hinges upon the Group's expectations concerning trends of the interest rates linked to those currencies.

As of December 31, 2012, derivative instruments classified as cash flow hedges are as follows:

	TOTAL NOTIONAL AMOUNT *(in millions of currency)*	TOTAL NOTIONAL AMOUNT *(in millions of euros)*	MATURITY	FLOATING RATE RECEIVED	WEIGHTED AVERAGE FIXED RATE PAID	FAIR VALUE (1) *(in millions of euros)*
SWAPS PAYING FIXED RATE						
Euro	200.0	200.0	March 2014	1M EURIBOR	2.12%	(8.2)
Canadian dollar	40.0	30.4	March 2013	3M LIBOR	2.72%	(0.1)
	100.0	76.1	September 2013	3M LIBOR	1.57%	(0.1)
American dollar	140.0	106.1	March 2013	3M LIBOR	2.82%	(0.7)
British pound	25.0	30.6	March 2013	3M LIBOR	0.93%	–
Total		**443.3**				**(9.2)**

(1) Derivative instruments are presented at fair value, including accrued interest payable for €3.4 million.

The change in fair value of the cash flow hedging instruments for the period ending December 31, 2012 was recorded as a €4.1 million increase in cash flow hedge reserve (before tax).

Derivatives not eligible for hedge accounting

	TOTAL NOTIONAL AMOUNT *(in millions of currency)*	TOTAL NOTIONAL AMOUNT *(in millions of euros)*	MATURITY	FLOATING RATE RECEIVED (PAID)	WEIGHTED AVERAGE FIXED RATE PAID (RECEIVED)	FAIR VALUE (1) *(in millions of euros)*
SWAPS PAYING FIXED RATE						
Canadian dollar	30.0	22.8	March 2013	3M LIBOR	2.72%	(0.1)
Swiss franc	40.0	33.1	March 2013	3M LIBOR	0.94%	(0.1)
	90.0	74.6	March 2014	3M LIBOR	0.81%	(1.2)
	100.0	82.8	March 2015	3M LIBOR	(0.02)%	–
American dollar	140.0	106.1	March 2013	3M LIBOR	2.82%	(0.7)
	100.0	75.8	September 2014	3M LIBOR	1.56%	(1.6)
Euro	100.0	100.0	March 2013	3M EURIBOR	2.29%	(0.5)
	25.0	25.0	December 2016	3M EURIBOR	1.85%	(1.4)
	62.5	62.5	May 2018	6M EURIBOR	3.21%	(9.1)
Total		**582.8**				**(14.8)**
SWAPS PAYING VARIABLE RATE						
Euro	25.0	25.0	December 2016	(3M EURIBOR)	(2.89)%	2.4

(1) Derivative instruments are presented at fair value, including accrued interest payable of €2.0 million.

Sensitivity to interest rate variation

As of December 31, 2012, a 1% increase in interest rates on variable debt after effective interest rate hedging would lead to an increase in the yearly interest expense estimated at €9.9 million and a €11.2 million rise in the fair value of the hedging instruments, of which a €8.5 million financial income and a €2.7 million gain in other comprehensive income, before tax effect.

21.2 Foreign exchange risk

Forward contracts

Foreign exchange risk exposure arises principally from external financing in foreign currencies or financing extended to foreign affiliates in their local currency or that received from them. In order to neutralize foreign exchange risk exposure, the positions denominated in currencies other than the euro are hedged using forward contracts with a term generally ranging from one to three months. The hedge contracts are renewed as necessary while exposure remains.

As of December 31, 2012, the notional value of foreign exchange derivatives was €1,396.4 million (€1,527.9 million of forward sales and €131.5 million of forward purchases). Forward contracts are recognized at their fair value for a net positive amount of €1.6 million. The change in fair value of forward contracts for the period ending December 31, 2012 was recorded as financial income of €8.0 million.

Sensitivity to changes in foreign exchange rates

The Group's financial statements are presented in euros, and it is therefore required to translate into euro those assets, liabilities, revenues and expenses denominated in currencies other than the euro.

The results of these operations are included in the Group's consolidated income statement after conversion at the average rate applicable to the period. On an annual basis, a 5% increase (or decrease) of the euro against the main currencies (US dollar, Canadian dollar, Australian dollar and British Pound) would lead to a decrease (increase) in sales of €311.3 million and a decrease (increase) in operating income before other income and other expenses of €15.5 million.

The Group's financial liabilities and shareholders' equity are likewise included on its consolidated balance sheet after conversion at the financial year-end exchange rate. Thus, a 5% appreciation (depreciation) of the euro against the other currencies as compared to the closing exchange rates as of December 31, 2012 would result in a corresponding decrease (increase) in financial debt and shareholders' equity of €96.4 million and €90.4 million respectively.

Financial debt per repayment currency

The table below presents the financial debt's sensitivity to exchange rate changes for each repayment currency:

(in millions of euros)	EURO	US DOLLAR	CANADIAN DOLLAR	AUSTRALIAN DOLLAR	NORWEGIAN KRONE	SWEDISH KRONA	BRITISH POUND	SWISS FRANC	OTHER CURRENCIES	TOTAL
Financial liabilities	1,787.6	582.4	145.1	105.0	2.1	1.1	197.8	2.4	67.5	2,891.0
Cash and cash equivalents	282.2	(135.8)	(82.5)	(260.3)	(20.4)	(6.0)	(15.4)	(14.5)	(39.2)	(291.9)
Net financial position before hedging	**2,069.8**	**446.6**	**62.6**	**(155.3)**	**(18.3)**	**(4.9)**	**182.4**	**(12.1)**	**28.4**	**2,599.2**
Impact of hedges	(1,398.0)	509.4	180.2	281.4	39.2	196.6	(97.1)	246.4	41.9	–
Net financial position after hedging	**671.8**	**956.0**	**242.9**	**126.1**	**20.9**	**191.7**	**85.3**	**234.3**	**70.3**	**2,599.2**
Impact of a 5% increase in exchange rates	*–*	*47.8*	*12.1*	*6.3*	*1.0*	*9.6*	*4.3*	*11.7*	*3.5*	*96.4*

5

21.3 Liquidity Risk

The €650 million Senior Notes, issued in December 2009 and January 2010, mature in December 2016, the €500 million Senior Notes issued in May 2011 mature in December 2018, and the US$500 million Senior Noted issued in April 2012 mature in December 2019.

Facility A under the Senior Credit Agreement expired in December 2012. Facility B under the Senior Credit Agreement and the bilateral credit agreement expire in December 2014 for a total amount of €1,100 million.

Moreover, these credit lines would become payable if Rexel failed to fulfill its commitments described in note 20.1.2.

Lastly, securitization programs mature in 2013, 2015, 2016, and 2017. The financing under these programs directly depends on the amounts and quality of transferred receivables. In the event that the relevant companies do not comply with certain obligations, these securitization programs may have to be repaid early, which could have an adverse effect on the Group's liquidity and financial situation. In addition, if the special purpose entities to which the receivables have been transferred were unable to issue short term debt (commercial paper, *billets de trésorerie*) under conditions that are equal to those available up to now, the Group's liquidity and financial position could be affected.

The contractual repayment schedule of financial liabilities is as follows:

(in millions of euros)	AS OF DECEMBER 31, 2012	2011
DUE WITHIN		
One year	648.1	353.3
Two years	198.0	363.4
Three years	34.7	225.1
Four years	1,065.2	7.3
Five years	147.8	1,114.2
Thereafter	880.1	506.4
Total financial deb	**2,973.9**	**2,569.7**
Transaction costs	(43.1)	(53.7)
Financial debt	**2,930.8**	**2,516.0**

As of December 31, 2012, the remaining contractual cash flows in relation to financial indebtedness and derivatives, including interest owed, are as follows:

(in millions of euros)	FINANCIAL DEBT & INTERESTS	DERIVATIVES	TOTAL
DUE WITHIN			
One year	791.9	(5.5)	786.4
Two years	325.2	(10.5)	314.7
Three years	158.4	(10.2)	148.1
Four years	1,189.1	(6.7)	1,182.4
Five years	208.6	2.5	211.1
Thereafter	961.1	6.6	967.7
Total financial deb	**3,634.2**	**(23.8)**	**3,610.4**

In addition, the trade accounts payable amounted to €1,937.2 million as of December 31, 2012 (€1,903.3 million as of December 31, 2011) and are due in less than one year.

21.4 Counterparty risk

The financial instruments that could expose the Group to counterparty risk are mainly trade accounts receivable, cash and cash equivalents and derivative instruments.

Credit risk with respect to trade accounts receivable is limited due to the large number of customers, the diversity of their activities (contractors, manufacturers, municipalities), and their geographical spread in France and abroad. In addition, credit insurance programs have been implemented in the majority of the significant countries in which the Group operates. The maximum risk corresponding to the total accounts receivable after guarantees and impairment amounted to €2,123.9 million and is detailed in note 11.2 Trade receivables.

The counterparty risk concerning cash, cash equivalents and hedging instruments is likewise limited by the quality of the relevant counterparties, which are the Group's traditional banking partners for its financing and are almost exclusively based in Europe. The outstanding amount was €342.1 million as of December 31, 2012 (€443.2 million as of December 31, 2011), which equals the net book value of the aforementioned items.

The maximum counterparty risk on the Group's other financial assets was €491.7 million (€469.5 million as of December 31, 2011) and mainly corresponds to supplier discounts receivable.

22. SUMMARY OF FINANCIAL LIABILITIES

(in millions of euros)	CATEGORY IAS 39	IFRS 7 HIERARCHY*	AS OF DECEMBER 31, 2012 CARRYING AMOUNT	2012 FAIR VALUE	2011 CARRYING AMOUNT	2011 FAIR VALUE
Bonds	AC	1	1,504.3	1,590.6	1,181.4	1,149.3
Other financial debts, including accrued interest	AC		1,426.5	1,426.5	1,334.6	1,334.6
Total financial liabilities			**2,930.8**	**–**	**2,516.0**	**–**
Hedging derivatives (1)	N/A	2	4.9	4.9	11.2	11.2
Other derivatives	TR	2	11.5	11.5	11.6	11.6
Other liabilities (2)	N/A		10.2	N/A	9.4	N/A
Total other non-current liabilities			**26.6**	**–**	**32.3**	**–**
Trade accounts payable	AC		1,937.2	1,937.2	1,903.3	1,903.3
Vendor rebates receivable	AC		114.6	114.6	115.2	115.2
Personnel and social obligations (2)	N/A		260.5	N/A	261.4	N/A
VAT payable and other sales taxes (2)	N/A		69.8	N/A	73.9	N/A
Hedging derivatives (1)	N/A	2	0.8	0.8	0.3	0.3
Other derivatives	TR	2	7.6	7.6	9.6	9.6
Other liabilities	AC		201.1	201.1	187.4	187.4
Deferred income	N/A		6.7	N/A	5.1	N/A
Total other debts			**661.1**	**–**	**652.9**	**–**

(1) Specific accounting measurements for hedging.

(2) Not classified as a financial instrument under IAS 39.

Financial liabilities – stated at amortized cost	AC
Held for trading	TR
Fair value through profit or loss	FV
Not applicable	N/A

* For IFRS 7 hierarchy see note 2.10.4.

23. OPERATING LEASES

The following table details the Group's obligations in relation to operating lease contracts, representing the minimum payments under non-cancelable leases:

(in millions of euros)	PAYMENTS OUTSTANDING AS OF DECEMBER 31, 2012	2011
DUE WITHIN		
One year	201.9	189.6
Two years	148.8	142.5
Three years	106.8	104.0
Four years	69.3	71.6
Thereafter	130.4	123.7
Total	**657.2**	**631.4**

The total expense under operating lease contracts was €226.2 million for the year ended December 31, 2012 (€210.1 million as of December 31, 2011).

24. RELATED PARTY TRANSACTIONS

Executive compensation

Expenses relating to compensation of the executive committee members of the Group are as follows:

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31, 2012	2011
Salaries and other short-term benefits	16.0	12.4
Post-employment benefits (service costs)	1.0	0.9
Indemnities at termination of contract	3.2	–
Free shares and stocks options (1)	8.3	3.8

(1) Share-based payment expense is detailed in Note 16.1 – Free shares schemes.

Salaries and other short-term benefits comprise the social security contributions and payroll taxes paid by the Group.

In the event of a breach of employment contract, the Group could have to compensate the executive committee members a total amount of €14.2 million.

Dividends received from associates

In 2012, DPI Incorporated, an entity consolidated as an associate, paid a dividend of €3.8 million to the Group (€0.6 million in 2011).

25. LITIGATION

25.1 Litigation

The Rexel Group is subject to legal, administrative and regulatory proceedings in the normal course of its business. A provision is recognized in the balance sheet when it is probable that an outflow of economic benefits from Rexel or one of its subsidiaries will be required to settle the obligation and when the amount can be estimated reliably.

The principal proceeding is set out below.

Asbestos litigation

The Group is party to several proceedings relating to exposure to asbestos-containing materials in the United States. The Group believes that the risk of it being ordered to pay significant amounts in connection with these proceedings is limited, and that these lawsuits will not therefore have, individually or as a whole, a material adverse effect on its financial condition or results of operations, since the claims may be rejected or settled for amounts partially or fully covered by Rexel's insurance policies. Considering the wide range of these claims, the different stages in the proceedings, the number of defendants and the absence of any individual claim against the Group, the Group cannot give any assurances in this respect, nor can it predict with certainty what the outcome of these lawsuits will be. Based on the current situation, the Group is therefore unable to predict the financial consequences that may result from these proceedings.

To the best of Rexel's knowledge, over the last financial year there were no other legal or arbitration proceedings that might have or recently had a material impact on the financial situation or profitability of Rexel.

25.2 Tax litigation

The principal tax proceedings involving Group companies as of December 31, 2012 are described below:

Manudax Belgium

Manudax Belgium N.V., one of Hagemeyer's Belgian subsidiaries, entered into voluntary liquidation on November 27, 2000. During 1999 and 2000, Manudax Belgium was subject to a tax reassessment for VAT in connection with fraudulent transactions allegedly entered into by former employees during the period beginning late 1996 until early 1998. The amount of this tax reassessment, including penalties and excluding interest, is €78.2 million. The interest accrued until December 31, 2011 amounts to €78.0 million. All reassessments have been challenged by Manudax Belgium.

The statute of limitations has expired for claims against Manudax's shareholder. Accordingly, the recoverable amount is limited by the Manudax assets under liquidation, a value estimated at €14 million. Since the Group's shareholding in Manudax has been entirely written down, Rexel considers that the outcome of this litigation should not impact its financial condition.

Rexel Développement

In 2008, French tax authorities notified a tax reassessment relating to services invoiced in 2005 by Clayton Dubilier & Rice Inc., Eurazeo and Merrill Lynch Global Partners Inc. at the time of the buy-out of Rexel Distribution in an amount of €33.6 million. These services are alleged not to have been rendered in the business interests of the company and are classified as constructive dividends. The taxes reassessed amounted to €22 million including interest for late payment, and a notice was issued to this effect in February 2010. Rexel Développement filed an application with the Administrative Court in December 2010 and a judgment was passed in June 2012, according to which all tax reassessments were rejected. As this judgment became final (no appeal), the provisions set aside in previous years were fully released in the fourth quarter of 2012.

Rexel Distribution (absorbed by Rexel Développement in 2011)

The French tax authorities alleged that the selling price of Rexel Distribution's shareholding in Rexel Inc. (Rexel's US subsidiary), transferred in 2005 to its Luxembourg subsidiary Rexel Luxembourg, was €46 million lower than its market value, resulting in an income tax reassessment of €18 million, which was covered in full by a provision. In March 2011, the case was referred to the Administrative Court, which issued a judgment in November 2012 rejecting the tax reassessment entirely. The tax authorities lodged an appeal in January 2013.

Rexel

Following a tax audit, Rexel received in December 2011 a proposed tax reassessment in which the French tax authorities allege that Rexel did not demonstrate that its borrowings from Ray Finance LP (subsidiary of Ray Investment SARL) amounting to €952 million were real transactions; they also alleged that Ray Finance LP enjoyed a privileged tax regime and accordingly, rejected the deduction of €91 million of interest expense related to the 2005 to 2007 tax years. Rexel disputes the tax authority's position entirely. A provision amounting to €32 million was recorded by writing down deferred tax assets on tax losses carried forward.

25.3 Other contingent liabilities

The Group has granted the following warranties to purchasers in connection with the disposal of certain subsidiaries. These warranties had not been called as of the balance sheet date, except where stated otherwise.

Warranties given in connection with the sale of Hagemeyer Brands Australia Pty Limited

Effective on July 28, 2011, the Group sold to Shriro Australia Pty Ltd its subsidiary, Hagemeyer Brands Australia Pty Ltd, a company involved in the distribution of kitchen appliances in Australia for an amount of AUD54 million. The Group provided to the purchaser certain warranties limited to a maximum amount of AUD21.6 million for business liabilities and AUD43.2 million for tax liabilities, and in any case a total amount not exceeding the sale price of AUD54 million. Warranty of business liabilities expires over a 18-month period and warranty for tax claim over a 5-year period after completion of the sale transaction.

Tax warranties

In connection with previous divestment transactions, the Group is committed to indemnify the purchasers for tax liabilities of the companies sold relating to events occurred prior to their sale.

As of December 31, 2012, only Techpac Holdings Ltd has notified to Hagemeyer N.V. various claims under the warranty provisions of the Share Sale Agreement dated June 12, 2003 between several Hagemeyer group companies as "Vendors" and Techpac Holdings Ltd as "Purchaser" ("the SSA"). The claims relate mainly to tax litigations between Tech Pacific India Ltd and the Indian tax authorities. The SSA provides for full indemnification by the Vendor to the Purchaser as long as claims by tax authorities are not barred. Hagemeyer N.V. has recorded a provision amounting to €1.8 million to cover those risks.

Environmental warranty

Under an agreement signed on February 28, 2003 with Ashtenne, a real estate company, concerning a sale and leaseback transaction relating to 45 sites in Europe, the Group agreed to indemnify the purchaser for any environmental liabilities with respect to third party claims and governmental injunctions. This warranty covers a maximum of €4 million free of VAT for all of the properties sold, with a minimum threshold of €30,000. This commitment expires five years after the expiration of the lease.

Warranties given in connection with the sale of the non-core business of Westburne in Canada

Effective June 30, 2001, the Group sold the non-electrical portion of its business, namely Plumbing and Waterworks, Refrigeration & HVAC and Industrial Products, operated by various wholly-owned subsidiaries in Canada for CAD$550 million. As part of the purchase and sale agreement, the Company retained certain liabilities of the businesses which related to events occurring prior to their sale, such as taxes, acquisition earn-outs to prior owners, litigation and employment matters. The Company agreed to indemnify the purchaser in the event that a third party asserts a claim against the purchaser that relates to liabilities retained by the Company. According to the purchase and sale agreement, the Company will be released from its obligations under these warranties over a 15-year period with the final obligations being released in 2016.

26. EVENTS AFTER THE REPORTING PERIOD

At the presentation date of the consolidated financial statements there have been no subsequent events after December 31, 2012 that would have a significant impact on Rexel's financial situation.

27. CONSOLIDATED ENTITIES AS OF DECEMBER 31, 2012

All subsidiaries are fully integrated.

	HEAD OFFICE	% INTEREST
FRANCE		
Holding companies and Group services companies		
Rexel S.A.	Paris	Parent company
Rexel Développement S.A.S.	Paris	100.00
Rexel Financement S.N.C.	Paris	100.00
Rexel Amérique latine S.A.S.	Paris	100.00
Operating companies		
Rexel France S.A.S.	Paris	100.00
Société Coaxel Toulousaine	Paris	100.00
Dismo France S.A.S.	St-Ouen l'Aumône	100.00
Espace Elec S.A.S.	Bastia	100.00
SCI Adour Bastillac	Paris	70.00
Société Immobilière d'Investissement Parisienne S.N.C.	Paris	100.00
Bizline S.A.S.	Paris	100.00
Citadel S.A.S.	Paris	100.00
Conectis S.A.S.	Paris	100.00
Francofa S.A.S.	Rosny-sous-Bois	100.00
R-Scan	Pacé	100.00
Distodiag	Pacé	100.00
Enerlogy	Pacé	100.00
SBEM	Pacé	100.00
Eurobat	Croissy-Beaubourg	100.00
Eurodis Sécurité	Croissy-Beaubourg	100.00
EUROPE		
Germany		
Rexel GmbH	Munich	100.00
Simple System GmbH & Co KG	Munich	20.00
Hagemeyer Deutschland GmbH & Co KG	Munich	100.00
Hagemeyer Deutschland Verwaltungs GmbH	Munich	100.00
Hagemeyer Beteiligungs GmbH	Munich	100.00
Silstar Deutschland GmbH	Emmerich	100.00
Hagemeyer Holding Deutschland GmbH	Munich	100.00
United Kingdom		
Rexel Senate Ltd.	Potters Bar	100.00
Denmans Electrical Wholesalers Ltd.	Potters Bar	100.00
Rexel Senate Pension Trustees Ltd.	Potters Bar	100.00
Senate Group Ltd.	Potters Bar	100.00
Rexel (UK) Holdings Ltd.	Birmingham	100.00
Rexel (UK) Ltd.	Birmingham	100.00

	HEAD OFFICE	% INTEREST
Newey & Eyre Ltd.	Birmingham	100.00
Parker Merchanting Limited	Birmingham	100.00
WF Electrical Plc	Dagenham	100.00
Newey & Eyre (C.I.) Ltd.	Birmingham	100.00
Neilco Ltd.	Birmingham	100.00
Warrior Ltd.	Birmingham	100.00
Newey & Eyre International Ltd.	Birmingham	100.00
N. & E. (Overseas) Ltd.	Guernsey	100.00
Dunlop & Hamilton Ltd.	Belfast	100.00
H.A. Wills (Southampton) Ltd.	Birmingham	100.00
Rexel Pension Trustees Ltd.	Birmingham	100.00
Pollard Ray & Sampson Ltd.	Birmingham	100.00
A&A Security Technologies Limited	Birmingham	100.00
Defiance Contractor Tools Limited	Birmingham	100.00
J&N Wade Limited	Dagenham	100.00
OLC Limited	Dagenham	100.00
Sweden		
Rexel Sverige AB	Alvsjô	100.00
Moel AB	Bredaryd	100.00
Austria		
Rexel Central Europe Holding GmbH	Vienna	100.00
Rexel Austria GmbH	Vienna	100.00
Schäcke GmbH	Vienna	100.00
Regro Elektro-Grosshandel GmbH	Vienna	100.00
The Netherlands		
B.V. Electrotechnische Groothandel J.K. Busbroek	Zwolle	100.00
Rexel Nederland B.V.	Capelle A/D Ijssel	100.00
Cosa Liebermann B.V.	Hoofddorp	100.00
Hagemeyer NV	Hoofddorp	100.00
Rexel NCE Supply Solutions B.V.	Hoofddorp	100.00
Hagemeyer Finance B.V.	Hoofddorp	100.00
Borsu International B.V.	Hoofddorp	100.00
Rexel NCE B.V.	Hoofddorp	100.00
Italy		
Rexel Italia SpA	Agrate Brianza	100.00
Spain		
ABM-Rexel SL	Madrid	100.00
Erka Bizkaia, S.L.	Loiu	100.00
Erka Materiales Eléctricos, S.L.	Renteria	100.00
Suministros Eléctricos Erka, S.L.	Renteria	100.00
Belgium		
Rexel Belgium S.A.	Brussels	100.00

	HEAD OFFICE	% INTEREST
Portugal		
Rexel Distribuição de Material Elecrico S.A.	Alfragide	100.00
Ireland		
Rexel Electrical Supply & Services Holding Ltd.	Dublin	100.00
M Kelliher 1998 Ltd.	Dublin	100.00
Gen-Weld Safety EquipementCy Ltd.	Limerick	100.00
Hagemeyer Industrial Ireland Ltd.	Limerick	100.00
Switzerland		
Rexel Holding Switzerland S.A.	Sion	100.00
Elektro Material AG	Zurich	100.00
Luxembourg		
Rexel Luxembourg S.A.	Luxembourg	100.00
Rexel RE S.A.	Luxembourg	100.00
Czech Republic		
Rexel CZ s.r.o.	Prostejov	100.00
Slovakia		
Hagard Hal AS	Nitra	100.00
Hungary		
Rexel Hungary General Supply & Services LLC	Budapest	100.00
Slovenia		
Elektronabava d.o.o.	Ljubljana	100.00
Poland		
Elektroskandia Polska S.A.	Poznan	100.00
Russia		
OOO Elektroskandia Rus	St. Petersburg	100.00
Estonia		
OÜ Elektroskandia Baltics	Tallinn	100.00
Finland		
Elektroskandia Suomi Oy	Hyvinkää	100.00
Norway		
Elektroskandia Norge AS	Oslo	100.00
Elektroskandia Norway Holding AS	Oslo	100.00
SOUTH AMERICA		
Peru		
Rexel Peru S.A.C.	Lima	100.00
V y F Tecnología Comercial S.A.C.	Lima	100.00
Distribuidora Romero SRL	Trujillo	100.00
Chile		
Rexel Chile SA	Santiago	100.00
Flores y Kersting SA	Santiago	100.00

	HEAD OFFICE	% INTEREST
Brazil		
Delamano Montagens e Instalações Industriais	Santo Andre	100.00
Nortel Suprimentos Industrias S.A.	Campinas	100.00
MRO IMPORTACOES Ltda.	Curitiba	100.00
Etil Comércio de Material Elétrico Ltda.	São Paulo	100.00

NORTH AMERICA

United States		
Rexel Holdings USA Corp.	Wilmington	100.00
Rexel Inc.	Dallas	100.00
SKRLA LLC	Dallas	100.00
SPT Holdings Inc.	Dallas	100.00
Summers Group Inc.	Dallas	100.00
Rexel of America LLC	Dallas	100.00
Rexel Patriot Acquisition, LLC	Dallas	100.00
Branch Group Inc.	Dallas	100.00
Southern Electric Supply Company Inc.	Dallas	100.00
Consolidated Electrical Supply Limited	Freeport	99.80
General Supply & Services Inc.	Shelton	100.00
Gesco General Supply & Services Puerto Rico LLC	Puerto Rico	100.00
General Supply & Services Malaysia LLC	Shelton	100.00
General Supply & Services Macau LLC	Shelton	100.00
General Supply & Services Indonesia LLC	Shelton	100.00
General Supply & Services SA Holding LLC	Shelton	100.00
Platt Electric Supply, Inc.	Dallas	100.00
Munro Distributing Co., Inc.	Dallas	100.00
Energy Source, LLC	Fall River	50.01
Canada		
Rexel North America Inc.	St Laurent	100.00
Rexel Canada Electrical Inc.	St Laurent	100.00
Liteco Inc.	Fredericton	100.00
Mexico		
Gexpro Mexico S de RL de CV	Nuevo Leon	100.00
Supply Priority Services, S. de R.L. de C.V.	Nuevo Leon	100.00
Bermuda		
HCL Limited	Hamilton	100.00

ASIA-OCEANIA

Hong Kong SAR		
Rexel Hong Kong Ltd.	Hong Kong	100.00
Huazhang Electric Automation Holding Co Ltd.	Hong Kong	70.00
LuckyWell Int'l Investment Ltd.	Hong Kong	100.00

	HEAD OFFICE	% INTEREST
China		
Rexel Hailongxing Electrical Equipment Co., Ltd.	Beijing	65.00
Rexel Hualian Electric Equipment Commercial Co., Ltd.	Shanghai	65.00
Zhejiang Huazhang Automation Equipment Co., Ltd.	Huanzhou	70.00
GE Supply (Shanghai) Co., Ltd.	Shanghai	100.00
Rexel China Management Co., Ltd.	Shanghai	100.00
Suzhou Xidian Co., Ltd.	Suzhou	100.00
Shanghai Suhua Industrial Control Equipment Co., Ltd.	Shanghai	100.00
Beijing LuckyWell-ZN Electrical Co., Ltd.	Beijing	100.00
Beijing ZhongHeng Hengxin Automation Co., Ltd.	Beijing	65.00
Henan Qixin Automation Equipment Co., Ltd.	Zhengzhou	65.00
LinElec Business Consulting (Shanghai) Limited	Shanghai	100.00
India		
Yantra Automotion Private Limited	Pune	100.00
Rexel India Private Limited	Mumbai	100.00
A.D. Electronics Private Limited	Mumbai	100.00
Macau SAR		
Gexpro Supply (Macau) Company Limited	Macau	100.00
Korea		
Gexpro korea Co., Ltd.	Seoul	100.00
Indonesia		
P.T. Sutra Hacelindo	Jakarta	100.00
P.T. Hagemeyer Cosa Liebermann	Jakarta	100.00
Pt General Supply & Services Indonesia	Jakarta	100.00
Malaysia		
General Supply & Services (M) SND BHD	Kuala Lumpur	100.00
Singapore		
Gexpro Asia Pte Ltd.	Singapore	100.00
Rexel South East Asia Pte Ltd.	Singapore	100.00
Thailand		
Rexel General Supply and Services Co., Ltd.	Bangkok	49.00
Australia		
Rexel Holdings Australia Pty Ltd.	Sydney	100.00
Rexel Electrical Supplies Pty Ltd.	Sydney	100.00
Australian Regional Wholesalers Pty Ltd.	Milton	100.00
EIW Holding Pty Ltd.	Perth	100.00
Hagemeyer Holdings (Australia) Pty Ltd.	Kingsgrove	100.00
New Zealand		
Rexel New Zealand Limited	Auckland	100.00
Redeal Pensions Ltd	Auckland	100.00
United Arab Emirats		
Redco FZE	Dubai	100.00

5.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2012

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures taken outside of the consolidated financial statements.

This report also includes information relating to the specific verification of information given in the group's management report.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

PricewaterhouseCoopers Audit
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Commissaire aux Comptes
Membre de la compagnie régionale de Versailles

ERNST & YOUNG Audit
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S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie régionale de Versailles

Rexel

Year ended December 31, 2012

Statutory auditors' report on the consolidated financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended December 31, 2012, on:

– the audit of the accompanying consolidated financial statements of Rexel;

– the justification of our assessments;

– the specific verification required by law.

These consolidated financial statements have been approved by the management board (Directoire). Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the group as at December 31, 2012 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to note 2.2.1 to the consolidated financial statements which sets out the change in accounting policy related to the early adoption of the amendment to IAS 19 "Employee Benefits".

II. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French commercial code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

– goodwill and intangible assets with indefinite useful lives are subject to annual impairment tests, according to the accounting policies and principles described in notes 2.8 and 10.1 to the consolidated financial statements. We have examined the terms and conditions for implementing these tests, as well as the data and assumptions used. We have also verified that the information disclosed in notes 7.2 and 10.1 to the consolidated financial statements is appropriate, especially regarding the sensitivity analysis;

– the Group has booked provisions relating to post-employment and other long-term benefits according to the accounting policies and terms and conditions described in note 2.14 to the consolidated financial statements. The related obligations were assessed with the assistance of external actuaries. Our work consisted in examining the data used, assessing the chosen assumptions and verifying that the information disclosed in notes 2.2.1 and 19 to the consolidated financial statements is appropriate;

– the Group also makes estimates in respect of the measurement of financial instruments (notes 2.10.4 and 21), share-based payments (notes 2.15 and 16), provisions and contingent liabilities (notes 2.16, 18 and 25) and deferred taxes (notes 2.20 and 9). Our work consisted in examining the data and assumptions used as well as the procedure implemented by management to approve these estimates. We have also reviewed, using sampling techniques, the calculations made by the group and verified that the information disclosed in the notes to the consolidated financial statements is appropriate.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, February 11, 2013

The statutory auditors

French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Christian Perrier	Pierre Bourgeois

6
COMPANY FINANCIAL STATEMENTS

6.1 COMPANY FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2012 — 164

Income Statement 164
Balance sheet 165
Company results over the last five years (as required by articles 133, 135 and 148 of the French commercial decree) 167
Principal subsidiaries and other investments 168
Notes to the Company's financial statements
1. Description of business 169
2. Accounting principles 169
3. Notes to the income statement 169
4. Notes to the balance sheet 170
5. Additional information 177

6.2 STATUTORY AUDITORS' REPORT ON THE COMPANY FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2012 — 183

Pursuant to article 28 of the Commission Regulation (EC) N°809/2004 of April 29, 2004, the following information is incorporated by reference in this *Document de Référence*:

- the company financial statements and the relevant audit report for the year ended December 31, 2011 which is included in pages 156 to 174 of the *Document de Référence* for the financial year ended December 31, 2011 registered by the *Autorité des marchés financiers* on March 15, 2012, under number D.12-0164; and
- the company financial statements and the relevant audit report for the year ended December 31, 2010 which is included in pages 149 to 167 of the *Document de Référence* filed with the *Autorité des marchés financiers* on April 11, 2011, under number D.11-0272, as supplemented by the update to the *Document de Référence* filed with the *Autorité des marchés financiers* on April 28, 2011, under number D.11-0272-A01.

6.1 COMPANY FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2012

Income Statement

(in millions of euros)	NOTE	FOR THE YEAR ENDED DECEMBER 31, 2012	2011
Operating revenues		**3.0**	**2.5**
Other purchases and outside services		(15.3)	(19.5)
Taxes other than income taxes		(0.7)	(2.0)
Other expenses		(7.6)	(10.4)
Depreciation, amortization and increases in provisions		(2.6)	(18.3)
Loss from operations	(3.1)	**(23.2)**	**(47.7)**
Dividend income		–	–
Other financial revenues (from short-term investments, loans and exchange gains)		98.9	128.7
Decrease in financial provisions, transfer of expenses		–	4.3
Total financial revenues		**98.9**	**133.0**
Interest and related expenses and exchange losses		(139.9)	(128.2)
Increase in financial provisions		–	–
Total financial expenses		**(139.9)**	**(128.2)**
Net financial income	(3.2)	**(41.0)**	**4.8**
Income from ordinary activities		**(64.2)**	**(42.9)**
Non-recurring income (expense), net	(3.3)	**(6.0)**	**0.3**
Profit before tax		**(70.2)**	**(42.6)**
Income taxes	(3.5)	**70.8**	**93.1**
Net income		**0.6**	**50.5**

Balance sheet

(in millions of euros)	NOTE	FOR THE YEAR ENDED DECEMBER 31, 2012	2011
ASSETS			
Intangible fixed assets		**–**	**–**
Tangible fixed assets		**–**	**–**
Land		–	–
Buildings		–	–
Long-term financial assets		**4,891.2**	**4,824.9**
Investments in related companies		2,474.9	2,074.9
Other securities		–	–
Loans and other long-term financial assets		2,416.3	2,750.0
Fixed assets	(4.1)	**4,891.2**	**4,824.9**
Trade accounts receivable	(4.2)	3.7	3.2
Other accounts receivable	(4.2)	14.7	105.2
Short-term investments, cash and bank	(4.2)	153.7	38.4
Adjustment accounts		**32.3**	**33.6**
Prepayments		0.3	0.2
Deferred charges	(4.2)	32.0	33.4
Unrealized exchange rate losses		–	–
Current assets		**204.4**	**180.4**
Total assets		**5,095.6**	**5,005.3**

(in millions of euros)	NOTE	FOR THE YEAR ENDED DECEMBER 31, 2012	2011
LIABILITIES AND STOCKHOLDERS' EQUITY			
Share capital		1,359.6	1,344.1
Share premiums		1,418.3	1,412.2
Legal reserve		32.0	29.5
Regulated reserves		–	–
Statutory and contractual reserves		–	–
Other reserves		43.9	32.1
Retained earnings		235.3	360.7
Net income for the period		0.6	50.5
Stockholders' equity	(4.3)	**3,089.7**	**3,229.1**
Provisions		**10.6**	**13.4**
Bonds	(4.4)	1,460.0	1,143.6
Borrowings from financial institutions	(4.4)	141.5	135.7
Other financial debt	(4.4)	384.9	381.7
Trade accounts payable		1.4	1.8
Other operating liabilities		7.5	100.0
Deferred income		–	–
Unrealized exchange rate gains		–	–
Liabilities	(4.4)	**1,995.3**	**1,762.8**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**5,095.6**	**5,005.3**

Company results over the last five years
(as required by articles 133, 135 and 148 of the French commercial decree)

	FROM JANUARY 1 TO DECEMBER 31,				
(in euros)	2008	2009	2010	2011	2012
SHARE CAPITAL AT YEAR END					
Share capital	1,279,969,135	1,291,100,090	1,301,064,980	1,344,098,795	1,359,616,145
Number of issued shares	255,993,827	258,220,018	260,212,996	268,819,759	271,923,229
Number of convertible bonds	–	–	–	–	–
INCOME STATEMENT INFORMATION					
Sales, excluding sales taxes	2,604,595	1,849,311	2,567,134	2,528,803	3,046,692
Net income before taxes, depreciation and provisions	118,400,447	33,837,296	3,270,940	(24,069,187)	(61,519,890)
Income taxes	(63,936,902)	(52,412,705)	(69,665,297)	(93,128,578)	(70,816,280)
Net income	180,143,870	88,487,825	59,954,913	50,512,277	633,586
Earnings distributed [(1)]	–	–	105,188,813	173,456,613	202,223,021
EARNINGS PER SHARE					
Earnings per share after taxes but before depreciation and provisions	0.71	0.33	0.28	0.26	0.03
Earnings per share after taxes, depreciation and provisions	0.70	0.34	0.23	0.19	–
Dividend paid per share	–	–	0.40	0.65	0.75
PERSONNEL					
Number of employees	–	–	–	–	–
Total remuneration	–	–	–	–	–
Total social charges and other personnel related expenses	–	–	–	–	–

(1) Proposed dividend, to be voted on at the annual general meeting May 22, 2013.

Principal subsidiaries and other investments

DECEMBER 31, 2012 *(in millions of euros)*												
					CARRYINGS OF VALUE SHAREHOLDING							
CORPORATE NAME	REGISTERED OFFICE	CAPITAL	RESERVES AND RETAINED EARNINGS (EXCLUDING CURRENT YEAR RESULTS)	PERCENTAGE SHARE CAPITAL HELD	COST	NBV	OUTSTANDING LOANS	GUARANTEES GRANTED BY REXEL S.A.	CURRENT YEAR RESULT	DIVIDENDS RECEIVED	SALES
A/ FRENCH SUBSIDIARIES											
Rexel Développement SAS	Paris	1,537.7	778.9	100.00%	2,474.9	2,474.9	422.1	–	(35.7)	–	54.9
		1,537.7	778.9		2,474.9	2,474.9	422.1		(35.7)	–	54.9
TOTAL		**1,537.7**	**778.9**		**2,474.9**	**2,474.9**	**422.1**		**(35.7)**	**-**	**54.9**

Notes to the Company's financial statements

1. DESCRIPTION OF BUSINESS

Rexel SA incorporated in December 2004 is the holding company of Rexel Group. As such Rexel SA owns Rexel Développement SAS shares and provides the financing of its direct and indirect subsidiaries.

2. ACCOUNTING PRINCIPLES

The financial statements for the year ended December 31, 2012 are presented with comparative amounts for the year ended December 31, 2011 and have been prepared in accordance with French law and with accounting principles generally accepted in France.

The accounting principles set out below have been applied in a prudent manner, and in conformity with the following concepts:

- going concern,
- consistency,
- cut-off.

Main accounting principles used are described hereafter.

2.1 Long-term financial assets

Long-term investments are initially measured at acquisition cost. A valuation allowance is recorded when carrying value exceeds value in use. Rexel determines the value in use of long-term investments in subsidiaries on the basis of forecast future cash flows less net debt. When the carrying amount exceeds value in use, an impairment write-down is made in an amount equal to the difference.

2.2 Receivables and payables

Receivables and payables are recorded at historical cost. When considered necessary, receivables are subject to an allowance to cover the risk of non-recovery.

Assets and liabilities denominated in foreign currencies are converted at the year-end exchange rate. Exchange rate differences arising from this adjustment are recorded on the balance sheet as "unrealized exchange rate gains or losses".

For assets and liabilities denominated in foreign currencies and subject to foreign exchange hedge (hedge fixing the foreign currency at the maturity date):

1. Perfect hedge (the nominal amount of the hedging instrument is equal to the nominal amount of the underlying at the closing date): no unrealized exchange differences should be recognized since the unrealized exchange gains and losses on the underlying asset and liability is offset by the unrealized gains and losses linked to the hedging instrument.
2. When the nominal amount of the hedging instrument is lower than the nominal amount of the underlying at the closing date: only the unrealized exchange loss linked to non hedged part is provided for through the income statement.
3. When the nominal amount of the hedging instrument is highter than the nominal amount of the underlying at the closing date: the accounting treatment of the non allocated part of the hedging instrument depends on whether the instrument is traded on an organized market and equivalent or over the counter market. When the hedging instrument is traded on an organized market and equivalent, unrealized exchange gains and losses are recognized through the income statement. When the hedging instrument is traded over the counter market, only the unrealized exchange losses linked to the non allocated part of the instrument is provided for through the income statement.

2.3 Short-term investments

Short-term investments are recorded at acquisition cost, with a provision to cover any unrealized losses.

2.4 Bonds

Bonds are recognized at nominal value. Bonds issue costs are amortized over the life of bonds. Bonds premiums are amortized, either over the life of bonds, or in proportion to accrued interests. Bonds in foreign currency are converted to the year-end exchange rate.

2.5 Key events of the period

1. On March 28, 2012 and on April 23, 2012 in addition to the bonds issue achieved in 2009, 2010 and 2011, Rexel issued $500 million senior unsecured notes, redeemable in 2019. The funds raised were applied to enhance Rexel financial flexibility. The notes are listed on the Luxembourg Stock Exchange.
2. During the period ended December 31, 2012, the maximum commitment corresponding to Facility A was reduced to €0.0 and the commitment of facility B remains unchanged. The maximum commitment corresponding to Bilateral Term Loan was reduced by €4.7 million in December 2012 (decreasing from €30.6 million to €25.9 million).

3. NOTES TO THE INCOME STATEMENT

3.1 Operating revenues and expenses

Operating income amounts to €3.0 million (€2.5 million in 2011) and relates principally to services provided to subsidiaries.

Operating expenses amount to €26.2 million (€50.2 million in 2011) and mainly comprise fees and other expenses for €7.1 million (€10.3 million in 2011), personnel costs for €7.5 million (€10.2 million in 2011), bank charges for €9.0 million related in part to the non-use of the Facilities A and B under Senior Credit (€11.4 million in 2011), depreciation of loans issue costs for €11.4 million (€9.4 million in 2011) and net contingency and loss provision for €(8.8) million (€8.9 million in 2011).

3.2 Net financial income

Net financial expenses amounts to €40.2 million (€4.8 million net income in 2011), comprising:

1. €98.9 million of financial income (€133.0 million in 2011) relating principally to interests on loans to its subsidiaries for an amount of €53.1 million, Rexel Développement for an amount of €33.0 million, the result of sales of Rexel's shares for €2.1 million, these shares being held in accordance with the share repurchase programme (see section 4.2 below) and other financial incomes for €10.7 million.
2. €139.9 million of financial expenses (€128.2 million in 2011) relating principally to the interests of the senior unsecured notes for €102.4 million, the 2009 Senior credit agreement and bilateral line for €2.6 million, the commercial paper for €1.8 million, the current account with the company Rexel Développement for €1.0 million, the cost of guarantees granted by subsidiaries for €14.0 million, foreign exchange losses for €1.0 million and other financial expenses for €17.1 million.

3.3 Non-recurring income and expenses

Non-recurring loss amounts to €(6.0) million in 2012 (€0.3 million in 2011). It mainly refers to the loss on repurchase of bonds maturing in 2016.

3.4 Compensation of company officers

Board attendance fees paid to company officers during 2012 amount to €0.2 million (€0.2 million in 2011).

Compensation paid to company officers in 2012, amounts to €3.5 million (€3.9 million in 2011).

3.5 Income taxes

Under the group tax consolidation agreement, Rexel is liable for the payment of all tax due by the tax group. Each subsidiary records its individual tax charge calculated on its own taxable income, and any tax benefits arising are recognised by Rexel as the head of the tax group. Rexel has recognized an income of €70.8 million for 2012 (€93.1 million in 2011). The tax losses carried forward of the tax consolidation group amount to €389.2 million as of December 31, 2012 (€454.8 million in 2011) and the related estimated future tax relief amounts to €90 million.

4. NOTES TO THE BALANCE SHEET

4.1 Changes in fixed assets

(in millions of euros)	COST OR VALUATION, DECEMBER 31, 2011	INCREASE	DECREASE	COST OR VALUATION, DECEMBER 31, 2012
Intangible fixed assets	–	–	–	–
Tangible fixed assets	–	–	–	–
Long-term financial assets:				
– Investments in related companies	2,074.9	400.0	–	2,474.9
– Loans and other long-term financial assets	2,750.0	852.9	1,186.6	2,416.3
Sub-total	**4,824.9**	**1,252.9**	**1,186.6**	**4,891.2**
TOTAL	**4,824.9**	**1,252.9**	**1,186.6**	**4,891.2**

Long-term financial assets

Investments in related companies

The increase in investments in related companies refer to the increase in the share capital of Rexel Développement for €400 million by offsetting loans.

Loans and others long-term financial assets

The liquidity contract assets. In the frame of the share repurchase programme, on October 5, 2011, Rexel entered into a contract with the Natixis Bank (after termination of the previous contract with Credit Agricole Cheuvreux Bank) to promote the liquidity of Rexel shares for an initial amount of €12.8 million.

As of December 31, 2012, 277,257 shares held and allocated to price stabilization of stock exchange value, amount to a gross value of €4.3 million. The balance of this contract consists of €12.0 million of cash and cash equivalents. The liquidity contract assets as of December 31, 2011 were previously classified as Short-term investments, cash and bank.

Rexel granted on March 1, 2010 loans to some subsidiaries.

In 2012, Rexel granted an additional loan for $500 million to Rexel Holding USA Corp. The loan bears interests of 6.70% per annum.

At the end of December 2012, the loans were the following:

	BALANCE AS OF DECEMBER 31, 2012 *(in million of currency)*	CURRENCY	BALANCE AS OF DECEMBER 31, 2012 *(in millions of euros)*	DUE DATE
Rexel Sverige AB	1,600.0	SEK	186.4	17/12/2014
Redeal Limited	10.0	NZD	6.2	17/12/2014
Elektro Material AG	155.0	CHF	128.4	17/12/2014
Elektroskandia Norway	1,543.0	NOK	210.0	17/12/2014
HGM Finland		EUR	145.9	17/12/2014
Rexel Holdings USA Corp.	710.0	USD	538.1	17/12/2014
Rexel Holdings USA Corp.	500.0	USD	379.0	15/12/2019
Rexel Développement		EUR	806.0	17/12/2014
TOTAL			**2,400.0**	

Amounts drawn bear interest at a rate determined in reference to the NIBOR rate when funds are made available in Norwegian Krone, the LIBOR rate when funds are made available in currencies other than the Norwegian Krone or Euro, or the EURIBOR rate when funds are made available in Euro.

With the exception of loans granted to Rexel Holdings USA Corp., the margin applicable will vary in accordance with the ranges of the Pro Forma Leverage Ratio as defined in the different loans (adjusted consolidated net debt relative to adjusted consolidated EBITDA), as set out below:

LEVERAGE RATIO	MARGIN
Greater than or equal to 5.00:1	5.40%
Less than 5.00:1 but greater than or equal to 4.50:1	4.65%
Less than 4.50:1 but greater than or equal to 4.00:1	4.15%
Less than 4.00:1 but greater than or equal to 3.50:1	3.65%
Less than 3.50:1 but greater than or equal to 3.00:1	3.15%
Less than 3.00:1 but greater than or equal to 2.50:1	2.90%
Less than 2.50:1	2.65%

The applicable margin amounts to 2.90% in 2012 against 3.15% in 2011.

The margin applicable to the loans granted to Rexel Holdings USA Corp. (maturity on December 17, 2014) will vary in accordance with the ranges of the Pro Forma Leverage Ratio as defined in the different loans (adjusted consolidated net debt relative to adjusted consolidated EBITDA), as set out below:

LEVERAGE RATIO	MARGIN
Greater than or equal to 5.00:1	5.10%
Less than 5.00:1 but greater than or equal to 4.50:1	4.35%
Less than 4.50:1 but greater than or equal to 4.00:1	3.85%
Less than 4.00:1 but greater than or equal to 3.50:1	3.35%
Less than 3.50:1 but greater than or equal to 3.00:1	2.85%
Less than 3.00:1 but greater than or equal to 2.50:1	2.60%
Less than 2.50:1	2.35%

The applicable margin amounts to 2.60% in 2012 against 2.85% in 2011.

6

4.2 Other information relating to assets

Currents assets

(in millions of euros)	TOTAL DECEMBER 31, 2012	DUE WITHIN ONE YEAR	DUE BETWEEN 1 AND 5 YEARS	DUE AFTER MORE THAN 5 YEARS
Trade accounts receivable	3.7	3.7	–	–
Currents accounts receivable	8.1	8.1	–	–
Other receivable	6.6	6.6	–	–
TOTAL	**18.4**	**18.4**	**–**	**–**

Short-term investments, cash and bank

This item is mainly composed by:

1. Own shares acquisition costs held and already attributed to free shares plans, as of December 31, 2012, are 1,188,144 shares for an amount of €14.8 million.
2. Own shares acquisition costs held to be attributed to free shares plans, as of December 31, 2012, are 827,163 shares for an amount of €10.4 million.
3. Other short-term investments, cash and bank for an amount of €128.5 million.

Deferred charges

Deferred charges amount to €61.6 million and mainly relate to the issuing costs of the notes issued in December 2009 (€15.8 million), to the senior credit agreement implemented in on December 21, 2009 (€28.6 million) of the notes issued in May 2011 (€7.1 million), and of the notes issued in March and April 2012 (€10.1 million).

These costs are depreciated over the life of financing. The net book value amounts to €32.0 million.

4.3 Stockholders' equity

(in millions of euros)	JANUARY 1, 2012	RESERVES	APPROPRIATION OF THE 2011 NET INCOME	INCREASE IN SHARE CAPITAL	2012 NET INCOME	DECEMBER 31, 2012
Share capital	1,344.1	2.1	11.4	2.0	–	1,359.6
Share premiums	1,412.2	(13.9)	18.8	1.2	–	1,418.3
Legal reserve	29.5	–	2.5	–	–	32.0
Others reserves	32.1	11.8	–	–	–	43.9
Retained earnings	360.8	–	(125.5)	–	–	235.3
Net income for the year	50.5	–	(50.5)	–	0.6	0.6
TOTAL	**3,229.2**	**–**	**(143.3)**	**3.2**	**0.6**	**3,089.7**

Changes in equity during 2012 :

1. On April 12, 2012 and on December 20, 2012, the capital was increased by €1,000.0 with an issuance of 141 shares with a par value of €5 each. This increase results of the acquisition of 141 shares in May 2010 through the Opportunity 10 plan and has been recorded by offsetting the other reserves.
2. On May 2, 2012, the company's Management Board decided to allocate an amount of €10.1 million to the other reserves by offsetting the share premium for 2,019,324 free shares granted at a par value of €5 each.
3. On May 14, 2012, the capital was increased by €0.2 million with an issuance of 48,788 shares with a par value of €5 each. This increase results of the acquisition of 48,788 shares through the May 2010 free shares plan, and has been recorded by offsetting the other reserves.
4. On June 25, 2012, the capital was increased by €1.8 million with an issuance of 364,440 shares with a par value of €5 each. This increase results of the acquisition of 364,440 shares through the May 2008 free shares plan, and has been recorded by offsetting the share premium.
5. On July 26, 2012, the company's Management Board decided to allocate an amount of €1.2 million to the other reserves by offsetting the share premium for 243,080 free shares granted at a par value of €5 each.
6. On October 2, 2012, the capital was increased by €0.1 million with an issuance of 13,226 shares with a par value of €5 each. This increase results of the acquisition of 13,226 shares through the October 2008 free shares plan, and has been recorded by offsetting the share premium.
7. The Annual General meeting held on May 16, 2012 approved a resolution appropriating the 2011 result as follows: €2.5 million to the Legal reserve and distribution of €173.4 million, in cash for an amount of €143.0 million and by issuance of new shares for an amount of €30.4 million. The capital was increased to €11.4 million with an issuance of 2,273,474 shares with a share premium of € 19.0 million. The fees stemming from this capital increase, amounting to €0.3 million are deducted from the share premium.
8. During the year 2012, 50,836 options regarding the 2005 stock option plan were exercised with issuance of 50,836 shares and an increase of capital of €0.3 million. During the year 2012, 15,100 options

regarding the 2006 stock option plan were exercised with issuance of 15,100 shares and an increase of capital of €0.1 million, along with a share premium of €0.02 million.

9. On November 23, 2012, the company's Management Board recorded capital increase resulting from the employees offering for €1.7 million with an issuance of 337,465 shares with a par value of €5 each and the share premium of € 2.5 million. The fees stemming from this capital increase are deducted from the share premium to the amount of €1.3 million.

10. On November 23, 2012, the company's Management Board decided to allocate an amount of €0.7 million to the other reserves by offsetting the share premium for 145,634 free shares granted at a par value of €5 each, regarding the capital increase resulting from the employees offering in 2012.

11. The net profit for the year 2012 amounts to €0.6 million.

At the end of December 2012, the company's share capital amounts to €1,359,616,145 represented by 271,923,229 shares each with a par value of €5.

4.4 Other information relating to liabilities

(in millions of euros)	TOTAL DECEMBER 31, 2012	DUE WITHIN ONE YEAR	DUE BETWEEN 1 AND 5 YEARS	DUE AFTER MORE THAN 5 YEARS
Bonds	1,460.0	4.5	587.2	868.3
Borrowings from financial institutions	141.5	115.6	25.9	–
Other financial debt	384.9	384.9	–	–
Trade accounts payable	1.4	1.4	–	–
Other operating liabilities	7.5	7.5	–	–
Unrealized exchange rate gains	–	–	–	–
TOTAL	**1,995.3**	**513.9**	**613.1**	**868.3**

Bonds

8.25% Senior Unsecured Notes due 2016

On December 21, 2009, Rexel issued €575 million senior unsecured notes, the proceeds of which were applied to partially refinance the previous Senior Credit Agreement initially borne by other group subsidiaries. The notes bear interest annually at 8.25% and are listed on the Luxembourg Stock Exchange. Rexel will pay interest on the notes semi-annually in arrears on June 15 and December 15, commencing on June 15, 2010. The notes will mature on December 15, 2016.

On January 20, 2010 in addition to the bond issue achieved on December 21, 2009, Rexel issued an additional €75 million senior unsecured notes. The additional notes are fully assimilated to the ones issued on December 21, 2009. They pay interest at a rate of 8.25% and are redeemable on December 15, 2016.

The notes are senior unsecured obligations of Rexel and are guaranteed on a senior unsecured basis by certain of Rexel's subsidiaries. The notes rank *pari passu* with all of Rexel's existing and future unsecured senior debt and senior to all its existing and future subordinated debt.

The notes are redeemable in whole or in part at any time prior to December 15, 2013 at a redemption price equal to 100% of their principal amount, plus a "make-whole" premium and accrued and unpaid interest. On or after December 15, 2013, the notes are redeemable in whole or in part by paying the redemption price set forth below:

REDEMPTION PERIOD BEGINNING ON:	REDEMPTION PRICE (AS A % OF PRINCIPAL AMOUNT)
December 15, 2013	104.125%
December 15, 2014	102.063%
December 15, 2015 and after	100.000%

In addition, at any time on or prior to December 15, 2012, the Notes are redeemable up to 35% of the outstanding principal amount of notes with the net proceeds from one or more specified equity offerings.

In the first half of 2012, Rexel bought-out €63.8 million nominal amount of senior notes due December 15, 2016. This transaction resulted in a loss on repurchase for an amount of €5.9 million.

7% Senior Unsecured Notes due 2018

On May 27, 2011, Rexel issued €500 million senior unsecured notes, the proceeds of which were applied to partially repay its senior credit facilities. The notes were issued at 99.993% of their nominal amount and bear interest annually at 7%. They are listed on the Luxembourg Stock Exchange. Rexel will pay interest on the notes semi-annually in arrears on June 17 and December 17, with the first payment on December 17, 2011. The notes will mature on December 17, 2018.

The notes are redeemable in whole or in part at any time prior to June 17, 2015 at a redemption price equal to 100% of their principal amount, plus a "make-whole" premium and accrued and unpaid interest. On or after June 17, 2015, the notes are redeemable in whole or in part by paying the redemption price set forth below.

REDEMPTION PERIOD BEGINNING ON:	REDEMPTION PRICE (AS A % OF PRINCIPAL AMOUNT)
June 17, 2015	103.500%
June 17, 2016	101.750%
June 17, 2017 and after	100.000%

In addition, at any time on or prior to June 17, 2014, Rexel may redeem up to 35% of the outstanding aggregate principal amount of the notes using the net proceeds from one or more specified equity offerings.

6.125% Senior Unsecured Notes due 2019

On March 28, 2012, Rexel issued $400 million senior unsecured notes. The notes were issued at 100% of their nominal amount and bear interest annually at 6.125%. They are listed on the Luxembourg Stock Exchange. On April 23, 2012, Rexel issued an additional $100 million principal amount of these notes at a price of 100.75% of their nominal amount. The additional notes are fully fungible with the previously-issued notes and have identical terms and conditions.

Rexel will pay interest on the notes semi-annually in arrears on June 15 and December 15, with the first payment on December 15, 2012. The notes will mature on December 15, 2019.

The notes are redeemable in whole or in part at any time prior to December 15, 2015 at a redemption price equal to 100% of their principal amount, plus a "make-whole" premium and accrued and unpaid interest. On or after December 15, 2015, the notes are redeemable in whole or in part by paying the redemption price set forth below.

REDEMPTION PERIOD BEGINNING ON:	REDEMPTION PRICE (AS A % OF PRINCIPAL AMOUNT)
December 15, 2015	103.063%
December 15, 2016	101.531%
December 15, 2017 and after	100.000%

In addition, at any time on or prior to June 15, 2015, Rexel may redeem up to 35% of the outstanding aggregate principal amount of the notes using the net proceeds from one or more specified equity offerings.

2009 Senior Credit Agreement

On December 21, 2009, in connection with the refinancing transactions, Rexel entered into, as borrower, a €1,700 million credit facilities agreement with BNP Paribas, Calyon, Crédit Industriel et Commercial, HSBC France, Natixis, ING Belgium SA, The Royal Bank of Scotland plc, Société Générale Corporate and Investment Banking and Bank of America Securities Limited as Mandated Lead Arrangers, and Calyon as Facilities Agent.

During the period ended December 31, 2010, commitment of facilities A and B under 2009 Senior Credit Agreement was reduced by €235.3 million (from €600 million to €390.7 million for facility A and from €1,100 million to €1,074 million for facility B) following execution of a bilateral line €40 million Term Loan Agreement on July 28, 2010. Terms and conditions under this Term Loan Agreement are similar to those applied for 2009 Senior Credit Agreement.

- Facility A, which is a three-year multi-currency revolving credit facility. The maximum commitment corresponding to Facility A was reduced by €195.3 million in December 2011 (decreasing from €390.7 million to €195.4 million), then was reduced to €0.0 on December 31, 2012 in accordance with contractual terms.
- Facility B, which is a five-year multi-currency revolving credit facility. The maximum initial amount of Facility B is €1,074 million.
- Bilateral Term Loan Agreement decreasing from €40 million to €35.3 million in December 2010, then decreasing from €35.3 million to €30.6 million in December 2011, then decreasing from €30.6 million to €25.9 million in December 2012 in accordance with contractual terms.

As of December 31, 2012, facilities and their use under the Senior Credit Agreement are as follows:

CREDIT FACILITY (TERM LOAN)	COMMITMENT *(in millions of euros)*	BORROWER	BALANCE DUE AS OF DECEMBER 31, 2012 *(in million of local currency)*	CURRENCY	BALANCE DUE AS OF DECEMBER 31, 2012 *(in millions of euros)*
Facility B	1,074.0	Rexel SA			–
Sub-total	**1,074.0**				**–**
Bilateral line	25.9	Rexel SA	25.9	EUR	25.9
TOTAL	**1,099.9**				**25.9**

Interests and margin

These multicurrency credit facilities carry interest at EURIBOR or LIBOR rates depending on the currency in which amounts are drawn, plus a margin which varies depending on the leverage ratio.

The margin applicable varies in accordance with the ranges in which the Pro Forma Leverage Ratio (as defined below) falls at the end of each semester as set out below:

LEVERAGE RATIO	FACILITY B MARGIN
Greater than or equal to 5.00:1	4.50%
Less than 5.00:1 but greater than or equal to 4.50:1	3.75%
Less than 4.50:1 but greater than or equal to 4.00:1	3.25%
Less than 4.00:1 but greater than or equal to 3.50:1	2.75%
Less than 3.50:1 but greater than or equal to 3.00:1	2.25%
Less than 3.00:1 but greater than or equal to 2.50:1	2.00%
Less than 2.50:1	1.75%

At December 31, 2012 the applicable margin stood at 2.0% for Facility B.

In addition, the applicable margin shall be increased by an utilisation fee equal to:

- 0.25% per annum *pro rata temporis* for the period during which the facilities are drawn down for an amount less than or equal to 66% but greater than 33% of the total commitments; and
- 0.50% per annum *pro rata temporis* for the period during which the facilities are drawn down for an amount greater than 66% of the total commitments.

Rexel shall also pay a commitment fee in the base currency computed at the rate of 40% of the applicable margin on that lender's available commitment under each facility.

Covenant (Pro Forma Leverage Ratio)

The Pro Forma Leverage Ratio corresponds to adjusted consolidated net debt relative to adjusted consolidated EBITDA, as such terms are defined below:

- Adjusted Consolidated EBITDA means operating income before other income and other expenses, plus depreciation and amortization as set forth in the Group's consolidated financial statements and:
  - includes adjusted EBITDA over the last 12 months of all of the companies acquired during the relevant period, pro rata to the Group's participation;
  - includes proceeds relating to commodity price derivatives to hedge exposure to price fluctuations of certain commodities which do not qualify for cash flow hedge accounting under IFRS;
  - excludes expenses relating to employee profit sharing and any share based payments or the granting of share subscription options;
  - excludes restructuring costs relating to the integration of Hagemeyer and any other restructuring and/or acquisition costs relating to any other acquisitions;
  - adjusted to exclude the non-recurring impact on the Group's consolidated EBITDA related to the price of copper in cables.
- Adjusted consolidated net debt means all financial debt (whether the interest with respect to such debt is paid or capitalized) converted to the average rate of the last 12 months when the debt is in a currency other than the euro:
  - less intra-Group loans and transaction costs, as well as the financial charges accounted for as a result of the repayment of the debt outstanding under the previous facilities agreement;
  - plus all indebtedness relating to the issuance of securities that are not mandatorily redeemable into shares and any other amount relating to a loan under international accounting standards;
  - plus accrued interest (including capitalized interest), excluding interest accrued on intra-group loans;
  - minus cash and cash equivalents.

6

Commitments

Under the terms of the Senior Credit Agreement, Rexel must maintain the Pro Forma Leverage Ratio below the following levels:

DATE	INDEBTEDNESS RATIO
December 31, 2012	3.50:1
June 30, 2013	3.50:1
December 31, 2013	3.50:1
June 30, 2014	3.50:1

As of December 31, 2012, this ratio was 2.95, thus satisfying the covenant.

Other undertakings

The Senior Credit Agreement includes certain undertakings relating to limitations of the level of capital expenditures and restrictions of the payment of dividends, so long as the Pro Forma ratio Adjusted Consolidated Net Debt relative to adjusted consolidated EBITDA is above 4.00:1.

Commercial paper program

In September 2010, Rexel launched a €500 million commercial paper program with a fixed maturity ranging from one to three months depending on the notes issued, to diversify the investor base and minimize the cost of financing. As of December 31, 2012, under this program, €115 million were outstanding.

Other financial debts

Other financial debts relate mainly to the current account with the company Rexel Développement.

4.5 Financial instruments covering currency and interest rate risks

Financial instruments covering currency and interest rate risks

In the course of its business, Rexel SA is exposed to market risks relating to borrowing cost management. Rexel SA uses various financial instruments to optimize its financial expense including interest rate swaps to modify its debt structure and to cover the risk of interest rate increases in the currencies in which its debt is denominated. Derivative foreign currency instruments include forward currency purchases and sales, and have the sole objective of hedging transactions denominated in a foreign currency.

As of December 31, 2012, the outstanding hedge contracts were as follows:

Interest rate swaps

TYPE OF CONTRACT	MATURITY	NOTIONAL AMOUNTS (IN MILLIONS)	FAIR VALUE OF HEDGES (IN MILLIONS)
Interest rate swap paying EURIBOR 3 months	2018	150.0 EUR	4.9 EUR
Interest rate swap paying LIBOR 3 months	2019	150.0 USD	0.8 EUR

Forward contracts

TYPE OF CONTRACT	NOTIONAL AMOUNTS (IN MILLION OF FOREIGN CURRENCY)	NOTIONAL AMOUNTS (IN MILLIONS OF EUROS)	FAIR VALUE (IN MILLIONS OF EUROS)
Forward sales of Swiss francs for euros	240.1	199.3	(0.2)
Forward sales of Norwegian crowns for euros	1,661.9	222.1	(0.5)
Forward sales of New Zealand dollars for euros	10.1	6.1	–
Forward sales of Swedish crowns for euros	1,600.0	182.6	(2.0)
Forward sales of US dollars for euros	563.8	426.6	–

4.6 Amounts due to and from related parties

As of December 31, 2012, balances with related parties were as follows:

(in millions of euros)

ASSETS		LIABILITIES	
Investments in related companies	2,474.9	Other financial debt	384.9
Loans and other long-term financial assets	2,400.0	Trade accounts payable	0.1
Trade accounts receivable	3.7	Other liabilities	0.7
Other accounts receivable	14.2		
EXPENSES		**INCOME**	
Financial expenses	15.1	Financial income	86.1
		Income tax	70.6

5. ADDITIONAL INFORMATION

5.1 Commitments

The Senior Credit Agreement 2009 contains standard clauses for this type of agreement. These include clauses restricting the ability of Group companies which are parties to that Agreement and certain subsidiaries from (i) granting security interests or warranties based on their assets; (ii) making loans to others; (iii) creating security interests; (iv) undertaking certain investments; (v) disposing of assets; or (vi) substantially changing the general nature of the Group's business.

The Senior Credit Agreement contains certain covenants for total or partial acceleration of maturity, particularly in the event of a change of control of Rexel, the sale of all or a part of Rexel's assets, payment default or in the event of accelerated maturity of other financial debt of certain Group entities (above established thresholds) or other events that are likely to have a significant negative effect on the obligations of borrowers and guarantors.

The notes rank *pari passu* with Rexel's new senior credit facility and are guaranteed by certain of Rexel's subsidiaries which also guarantee the obligations of Rexel under the new senior credit facilities.

Trust Deed contracts, entered into on December 21, 2009, completed by a First Supplemental Trust Deed entered into on January 20, 2010, and on May 27, 2011, as well as Indenture contracts entered into on March 28, 2012 and on April 23, 2012 between Rexel, certain of Rexel's subsidiaries and BNP Paribas Trust Corporation UK Limited. These agreements were entered into in the context of a notes issuance by Rexel in an amount of €650 million, €500 million and $500 million. They provide for the terms under which BNP Paribas Trust Corporation undertook to act in the capacity of Trustee in the scope of the issuance of such notes. These agreements were authorized by the Supervisory Board upon its meetings of December 2, 2009, December 10, 2009, January 8, 2010, May 11, 2011, March 14, 2012 and April 12, 2012.

5.2 Employees

The staff of the company is composed by two corporate officers on December 31, 2012.

5.3 Information on stock-options and free share plans

The extraordinary general meeting held on October 28, 2005 approved the implementation of a stock-option plan, by authorizing the president to grant options to certain company officers and employees of Rexel Group companies in France or abroad, to a maximum of 2,882,000 "Cercle 2" options and 289,300 "Cercle 3" options, exercise terms of the options are governed by the provisions of articles L.225-177 and following of the French Commercial Code.

Plan No. 1 – cercle 2:

Date of shareholders decision:	October 28, 2005		
Maximum number of options granted from the start:	2,882,000		
	1st attribution	**2nd attribution**	**3rd attribution**
Date of granting:	October 28, 2005	May 31, 2006	October 4, 2006
Number of options granted:	2,775,120	169,236	164,460
Number of beneficiaries from the start:	47	5	7
Type of plan:	Subscription	Subscription	Subscription
Exercise price:	€5 / option	€6.5 / option	€9.5 / option
Unavailability Period:	From Oct. 28, 2005 to Oct. 28, 2009 included	From May 31, 2006 to May 31, 2010 included	From Oct. 04, 2006 to Oct. 4, 2010 included
Expiration date:	October 28, 2016	October 28, 2016	October 28, 2016
Follow up of the plan:			
Number of options to be exercised as of December 31, 2005:	2,711,000		
Options cancelled or reallocated:	162,696		
Number of options to be exercised as of December 31, 2006:	2,548,304	169,236	164,460
Number of beneficiaries as of December 31, 2006:	44	5	7
Number of options to be exercised as of December 31, 2007 (after division by 2 the par value and doubling the number of options):	1,231,002	140,944	267,452
Number of options to be exercised as of December 31, 2009:	1,231,002	140,944	267,452
Options exercised in 2010:	1,198,182	140,944	–
Number of options to be exercised as of December 31, 2010:	32,820	–	267,452
Options exercised in 2011:	–	–	267,452
Number of options to be exercised as of December 31, 2011:	32,820	–	–
Options exercised in 2012:	–	–	–
Number of options to be exercised as of December 31, 2012:	32,820	–	–

Plan no. 2 – cercle 3:

Date of shareholders decision:	October 28, 2005	
Maximum number of options to be granted:	289,300	
	1st attribution	**2nd attribution**
Date of granting:	November 30, 2005	May 31, 2006
Number of options granted:	265,700	35,550
Number of beneficiaries from the start:	205	35
Type of plan:	Subscription	Subscription
Exercise price:	€5 / option	€6.5 / option
Unavailability Period:	From Nov. 30, 2005 to Nov. 30, 2009 included	From May 31, 2006 to May 31, 2010 included
Expiration date of options:	November 30, 2016	November 30, 2016
Follow up of the plan:		
Number of options to be exercised as of December 31, 2005:	259,050	
Options cancelled or reallocated:	17,111	
Number of options to be exercised as of December 31, 2006:	241,939	34,550
Number of beneficiaries as at December 31, 2006:	197	34
Number of options cancelled as from January 1, 2007:	4,711	562
Number of options to be exercised as of December 31, 2007 (after division by 2 the par value and doubling the number of options):	474,456	67,976
Number of options cancelled as from January 1, 2008:	1,500	2,000
Number of options to be exercised as of December 31, 2008:	472,956	65,976
Number of options exercised in 2009:	66,900	-
Number of options to be exercised as of December 31, 2009:	406,056	65,976
Number of options exercised in 2010:	119,866	30,100
Number of options to be exercised as of December 31, 2010:	286,190	35,876
Number of options exercised in 2011:	70,200	9,500
Number of options to be exercised as of December 31, 2011:	215,990	26,376
Number of options exercised in 2012:	50,836	15,100
Number of options to be exercised as of December 31, 2012:	165,154	11,276

On June 23, 2008, Rexel entered into several free share plans for its top executives and key managers amounting to a total of 1,541,720 shares.

According to local regulations, these employees and executives will either be eligible to receive Rexel shares two years after the granting date (June 24, 2010), these being restricted during an additional two year period (June 24, 2012), or four years after the granting date (June 24, 2012), with no restrictions subsequently.

On October 1, 2008, Rexel entered into a second free share plan for its top executives, and key employees to a maximum of 66,241 shares.

According to local regulations, these employees and executives will either be eligible to receive Rexel shares two years after the granting date (October 2, 2010), these being restricted during an additional two year period (October 2, 2012), or four years after the granting date (October 2, 2012), with no restrictions subsequently.

On May 11, 2009, Rexel entered into several free share plans for its top executives and key managers amounting to a total of 1,372,166 shares.

According to local regulations, these employees and executives will either be eligible to receive Rexel shares two years after the granting date (May 12, 2011), these being restricted during an additional two year period (May 12, 2013), or four years after the granting date (May 12, 2013), with no restrictions subsequently.

The actual transfer of these free shares is subject to the service and performance conditions of the schemes. Vesting conditions are presented in the following table:

	PLAN GRANTED IN 2009	PLAN GRANTED IN 2008
Maximum number of shares granted initially	1,372,166	1,607,961
Cancelled in 2008 due to presence not satisfied		(34,919)
Maximum number of shares alived on December 31, 2008 and not yet delivered		**1,573,042**
Cancelled in 2009 due to presence not satisfied	(27,517)	(191,852)
Cancelled in 2009 due to performance not satisfied	(195,676)	(831,291)
Delivery in 2009	–	–
Maximum number of shares alived on December 31, 2009 and not yet delivered	**1,148,973**	**549,899**
Cancelled in 2010 due to presence not satisfied	(96,140)	(22,393)
Delivery in 2010	–	(147,763)
Maximum number of shares alived on December 31, 2010 and not yet delivered	**1,052,833**	**379,743**
Cancelled in 2011 due to presence not satisfied	(16,002)	–
Delivery in 2011	(268,416)	–
Maximum number of shares alived on December 31, 2011 and not yet delivered	**768,415**	**379,743**
Cancelled in 2012 due to presence not satisfied	(2,187)	(2,077)
Delivery in 2012	–	(377,666)
Maximum number of shares alived on December 31, 2012 and not yet delivered	**766,228**	**–**

On May 11, 2010, Rexel entered into several free share plans for its top executives and key managers amounting to a total of 1,519,862 shares.

According to local regulations, these employees and executives will either be eligible to receive Rexel shares two years after the granting date (May 12, 2012), these being restricted during an additional two year period (May 12, 2014), or four years after the granting date (May 12, 2014), with no restrictions subsequently.

The issuance of these free shares is subject to the service and performance conditions of the schemes.

BENEFICIARIES	VESTING CONDITIONS	MAXIMUM NUMBER OF SHARES ALIVED ON DECEMBER 31, 2012
Top executives and managers	Two-year service condition from the implementation and performance conditions based on: 1/ the 2010 EBITDA level adjusted, 2/ the increase from 2009 to 2011 EBITDA margin adjusted, 3/ the 2010 Ratio Net Debt / EBITDA adjusted	488,318
Other key managers	Two-year service condition from the implementation for 20% of shares and performance conditions based on: 1/ the 2010 EBITDA level adjusted, 2/ the increase from 2009 to 2011 EBITDA margin adjusted, 3/ the 2010 ratio Net Debt/ EBITDA adjusted for 80% of shares	349,136
As of December 31, 2012		**837,454**

On May 12, 2011, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 2,082,748 shares. According to these plans, these employees and executives will either be eligible to receive Rexel shares two years after the granting date (May 12, 2013), these being restricted for an additional two-year period (until May 12, 2015), the so-called “2+2 Plan”, or four years after the granting date (May 12, 2015), with no subsequent restrictions, the so-called “4+0 Plan”. The delivery of these shares is subject to service and performance conditions of the schemes as described below:

BENEFICIARIES	VESTING CONDITIONS	MAXIMUM NUMBER OF SHARES ALIVED ON DECEMBER 31, 2012
Top executives and managers	Two-year service condition from the implementation and performance conditions based on: 1/ the 2011 EBITDA level adjusted, 2/ the increase from 2010 to 2012 EBITDA margin adjusted, 3/ the 2011 Ratio Net Debt / EBITDA adjusted	372,568
Other key managers	Two-year service condition from the implementation for 80% of shares and performance conditions based on: 1/ the 2011 EBITDA level adjusted, 2/ the increase from 2010 to 2012 EBITDA margin adjusted, 3/ the 2011 ratio Net Debt/ EBITDA adjusted	322,687
Operating managers	Two-year service condition from the implementation	434,125
As of December 31, 2012		**1,129,380**

The unit value used as the basis of social contribution of 14% amounts to €17.22.

On October 11, 2011, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 340,719 shares. According to these plans, these employees and executives will either be eligible to receive Rexel shares two years after the grant date (October 11, 2013), these being restricted for an additional two-year period (until October 11, 2015), the so-called “2+2 Plan”, or four years after the granting date with no subsequent restrictions (October 11, 2015), the so-called “4+0 Plan”.

The delivery of these shares is subject to service and performance conditions of the schemes as described below:

BENEFICIARIES	VESTING CONDITIONS	MAXIMUM NUMBER OF SHARES ALIVED ON DECEMBER 31, 2012
Top executives and managers	Two-year service condition from the implementation and performance conditions based on: 1/ the 2011 EBITDA level adjusted, 2/ the increase from 2010 to 2012 EBITDA margin adjusted, 3/ the 2011 Ratio Net Debt / EBITDA adjusted	169,419
Other key managers	Two-year service condition from the implementation for 80% of shares and performance conditions based on: 1/ the 2011 EBITDA level adjusted, 2/ the increase from 2010 to 2012 EBITDA margin adjusted, 3/ the 2011 ratio Net Debt/ EBITDA adjusted	17,282
As of December 31, 2012		**186,701**

The unit value used as the basis of social contribution of 14% amounts to €11.39.

On October 11, 2011, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 1,343,310 shares. According to these plans, these employees and executives will either be eligible to receive Rexel shares three years after the grant date (October 11, 2014), these being restricted for an additional two-year period (until October 11, 2016), the so-called "3+2 Plan", or five years after the granting date with no subsequent restrictions (October 11, 2016), the so-called "5+0 Plan". The delivery of these shares is subject to service and share performance on the stock market.

BENEFICIARIES	VESTING CONDITIONS	MAXIMUM NUMBER OF SHARES ALIVED ON DECEMBER 31, 2012
Top executives and managers	Three-year service condition from the implementation and share performance on the stock market	840,334
Other key managers	Three-year service condition from the implementation and share performance on the stock market	446,589
As of December 31, 2012		**1,286,923**

The unit value used as the basis of social contribution of 14% amounts to €7.17.

On May 2, 2012, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 2,019,324 shares. According to these plans, these employees and executives will either be eligible to receive Rexel shares two years after the grant date (May 3, 2014), these being restricted for an additional two-year period (until May 3, 2016), the so-called "2+2 Plan", or four years after the granting date with no subsequent restrictions (May 3, 2016), the so-called "4+0 Plan".

The delivery of these shares is subject to service and performance conditions of the schemes as described below:

BENEFICIARIES	VESTING CONDITIONS	MAXIMUM NUMBER OF SHARES ALIVED ON DECEMBER 31, 2012
2+2 Plan	Two-year service condition from the implementation and performance conditions based on: 1/ Variance of EBITA margin from 2011 to 2013 for 50% of shares, 2/ 2012 EBITA for 15% of shares, 3/ the average cash-flow ratio of 2012 and 2013 for 25% of shares, 4/ 2012 cash level for 10% of shares	626,809
4+0 Plan	Two-year service condition from the implementation and performance conditions based on: 1/ Variance of EBITA margin from 2011 to 2013 for 50% of shares, 2/ 2012 EBITA for 15% of shares, 3/ the average cash-flow ratio of 2012 and 2013 for 25% of shares, 4/ 2012 cash level for 10% of shares	1,079,442
As of December 31, 2012		**1,706,251**

The unit value used as the basis of social contribution of 14% amounts to €14.47.

On July 26, 2012, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 243,080 shares. According to these plans, these employees and executives will either be eligible to receive Rexel shares two years after the grant date (July 26, 2014), these being restricted for an additional two-year period (until July 26, 2016), the so-called “2+2 Plan”, or four years after the granting date with no subsequent restrictions (July 26, 2016), the so-called “4+0 Plan”. The delivery of these shares is subject to service and performance conditions of the schemes as described below:

BENEFICIARIES	VESTING CONDITIONS	MAXIMUM NUMBER OF SHARES ALIVED ON DECEMBER 31, 2012
2+2 Plan	Two-year service condition from the implementation and performance conditions based on: 1/ Variance of EBITA margin from 2011 to 2013 for 50% of shares, 2/ 2012 EBITA for 15% of shares, 3/ the average cash-flow ratio of 2012 and 2013 for 25% of shares, 4/ 2012 cash level for 10% of shares	51,309
4+0 Plan	Two-year service condition from the implementation and performance conditions based on: 1/ Variance of EBITA margin from 2011 to 2013 for 50% of shares, 2/ 2012 EBITA for 15% of shares, 3/ the average cash-flow ratio of 2012 and 2013 for 25% of shares, 4/ 2012 cash level for 10% of shares	159,217
As of December 31, 2012		**210,526**

The unit value used as the basis of social contribution of 30% amounts to €11.85.

5.4 Tax litigation

Following a tax audit, Rexel received in December 2011 a proposed tax reassessment in which the French tax authorities allege that Rexel did not give evidence that the borrowings to Ray Finance LP (subsidiary of Ray Investment Sàrl) amounting to €952 million were real transactions; they also allege that Ray Finance LP enjoyed a privileged tax regime and deny by those means the deduction of €91 million interests expense related to years 2005 to 2007. Rexel disputes the whole argumentation. The tax risk related to this tax reassessment amounts to €32 million and would result in a potential reduction of the consolidated tax losses carried forward.

5.5 Auditors’ fees

The auditors’ fees amount to €1.2 million for 2012 compared with €1.1 million in 2011.

5.6 Other information

Rexel is consolidated in the scope of Ray Investment Sàrl's financial statements. Ray Investment is a Luxembourg company.

5.7 Subsequent events as of December 31, 2012

None.

6.2 STATUTORY AUDITORS' REPORT ON THE COMPANY FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2012

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures taken outside of the financial statements.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

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Commissaire aux comptes
Membre de la compagnie régionale de Versailles

Rexel

Year ended December 31, 2012

Statutory auditors' report on the financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended December 31, 2012, on:

- the audit of the accompanying financial statements of Rexel;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the management board *(Directoire)*. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2012 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matter:

Note 2.1 to the financial statements sets out the rules and the accounting methods relative to value-in-use of long-term investments which is based on forecast future cash flows less net debt. As part of the justification of our assessments, we reviewed the assumptions of budgeted cash-flows, on which these assumptions were based, and their computation.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the management board *(Directoire)*, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code *(Code de commerce)* relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris La Défense, March 11, 2013

The statutory auditors

French original signed by

PricewaterhouseCoopers Audit	Ernst & Young Audit
Christian Perrier	Pierre Bourgeois

7 CORPORATE GOVERNANCE

7.1 MANAGEMENT AND SUPERVISORY BODIES **186**

7.1.1 Management Board 186
7.1.2 Supervisory Board 191
7.1.3 Supervisory Board Committees 210
7.1.4 Executive Committee 214
7.1.5 Statements concerning the Management Board and Supervisory Board 215
7.1.6 Conflicts of interest 215
7.1.7 Service agreements between Management Board and Supervisory Board members and Rexel or one of its subsidiaries 215

7.2 IMPLEMENTATION OF THE AFEP MEDEF CORPORATE GOVERNANCE CODE OF LISTED COMPANIES **216**

7.3 COMPENSATION OF CORPORATE OFFICERS **218**

7.3.1 Compensation and benefits in kind 218
7.3.2 Compensation, indemnities or benefits due or that may become due as a result of the assumption, termination or change in the functions of corporate officers 228
7.3.3 Other benefits 231
7.3.4 Pension, retirement or similar benefits 231

7.4 MARKET ETHICS CHARTER **232**

7.5 RELATED PARTY TRANSACTIONS **233**

7.5.1 Principal related party transactions 233
7.5.2 Special reports of the statutory auditors in relation to related party agreements 238

Rexel is a company with limited liability *(société anonyme)* with a Management Board and Supervisory Board, thereby separating management and supervisory responsibilities.

7.1 MANAGEMENT AND SUPERVISORY BODIES

7.1.1 Management Board

7.1.1.1 Members of the Management Board

In accordance with the provisions of the by-laws (article 14 of the by-laws), the Management Board is made up of a minimum of two members and a maximum of five members. Its members are appointed by the Supervisory Board for a term of office of four years. The age limit for serving as Management Board member is currently set at 65.

Current members of the Management Board

On the date of this *Document de Référence*, the Management Board comprises the following 2 members:

Rudy Provoost
(53 years old)

PROFESSIONAL ADDRESS:
189-193, BOULEVARD MALESHERBES – 75017 PARIS – FRANCE

NUMBER OF REXEL SHARES HELD:
–

EXPERIENCE AND EXPERTISE

Member and Chairman of the Management Board

Rudy Provoost has served on the Management Board of Rexel since October 1, 2011 and is Chairman of the Management Board since February 13, 2012.

Rudy Provoost joined Philips in 2000, as Executive Vice-President of the Consumer Electronics branch in Europe. In 2004, he became CEO of the Consumer Electronics branch and was appointed as member of the Management Board of Philips in 2006. In 2008, he became CEO of its Lighting branch and Chairman of its Sustainable Development Board. Rudy Provoost previously held various management positions at Procter & Gamble (1984-1987), Canon (1987-1992) and Whirlpool (1992-2000). Born in Belgium in 1959, he holds a degree in psychology and an MBA from the University of Gand in Belgium. Rudy Provoost currently sits on the board of the Vlerick Business School.

TERM OF OFFICE

FIRST APPOINTMENT:
October 1, 2011

CURRENT TITLE:
From October 1, 2011 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2014

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE FIVE LAST FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

– Member and Chairman of the Management Board of Rexel
– Director of Rexel France (France – unlisted company)

Abroad

– Chairman of Rexel North America, Inc. (Canada – unlisted company)
– Director and president of Rexel Holdings USA Corp. (United States – unlisted company)
– Director of Rexel UK Limited (United Kingdom – unlisted company)

Over the last five financial years:

In France

–

Abroad

– Director of Rexel Senate Limited (United Kingdom – unlisted company)

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

–

Abroad

– Director of Vlerick Business School (Belgium – unlisted company)

Over the last five financial years:

In France

–

Abroad

– Member of the Management Board of Royal Philips Electronics (The Netherlands - listed company)
– Director of EICTA Digital Europe (Belgium – unlisted company)
– Director of LG Philips LCD (South Korea – unlisted company)
– Director of TCL Corporation (China – unlisted company)
– Director of EFQM (Belgium – unlisted company)

Pascal Martin (55 years old)	PROFESSIONAL ADDRESS: 189-193, BOULEVARD MALESHERBES – 75017 PARIS – FRANCE	NUMBER OF REXEL SHARES HELD: 463,254

EXPERIENCE AND EXPERTISE

Member of the Management Board

Pascal Martin has served on the Management Board of Rexel since February 13, 2007 and was renewed in his functions on May 19, 2011.

He started his career in 1980 with Société Vosgienne de Coton Hydrophile. In 1981, he joined the Renault group in Orléans (France) as Head of the Methods Department. He was appointed Production Manager in 1983, Head of a production site expansion project in 1985 and Head of Technical Services in 1989. From 1992 to 2000, he served as Chief of International Operations (1992-2000), Group Human Resources Director (1993-1999) and Chief Executive Officer of Steelcase S.A. International. Pascal Martin also held positions as Chief Executive Officer of Airborne France (1994-2001) and CEO France of Steelcase Strafor France (1999-2000). He was appointed France CEO of Guilbert SA (PPR Group) in 2001 and Chairman of the Management Board of that company in 2002. He was named CEO of the Rexel Group Business Sector in 2003, and in February 2007 was appointed member of the Management Board and Group Senior Vice-President Business Development and Corporate Operations. At the beginning of 2011, he also took the responsability of Latin America operations. In 2012, Pascal Martin became Group Senior Vice-President Corporate Strategy, Business Portfolio Management and New Businesses Development. Pascal Martin holds an engineering degree from ENSAM and is a graduate of I.C.G.

TERM OF OFFICE

FIRST APPOINTMENT:	CURRENT TITLE:
February 13, 2007	From May 19, 2011 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2014

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE FIVE LAST FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

– Member of the Management Board of Rexel
– Chairman of Citadel (France – unlisted company)
– Chairman of Bizline (France – unlisted company)

Abroad

– Chairman of the Board of Directors of Nortel Suprimentos Industriais SA (Brazil – unlisted company)
– Supervisor of LinElec Business Consulting (Shanghai) Limited (China – unlisted company)

Over the last five financial years:

In France

– Chairman of Comrex Ouest (France – unlisted company)
– Chairman of Rexel Amérique latine (France – unlisted company)
– Director of Rexel Distribution (France – unlisted company)

Abroad

– Director of Rexel, Inc. (United States – unlisted company)
– Member of the Management Board of Hagemeyer N.V. (The Netherlands – unlisted company)
– Director of General Supply & Services, Inc. (United States – listed company)
– Director of Comrex International Trading (Shanghai) Co. Ltd. (China – unlisted company)
– Alternate Director of Rexel Electra S.A. (Chile – unlisted company)
– Alternate Director of Rexel Chile S.A. (Chile – unlisted company)
– Alternate Director of Flores y Kersting (Chile – unlisted company)
– Director of Rexel International Projects Group, Inc. (IPG) (United States – unlisted company)

No title or duty exercised outside the Rexel Group

Members of the Management Board during the financial year ended on December 31, 2012

In the course of the financial year ended on December 31, 2012, the Management Board also comprised the following two members.

Michel Favre (54 years old)	PROFESSIONAL ADDRESS: 189-193, BOULEVARD MALESHERBES – 75017 PARIS – FRANCE	NUMBER OF REXEL SHARES HELD: 83,963

EXPERIENCE AND EXPERTISE

Michel Favre began his career in 1983 with Banques Populaires as an inspector. In 1988, after two years in consulting, he joined the Valeo group where he acted as Director of Financial Control for several successive divisions before becoming CFO for several branches between 1991 and 1997. Promoted to CEO of the Climate Control Division France in 1997, he became CEO of the Lighting-Signal Systems division in 1999. In 2001 he joined Altadis Group as Chief Financial and Administrative Officer. From September 2006 to March 2009, Michel Favre had been Chief Financial and Administrative Officer of Groupe Casino. Michel Favre is a graduate of HEC. He joined the Rexel Group and was appointed Chief Financial Officer and Group Senior Vice-President in April 2009.

TERM OF OFFICE

Michel Favre served on Rexel's Management Board until October 30, 2012.

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE FIVE LAST FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

– Director of Rexel France (France – unlisted company)

Abroad

– Director of Rexel Sverige AB (formerly Svenska Elgrossist AB SELGA) (Sweden - unlisted company
– Director of Elektroskandia Norge AS (Norway – unlisted company)
– Director of Rexel RE SA (Luxembourg – unlisted company)

Over the last five financial years:

In France

– Member of the Management Board of Rexel
– Director of Rexel Distribution (France – unlisted company)

Abroad

– Director of Rexel UK Ltd (United Kingdom – unlisted company)
– Director of Rexel New Zealand Limited (New Zealand – unlisted company)
– Director of Rexel International Projects Group, Inc. (IPG) (United States – unlisted company)

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

–

Abroad

–

Over the last five financial years:

In France

– Director of Mercialys (France – listed company)
– Chairman of Casino Restauration (France – unlisted company)
– Chairman of Banque Casino (France – unlisted company)
– CEO of SEITA (France – unlisted company)

Abroad

– Director of Companhia Brasileira de Distribuicao Brésil (Brazil – unlisted company)

Jean-Dominique Perret (65 years old)	PROFESSIONAL ADDRESS: 189-193, BOULEVARD MALESHERBES – 75017 PARIS – FRANCE	NUMBER OF REXEL SHARES HELD: 316,541

EXPERIENCE AND EXPERTISE

Jean-Dominique Perret began his career with Asea Brown Boveri in 1973. In 1975, he joined Schlumberger Services Pétroliers, where he held operational positions in the Middle East, Asia, Africa and South America as Profit Center Manager, Country or Regional Director and lastly, in January 1991, as Regional Director for Latin America. In 1993, he became Sales Engineering Director for Eastern Europe at Air Liquide. In 1994, he was promoted to Human Resources Director of several entities of the Air Liquide group. In 2001, Jean-Dominique Perret was appointed Group Senior Vice-President, Human Resources. Between 2008 and 2010, Jean-Dominique Perret carried out, in addition to his officership, the duties of Group Delegate Latin America. Since January 1, 2011, Jean-Dominique Perret has been appointed Group Delegate for International Businesses. Jean-Dominique Perret is Chairman of the association EChr – European Club for human resources (Belgium). Jean-Dominique Perret holds an engineering degree from *École Centrale Marseille* and is a graduate of the *Institut de l'Administration des Entreprises* (I.A.E.).

TERM OF OFFICE

Having reached the age of 65, Jean-Dominique Perret resigned from his functions at the close of the meeting of the Supervisory Board of November 29, 2012.

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE FIVE LAST FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

– Chairman of Rexel Amérique Latine (France – unlisted company)

Abroad

– Alternate Director of Rexel Chile S.A. (Chile – unlisted company)
– Alternate Director of Flores y Kersting (Chile – unlisted company)
– Director of Rexel NCE BV (The Netherlands – unlisted company)
– Director of Nortel Suprimentos Industriais SA (Brazil – unlisted company)
– Chairman of the Board of Directors of Rexel Peru S.A.C. (Peru – unlisted company)
– Director of Cosa Liebermann B.V. (The Netherlands – unlisted company)
– Director of Hagemeyer Holdings (Australia) Pty Ltd (Australia – unlisted company)

Over the last five financial years:

In France

– Member of the Management Board of Rexel

Abroad

– Member of the Management Board of Hagemeyer N.V. (The Netherlands – unlisted company)
– Director of Rexel Material Electrico (Spain – unlisted company)
– Director of Rexel Senate Limited (United Kingdom – unlisted company)
– Director of Hagemeyer Brands Australia Pty Ltd (Australia – unlisted company)
– Director of Rexel Chile S.A. (Chile – unlisted company)
– Director of Rexel Electra S.A. (Chile – unlisted company)
– Director of Flores y Kersting (Chile – unlisted company)
– Alternate director of Rexel Electra S.A. (Chile – unlisted company)

No title or duty exercised outside the Rexel Group

Michel Favre and Jean-Dominique Perret retain their employed positions as Chief Financial Officer and Group Senior Vice-President and Group Vice-President, Human Resources and Delegate for International Businesses, respectively. They are members of the Executive Committee.

7.1.1.2 Operation of the Management Board

Missions of the Management Board

The Management Board has broad powers to act in the name of Rexel in all circumstances within the scope of Rexel's corporate purpose and subject to those powers that have been expressly granted by law or the by-laws to the shareholders' meeting and the Supervisory Board or otherwise require prior authorization from the Supervisory Board. The Management Board is also vested with the following specific powers under applicable law and the by-laws:

- to convene shareholders' meetings;
- to carry out capital increases and/or to determine the terms and conditions of capital increases pursuant to a delegation of authority from the extraordinary shareholders' meeting;
- to carry out capital reductions pursuant to a delegation of authority from the extraordinary shareholders' meeting;
- to grant to employees of Rexel options to subscribe for or to purchase shares or to award free shares pursuant to the authorization of the extraordinary shareholders' meeting;
- to issue bonds with the option to delegate such power to the Chairman or to another member of the Management Board; and
- to modify the share capital of Rexel following the conversion of convertible bonds at any time, subscriptions to shares by tendering rights detached from compound securities giving the right to receive shares, the exercise of stock options or the payment of dividends in shares.

Management Board Rules of Procedure

The Management Board of Rexel adopted its own Rules of Procedure of which the purpose is, in accordance with applicable law, regulations and by-laws, to assign certain Management Board responsibilities between the Management Board members, to determine the organization and operation of the Management Board and to set out the rights and responsibilities of its members. It is not enforceable *vis-à-vis* third parties and may not be invoked by such parties against members of the Management Board.

The main provisions of the Rules of Procedure are reproduced or summarized below.

Members of the Management Board

The Management Board is made up of at least two members and no more than five members, who are appointed by the Supervisory Board. The term of their appointment is four years.

Duties and powers of the Management Board

In its relationships with third parties, Rexel is responsible for all actions of the Management Board, including those that do not fall within the corporate purpose, unless it can demonstrate that the third party was aware that the action went beyond the scope of such purpose or that it could not be unaware of this under the circumstances, it being specified that publication of the by-laws does not in itself constitute such proof.

The Management Board submits to the Supervisory Board a report summarizing the main actions or events that have occurred concerning the management of Rexel at least once each quarter. The Supervisory Board may also at any time request that the Management Board submit a report on Rexel's management and ongoing operations. This report may be supplemented by interim financial information on Rexel.

Within three months as from the end of each financial year, the Management Board approves and submits to the Supervisory Board, for purposes of verification and control, the year-end financial statements and, if any, the consolidated financial statements together with the report to be submitted to the annual shareholders' meeting. It proposes the allocation of income from the previous financial year to the Supervisory Board.

The Management Board reviews quarterly and half-yearly financial statements and submits them to the Supervisory Board.

The Management Board convenes shareholders' meetings, sets the agenda of the meetings and carries out the shareholders' decisions.

Management Board members are liable to Rexel or to third parties, as the case may be, for violations of the provisions of the laws governing French *sociétés anonymes*, the by-laws or for negligence in their management, under the conditions and subject to the penalties provided by law.

The Management Board's Rules of Procedure sets forth those Management Board decisions that are subject to prior approval by the Supervisory Board under the terms of Rexel's by-laws. A list of such decisions is set out in paragraph 8.3.2.2 "Supervisory Board (articles 19 to 25 of the by-laws)" of this *Document de Référence*.

Division of responsibilities among Management Board members

Management Board members are responsible to Rexel or third parties, as the case may be, for any negligence in the performance of their duties. However, Management Board members may, with the Supervisory Board's authorization, divide management responsibilities amongst themselves. However, such allocation shall not in any event deprive the Management Board of its status as a collegiate body that is responsible for the management of Rexel.

Rudy Provoost is the Chairman of the Management Board. As such, he is responsible for the administration and management of the Rexel Group, as well as its strategy and orientation. His mission also includes: developing the Rexel Group's business internationally and exercising hierarchical control over the employees of Rexel.

As a member of the Management Board, Pascal Martin is in charge of the following duties and/or departments: strategy planning activities, Group portfolio businesses, particularly own brands including Bizline and the Datacom and Security business; mergers & acquisitions, development of new businesses, management of supplier relationships and marketing, development of international clients, South America, and initiatives on special markets and innovation.

Also, as it deems appropriate, the Management Board may assign to one or more of its members, or to any person who is not a member, special missions, on a permanent or temporary basis, to achieve one or more specified goals, with or without the ability further to delegate such powers.

Meetings of the Management Board

Whenever required for the best interests of Rexel, the Management Board meets when convened by its Chairman within a reasonable delay, at Rexel's registered office or at any other place specified in the meeting notice. If specified in the meeting notice, Management Board meetings may be held by videoconference or other forms of telecommunication.

The meetings are chaired by the Chairman of the Management Board or, in his absence, by a member of the Management Board who is selected by the Management Board at the beginning of the meeting. The Management Board appoints a secretary who is not required to be a Board member.

In order for resolutions to be valid, there must be a quorum of more than one half of Management Board members in attendance. Resolutions are adopted by a simple majority of Management Board members present and represented. Each Management Board member may represent one other Management Board member at each Management Board meeting. In the event of a tie, the Chairman of the meeting has a casting vote.

Deliberations are recorded in minutes that are entered in a special register and are signed by the Chairman of the meeting.

Information provided to the Management Board

The Chairman of the Management Board ascertains that a file containing all documents and information needed to review the items on the agenda of the Management Board meeting is sent to each member of the Management Board in a timely manner. In addition, members of the Management Board have the right to request any documents they deem necessary for a meeting, provided that they submit such requests within a reasonable time frame.

Furthermore, between meetings, members receive all appropriate information on events and transactions having a material impact on Rexel.

Charter for Management Board members

In the interest of good corporate governance, the Management Board's Rules of Procedure, to which each member of the Management Board is subject, contain a charter setting out the rights and responsibilities of the members of the Management Board.

Risk Committee

The Management Board has set up a Risk Committee in charge of managing the updating of the risk mapping and ensuring the monitoring of the risks.

7.1.1.3 Work performed by the Management Board during the financial year ended on December 31, 2012

In the course of 2012, the Management Board met 19 times. The average attendance rate was 99%.

During the financial year ended on December 31, 2012, the Management Board deliberated on, *inter alia*:

- the closing of the financial statements for the financial year ended on December 31, 2011;
- the review of the 2011 *Document de Référence*;
- the preparation of the Company's shareholders' meeting of May 16, 2012;
- the review and closing of the quarterly and half-year financial statements, the quarterly and half-year management reports drawn up by the Management Board and related financial communication;
- the issue of the 2012 Bonds and the additional issue of 2012 Bonds;
- the free allocation of shares to certain corporate officers and Rexel Group employees;
- the Rexel Group's budget for the 2012 financial year;
- Rexel Group's development projects;
- the transactions related to the employee share-ownership plan proposed to Rexel Group employees in France and abroad;
- the 2013 audit plan; and
- the review of the work of the Risks Committee.

7.1.2 Supervisory Board

7.1.2.1 Composition of the Supervisory Board

In accordance with the provisions of Rexel's by-laws (article 19 of the by-laws), the Supervisory Board is made up of a minimum of five members and a maximum of 15 members. Its members are appointed by the Ordinary Shareholders' meeting for a term of office of four years. As an exception, the members of the Supervisory Board currently serving with a term of office of five years shall exercise their duties until the initial date of expiry of their term of office. No individual exceeding the age of 70 may be appointed as member of the Supervisory Board if such appointment raises the number of Supervisory Board members who are over this age to more than one-third.

Current members of the Supervisory Board

As of the date of this *Document de Référence*, the Supervisory Board was comprised of the following 11 members:

Roberto Quarta (63 years old)	PROFESSIONAL ADDRESS: CLEVELAND HOUSE – 33, KING STREET – LONDON SWIY 6RJ – UNITED KINGDOM	NUMBER OF REXEL SHARES HELD: –

EXPERIENCE AND EXPERTISE

Chairman of the Supervisory Board, Chairman of the Appointment Committee and of member of the Compensation Committee

Roberto Quarta has served as Chairman of the Supervisory Board of Rexel since February 13, 2007.

Roberto Quarta joined Clayton Dubilier & Rice in 2001. He is a Partner of CD&R LLP. Roberto Quarta is the Chairman of the Board of Directors of IMI plc, a Non-Executive Director of Spie SA and a Non-Executive Director of Foster Wheeler AG. Roberto Quarta served as Chairman of Italtel S.p.A. and as Non-Executive Director of BAE Systems Plc and Azure Dynamic Corp. He has also held a number of executive positions at BTR Plc, a U.K.-based holding company. Roberto Quarta was CEO of BBA Group PLC from 1993 to March 2001 and was Chairman of that group from 2001 to January 2007. Roberto Quarta graduated from the College of the Holy Cross.

TERM OF OFFICE

FIRST APPOINTMENT:	CURRENT TITLE:
February 13, 2007	From May 16, 2012 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2015

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE FIVE LAST FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

– Chairman of the Supervisory Board of Rexel
– Chairman of the Appointment Committee of Rexel
– Member of the Compensation Committee of Rexel

Abroad

–

Over the last five financial years:

In France

– Chairman and member of the Board of Directors of Ray Holding S.A.S. (now Rexel)
– Member of the Board of Directors of Ray Acquisition S.A.S. (France – unlisted company)
– Director of Rexel Distribution (France – unlisted company)
– Chairman of Ray Acquisition S.C.A. (now Rexel Développement) (France – unlisted company)

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

– Non-executive director of Spie SA (France – unlisted company)

Abroad

– Partner of CD&R LLP (United Kingdom – unlisted company)
– Chairman of the board of IMI plc (United Kingdom – unlisted company)
– Non-executive director of Foster Wheeler AG (Switzerland – listed company)

Over the last five financial years:

In France

–

Abroad

– Chief Executive Officer of Clayton, Dubilier & Rice Limited (United Kingdom – unlisted company)
– Non-executive director of BAE Systems Plc (United Kingdom – listed company)
– Chairman of Italtel S.p.A. (Italy – listed company)
– Chairman of BBA Group Plc (United Kingdom – listed company)
– Non-executive director of Azure Dynamic Corp (Canada – listed company)
– Non-executive director of IMI plc (United Kingdom – listed company)

Patrick Sayer (55 years old)	PROFESSIONAL ADDRESS: 32, RUE DE MONCEAU – 75008 PARIS – FRANCE	NUMBER OF REXEL SHARES HELD: –

EXPERIENCE AND EXPERTISE

Deputy Chairman of the Supervisory Board, member of the Strategic Committee, Chairman of the Compensation Committee and member of the Appointment Committee

Patrick Sayer has served as Deputy Chairman of the Supervisory Board of Rexel since February 13, 2007.

Patrick Sayer has served as Chairman of the Management Board of Eurazeo since May 2002. He was previously Managing Partner of Lazard Frères et Cie in Paris and Managing Director of Lazard Frères & Co. in New York. His investment experience started with the creation of Fonds Partenaires, which he supported from its outset. Patrick Sayer is Vice-President of the Supervisory Board of ANF Immobilier, member of the Advisory Board of Apcoa Parking Holdings GmbH, Director of Europcar Accor, Edenred, Elis and Moncler, Chairman of the Board of Directors of Holdelis (Elis), member of the Board of Directors of Gruppo Banca Leonardo (Italy), former Chairman of *Association Française des Investisseurs en Capital* (AFIC), Director of the *Musée des Arts Décoratifs de Paris*, member of the *Club des Juristes*, and teaches finance at the University of Paris Dauphine. Patrick Sayer is a graduate of *École Polytechnique* and *École des Mines de Paris*.

TERM OF OFFICE

FIRST APPOINTMENT:	CURRENT TITLE:
February 13, 2007	From May 20, 2010 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2013

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE FIVE LAST FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

– Deputy Chairman of the Supervisory Board of Rexel
– Chairman of the Compensation Committee of Rexel
– Member of the Appointment Committee of Rexel
– Member of the Strategic Committee of Rexel

Abroad

–

Over the last five financial years:

In France

– Chairman of the Appointment Committee of Rexel

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

– Chairman of the Management Board of Eurazeo (France – listed company)
– Vice-Chairman of the Supervisory Board of ANF Immobilier (France – listed company)
– Director of Accor (France – listed company)
– Director of Edenred (France – listed company)
– CEO of Legendre Holding 19 (France – unlisted company)
– Director of Europcar Group SA (France – unlisted company)
– Chairman of Eurazeo Capital Investissement (formerly Eurazeo partners) (France – unlisted company)
– Manager of Investco 3d Bingen (France – unlisted company)
– Director of Sportswear Industries Srl (Italy – unlisted company)

Abroad

– Director of Moncler Srl (Italy – unlisted company)
– Member of the Advisory Board of APCOA Parking Holdings GmbH (Germany – unlisted company)
– Director of Colyzeo Investment Advisors (United Kingdom – unlisted company)
– Member of the Board of Directors of Gruppo Banca Leonardo (Italy – unlisted company)
– Chairman of the Board of Directors of Holdelis
– Member of the Board of Directors of Tech Data Corporation (United States – listed company)

Patrick Sayer (55 years old)	PROFESSIONAL ADDRESS: 32, RUE DE MONCEAU – 75008 PARIS – FRANCE	NUMBER OF REXEL SHARES HELD: –

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Over the last five financial years:

In France

- Director of SASP *Paris Saint-Germain Football* (France – unlisted company)
- Member of the Supervisory Board of SASP *Paris Saint-Germain Football* (France – unlisted company)
- Chairman of the Supervisory Board of ANF Immobilier (France – unlisted company)
- Permanent representative of ColAce on the Supervisory Board of Groupe Lucien Barrière (France – unlisted company)
- CEO of Legendre Holding 11 (France – unlisted company), Immobilière Bingen (France – unlisted company) and Legendre Holding 8 (France – unlisted company)
- Chairman and member of the Supervisory Board of B&B Hotels Group (France – unlisted company)
- Director of Ipsos (France – listed company)
- Chairman of the Board of Directors of Legendre Holding 18 (France – unlisted company)
- Managing partner of Partena (France – unlisted company)
- Manager of Investco 1 Bingen (France – unlisted company)
- Member of the Supervisory Board of *Presses Universitaires de France* (France – unlisted company)
- Chairman of the Board of Directors of Europcar Groupe SA (France – unlisted company)

Abroad

- Manager of Euraleo (Italy – unlisted company)
- Chairman of the Board of Directors of BlueBirds Participations SA (Luxembourg – unlisted company)
- Director of RedBirds Participations S.A. (Luxembourg – unlisted company)
- Chairman of the Advisory Board of APCOA Parking Holdings GmbH (Germany – unlisted company)
- Chairman of the Supervisory Board of APCOA Parking AG (Germany – unlisted company)

Manfred Kindle (53 years old)	PROFESSIONAL ADDRESS: CLEVELAND HOUSE – 33, KING STREET – LONDON SWIY 6RJ – UNITED KINGDOM	NUMBER OF REXEL SHARES HELD: –

EXPERIENCE AND EXPERTISE

Member of the Supervisory Board

Manfred Kindle, has served on the Supervisory Board of Rexel since December 2, 2009. He was co-opted by the Supervisory Board on December 2, 2009 to replace Joseph L. Rice III. The ratification of the co-option of Manfred Kindle as member of the Supervisory Board was approved by Rexel's shareholders' meeting of May 20, 2010.

Manfred Kindle graduated from the Swiss Federal Institute of Technology (ETH) in Zurich with a master's degree in engineering. He worked for Hilti AG in Liechtenstein from 1984 until 1986, and then enrolled at Northwestern University, Evanston, Illinois, where he earned an MBA. From 1988 until 1992 he was a consultant with McKinsey & Company in New York and Zurich. He then joined Sulzer AG in Switzerland where he held several senior management positions. In 1999 he was appointed CEO of Sulzer Inc. and in 2001 CEO of Sulzer AG, where he also served as a board member. After joining ABB in 2004, Manfred Kindle was appointed CEO of ABB Group, a position he held until February 2008. He was then appointed partner of Clayton, Dubilier & Rice, a private equity firm based in New York and London. As a partner of that firm Manfred Kindle serves as Chairman of Exova Ltd., Chairman of BCA Group and as a member of the Supervisory Board of Rexel SA. He also sits on the board of Zurich Financial Services, Vermögens Zentrum Holding AG and Stadler Rail AG.

TERM OF OFFICE

FIRST APPOINTMENT:	CURRENT TITLE:
December 2, 2009	From May 16, 2012 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2015

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE FIVE LAST FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

– Member of the Supervisory Board of Rexel

Abroad

–

Over the last five financial years:

In France

–

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

–

Abroad

– Chairman of the Board of Directors of Exova Ltd. (United Kingdom – unlisted company)
– Chairman of the Board of Directors of BCA Group (United Kingdom – unlisted company)
– Director of Zurich Insurance Group (Switzerland – listed company)
– Director of Stadler Rail AG (Switzerland – unlisted company)
– Director of VermögensZentrum Holding AG (Switzerland – unlisted company)

Over the last five financial years:

In France

–

Abroad

–

David Novak (44 years old)	PROFESSIONAL ADDRESS: CLEVELAND HOUSE – 33, KING STREET – LONDON SWIY 6RJ – UNITED KINGDOM	NUMBER OF REXEL SHARES HELD: –

EXPERIENCE AND EXPERTISE

Member of the Supervisory Board, member of the Audit Committee and Chairman of the Strategic Committee

David Novak has served on the Supervisory Board of Rexel since February 13, 2007.

David Novak is a Financial Partner of Clayton, Dubilier & Rice LLP. He joined Clayton Dubilier & Rice in 1997 after working in the Private Equity and Investment Banking divisions of Morgan Stanley & Co., Inc. and for the Central European Development Corporation, a Private Equity firm. David Novak is a Director of BCA as well as Director and Company Secretary of CD&R. He has been a director of Italtel S.p.A and of HD Supply. He is a graduate of Amherst College and the Harvard Business School.

TERM OF OFFICE

FIRST APPOINTMENT:	CURRENT TITLE:
February 13, 2007	From May 19, 2011 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2014

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE FIVE LAST FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

– Member of the Supervisory Board of Rexel
– Member of the Audit Committee of Rexel
– Chairman of the Strategic Committee of Rexel

Abroad

–

Over the last five financial years:

In France

– Director of Rexel Distribution
– Member of the Board of Directors of Ray Acquisition S.A.S.

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

–

Abroad

– Director of BCA (United Kingdom – unlisted company)
– Member of the Management Board of Ray Investment (Luxembourg – unlisted company)
– Financial partner of Clayton, Dubilier & Rice LLP (United Kingdom – unlisted company)

Over the last five financial years:

In France

–

Abroad

– Director of Italtel S.p.A. (Italy – listed company)
– Director of HD Supply (United States – listed company)

EURAZEO represented by Marc Frappier (39 years old)	PROFESSIONAL ADDRESS: 32, RUE DE MONCEAU – 75008 PARIS – FRANCE	NUMBER OF REXEL SHARES HELD: – (not taking into account the shares indirectly held in Rexel through Ray Investment)

EXPERIENCE AND EXPERTISE

Member of the Supervisory Board

Eurazeo was co-opted by the Supervisory Board on August 1, 2007, to replace Xavier Marin. The co-option of Eurazeo as member of the Supervisory Board was approved by Rexel shareholders' meeting of May 20, 2008.

Marc Frappier has served as permanent representative of Eurazeo, member of the Supervisory Board of Rexel since July 30, 2008. Marc Frappier is a Managing Director of Eurazeo. He was involved in the completion or the monitoring of the investments in Accor/ Edenred, Apcoa, Elis, Foncia and Rexel. He began his carrier in 1996 as financial auditor within Deloitte & Touche. Between 1999 and 2006, he worked for The Boston Consulting Group (BCG) in Paris and Singapore, where he was in charge of various strategic and operational efficiency assignments within the industrial goods and services and energy sectors. He is a graduate of the *École des Mines de Paris* and holds the DECF *(Diplôme d'Études Comptables et Financières).*

TERM OF OFFICE

FIRST APPOINTMENT:	CURRENT TITLE:
August 1, 2007	From May 16, 2012 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2015

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE FIVE LAST FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

– Member of the Supervisory Board of Rexel

Abroad

–

Over the last five financial years:

In France

–

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

– Managing Director of Eurazeo (France – listed company)
– Director of Manfoncia 1 (France – unlisted company) and Manfoncia 2 (France – unlisted company)
– Vice-Chairman of the Supervisory Board of Foncia Group (France – unlisted company) and Vice-Chairman of the Supervisory Board of Foncia Holding (France – unlisted company)

Abroad

– Manager of Sphynx Sarl (Luxembourg – unlisted company), Sphynx 1 Sarl (Luxembourg – unlisted company), Sphynx 2 Sarl (Luxembourg – unlisted company), ECIP Elis Sarl (Luxembourg – unlisted company) and ECIP Agree Sarl (Luxembourg – unlisted company)
– Manager of Res 1 SA (Luxembourg – unlisted company) and Res 2 SA (Luxembourg – unlisted company)
– Deputy Chairman of the Advisory Board of Apcoa Parking Holdings GmbH (Germany – unlisted company)
– Member of the Supervisory Board of Apcoa Parking AG (Germany – unlisted company)
– Director of Eurazeo Management Lux (Luxembourg – unlisted company)

Vivianne Akriche (36 years old)	PROFESSIONAL ADDRESS: 32, AVENUE DE MONCEAU – 75008 PARIS – FRANCE	NUMBER OF REXEL SHARES HELD: –

EXPERIENCE AND EXPERTISE

Member of the Supervisory Board and member of the Audit Committee

Vivianne Akriche has served as a member of the Supervisory Committee since February 11, 2013. Vivianne Akriche was coopted by the Supervisory Board to replace Luis Marini-Portugal. A draft resolution ratifying her co-option is submitted to the General Meeting.

Vivianne Akriche joined Eurazeo in 2004 where she participated in particular in the structuring or the oversight of the investments in Rexel, Moncler, OFI Private Equity, Intercos and Fonroche. From 2001 to 2004, Vivianne Akriche was part of the investment banking team of Goldman Sachs in Paris, where she advised clients on various mergers and acquisitions related topics, including investment funds and financial institutions. Vivianne Akriche is a graduate of *Hautes Études Commerciales* (HEC).

TERM OF OFFICE

FIRST APPOINTMENT:	CURRENT TITLE:
February 11, 2013	From February 11, 2013 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2014

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE FIVE LAST FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

– Member of the Supervisory Board of Rexel
– Member of the Audit Committee of Rexel

Abroad

–

Over the last five financial years:

In France

–

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

– Member of the Strategic Committe of Fonroche Energie SAS (France – unlisted company)

Abroad

– Member of the Management Board of Ray Investment Sarl (Luxembourg – unlisted company)
– Director of ECIP M (Luxembourg – unlisted company)
– Director of Moncler Srl (Italy – unlisted company)
– Director of Sportswear Industries Srl (Italy – unlisted company)

Over the last five financial years:

In France

–

Abroad

–

Angel L. Morales

(38 years old)

PROFESSIONAL ADDRESS:
NORTH COVE PARTNERS, LLC, 17 STATE STREET, 22ND FLOOR, NEW YORK NY 10004, UNITED STATES

NUMBER OF REXEL SHARES HELD:
–

EXPERIENCE AND EXPERTISE

Member of the Supervisory Board, member of the Appointment Committee and of the Strategic Committee

Angel L. Morales has served on the Supervisory Board of Rexel since June 16, 2011. Angel L. Morales was co-opted to replace Matthew Turner. His co-option was approved by Shareholders' Meeting of Rexel of May 16, 2012.

Angel L. Morales is a Managing Partner of North Cove Partners, LLC, an investment advisor to Bank of America Merrill Lynch. Prior to June 2011, Angel L. Morales was a Managing Director and member of the Investment Committee of the BAML Capital Partners ("BAMLCP") group at Bank of America Merrill Lynch. Angel L. Morales was a founding member of Merrill Lynch Global Private Equity, the private equity arm of Merrill Lynch & Co., Inc. ("Merrill Lynch") prior to Merrill Lynch's merger with Bank of America. Angel L. Morales joined Merrill Lynch in 1996. Angel L. Morales is a director and Chair of the Audit Committee of Aeolus Re Ltd, a Bermuda-based reinsurance company. Angel L. Morales is also currently a director of Hertz Global Holdings, Inc., a global car and equipment rental company. Angel L. Morales was a director of Sentillion, Inc. prior to its sale to Microsoft Corp. in 2010. Angel L. Morales received his BA in Economics from Harvard University in 1996 and his MBA from Harvard Business School in 2000.

TERM OF OFFICE

FIRST APPOINTMENT:
June 16, 2011

CURRENT TITLE:
From June 16, 2011 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2014

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE FIVE LAST FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

– Member of the Supervisory Board
– Member of the Strategic Committee of Rexel
– Member of the Appointment Committee of Rexel

Abroad

–

Over the last five financial years:

In France

–

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

–

Abroad

– Managing Partner, North Cove Partners (United States – unlisted company)
– Director & Executive Committee member, Hertz Global Holdings (United States – listed company)
– Director & Chair of Audit Committee, Aeolus Re Ltd. (Bermuda – unlisted company)

Over the last five financial years:

In France

–

Abroad

– Director, VenInfoTel ((Venezuela – unlisted company)
– Board Observer, Validus (Bermuda – unlisted company, now listed)
– Director, Sentillion (United States – unlisted company)
– Director, Atrium (United States – unlisted company)
– Director, Provo Craft (United States – unlisted company)
– Director, National Powersport Auctions LLC (United States – unlisted company)

Akshay Singh (34 years old)	PROFESSIONAL ADDRESS: NORTH COVE PARTNERS, LLC, 17 STATE STREET, 22ND FLOOR, NEW YORK NY 10004, UNITED STATES	NUMBER OF REXEL SHARES HELD: –

EXPERIENCE AND EXPERTISE

Member of the Supervisory Board, member of the Audit Committee and of the Compensation Committee

Akshay Singh has served on the Supervisory Board of Rexel since June 16, 2011. Akshay Singh was co-opted by the Supervisory Board to replace Amaury Hendrickx. His co-option was approved by Rexel's shareholders' meeting of May 16, 2012.

Akshay Singh is a Principal of North Cove Partners, LLC, an investment advisor to Bank of America Merrill Lynch. Prior to June 2011, Akshay Singh was a Vice-President of the BAML Capital Partners ("BAMLCP") group at Bank of America Merrill Lynch. Akshay Singh joined Merrill Lynch Global Private Equity (the predecessor to BAMLCP) in 2008. Prior to that, Akshay Singh worked in the investment banking division of Merrill Lynch. Before joining Merrill Lynch, Akshay Singh worked as a consultant with Deloitte Consulting. Akshay Singh holds a technology degree from the Indian Institute of Technology Delhi and an MBA with high honors from The University of Chicago Booth School of Business.

TERM OF OFFICE

FIRST APPOINTMENT:	CURRENT TITLE:
June 16, 2011	From June 16, 2011 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2013

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE FIVE LAST FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

– Member of the Supervisory Board of Rexel
– Member of the Audit Committee of Rexel
– Member of the Compensation Committee of Rexel

Abroad

–

Over the last five financial years:

In France

–

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

–

Abroad

– Principal of North Cove Partners, LLC (United States – unlisted company)
– Member of the Management Board of Ray Investment (Luxembourg – unlisted company)

Over the last five financial years:

In France

–

Abroad

– Director of VenInfoTel LLC (Venezuela – unlisted company)
– Director and chair of Audit Committee of Euromedic International Group (The Netherlands – unlisted company)

François David* (71 years old)	PROFESSIONAL ADDRESS: MOELIS, 121 AVENUE DES CHAMPS ELYSÉES – 75008 PARIS – FRANCE	NUMBER OF REXEL SHARES HELD: –

EXPERIENCE AND EXPERTISE

Member of the Supervisory Board, member of the Compensation Committee and of the Strategic Committee

François David has served on the Supervisory Board of Rexel since April 4, 2007.

François David was a civil administrator at the Department of External Economic Relations at the French Ministry of Finance (1969-1973), Trade Advisor at the French Embassy in London (1974-1976), Agricultural Policy Bureau Chief at the Department of External Economic Relations (1976-1978), Technical Advisor to Jean-François Deniau (Minister of Foreign Trade) (1978-1980), Junior Director (1981-1984), Assistant Director (1984-1986) at the Economics, Finance and Budget Ministry, Bureau Director to Michel Noir (Minister Delegate to the Minister of State, Minister of Economics, Finance and Privatization, Foreign Trade Representative) (1986-1987), Director of the Department of External Economic Relations (1987-1989), General Director of International Affairs of Aerospatiale (1990-1994). François David was the Chairman of Coface from since July 1994 until May 2012, Chairman of the Union of Berne (1997-1999), Chairman of the Global Economy Information and Reflection Club (CIREM) of CEPII, the French research center of international economics (1999-2002), Chairman of the International Credit Insurance & Surety Association (ICISA) (2004-2006). He is now the Honorary Chairman of the Board of directors of Coface and Senior Advisor of Moelis & Company. François David sits on the Board of Directors of Vinci and Natixis Coficiné and on the Supervisory Board of Lagardère SCA, Galatée Films and AREVA. He was an observer *(censeur)* at Rexel until 2007. François David is also a member of the *Conseil de l'Ordre de la Légion d'Honneur* (November 2009).

TERM OF OFFICE

FIRST APPOINTMENT:	CURRENT TITLE:
April 4, 2007	From May 16, 2012 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2015

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE FIVE LAST FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

– Member of the Supervisory Board
– Member of the Compensation Committee of Rexel
– Member of the Strategic Committee of Rexel

Abroad

–

Over the last five financial years:

In France

– Observer *(censeur)* of Rexel Distribution

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

– Chairman of the Board of Directors of Coface (France – unlisted company)
– Member of the Board of Directors of Vinci (France – listed company)
– Member of the Supervisory Board of AREVA (France – listed company)
– Member of the Supervisory Board of Lagardère SCA (France – listed company)
– Member of the Board of Directors of Natixis Coficiné (France – unlisted company)
– Member of the Supervisory Board of Galatée Films (France – unlisted company)
– Chairman of the Centre d'études financières (France – unlisted company)
– Chairman of Or Informatique (France – unlisted company)
– Member of the *Conseil de l'Ordre National de la Légion d'honneur* (France – unlisted company)
– Member of the Board of Directors of the Coface Trade Aid Association (France – association)

Abroad

–

François David* (71 years old)	PROFESSIONAL ADDRESS: MOELIS, 121 AVENUE DES CHAMPS ELYSÉES – 75008 PARIS – FRANCE	NUMBER OF REXEL SHARES HELD: –

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Over the last five financial years:

In France

– Chairman of the Board of Directors of Coface Services (France – unlisted company)
– Chairman of Coface ORT (France – unlisted company)
– Chairman of La Librairie Electronique (LLE) (France – unlisted company)

Abroad

– Director of EADS (The Netherlands – listed company)
– Chairman of the Board of Directors of CofaceAssicurazioni (Italy – unlisted company)
– Chairman of the Supervisory board of Coface Kreditversicherung AG (Germany – unlisted company)

Thomas Farrell* (55 years old)	PROFESSIONAL ADDRESS: LAFARGE SA – 61, RUE DES BELLES FEUILLES – 75016 PARIS – FRANCE	NUMBER OF REXEL SHARES HELD: –

EXPERIENCE AND EXPERTISE

Member of the Supervisory Board, member of the Audit Committee and member of the Strategic Committee

Thomas Farrell has been with Lafarge since 1990. Prior to joining Lafarge, Thomas Farrell was a corporate attorney with Shearman & Sterling, working at both their New York and Paris offices. After joining Lafarge, Thomas Farrell first worked at the Paris headquarters as Vice-President of Strategy for two years. From 1992 to 2002, he managed various Lafarge operating units in France, Canada and India. In June 2002, Thomas Farrell was appointed EVP of Lafarge North America. In September 2007, he was appointed Lafarge Group EVP, Co-President of the Aggregates & Concrete Division, and a member of the Executive Committee. In January 2012, he became Group EVP, Operations. Thomas Farrell is a graduate of Brown University (1978) and a doctor in law (PhD) from Georgetown University (1981).

TERM OF OFFICE

FIRST APPOINTMENT:	CURRENT TITLE:
May 16, 2012	From May 16, 2012 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2015

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE FIVE LAST FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

– Member of the Supervisory Board of Rexel
– Member of the Audit Committee
– Member of the Strategy Committee

Abroad

–

Over the last five financial years:

In France

– Observer *(censeur)* of the Supervisory Board of Rexel

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

– Group EVP, Operations of Lafarge (France – listed company)

Abroad

–

Over the last five financial years:

In France

–

Abroad

–

* Independent members.

Fritz Fröhlich* (71 years old)	PROFESSIONAL ADDRESS: SASCHSENSTR 25 – 42287 WUPPERTAL – GERMANY	NUMBER OF REXEL SHARES HELD: –

EXPERIENCE AND EXPERTISE

Member of the Supervisory Board, Chairman of the Audit Committee and member of the Appointment Committee and of the Compensation Committee

Fritz Fröhlich has served on the Supervisory Board of Rexel since April 4, 2007.

Previously, Fritz Fröhlich served as deputy Chairman and chief financial officer of AKZO Nobel from 1998 to 2004 and member of the executive board in charge of fibers from 1991 to 1998. Prior to joining AKZO Nobel, Fritz Fröhlich was CEO of Krupp Widia from 1984 to 1991 and CEO of Sachs Dolmar from 1976 to 1984. He began his career in working in the fields of Marketing and Economic studies. Fritz Fröhlich is a member of the Supervisory Boards of Allianz Nederland Groep N.V., ASML N.V. and Prysmian SpA, as well as Chairman of the Bupervisory Boards of Randstad Holding N.V. He holds a doctorate in Economics from Cologne University and a Master of Business Administration (MBA).

TERM OF OFFICE

FIRST APPOINTMENT:	CURRENT TITLE:
April 4, 2007	From May 16, 2012 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2015

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE FIVE LAST FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

– Member of the Supervisory Board
– Chairman of the Audit Committee of Rexel
– Member of the Appointment Committee of Rexel
– Member of the Compensation Committee of Rexel

Abroad

–

Over the last five financial years:

In France

–

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

–

Abroad

– Chairman of the Supervisory Board of Randstad Holding N.V. (The Netherlands – listed company)
– Member of the Supervisory Board of Allianz Nederland Groep N.V. (The Netherlands – unlisted company)
– Member of the Supervisory Board of ASML N.V. (The Netherlands – listed company)
– Member of the Supervisory Board of Prysmian SpA (Italy – listed company)

Over the last five financial years:

In France

–

Abroad

– Chairman of the Supervisory Board of Altana A.G. (Germany – listed company)
– Chairman of the Supervisory Board of Draka N.V. (The Netherlands – listed company)
– Member of the Supervisory Board of AON Jauch & Hübener Holdings GmbH (Germany – unlisted company)
– Member of the Supervisory Board of Kempen & Co N.V. (The Netherlands – listed company)
– Member of the Supervisory Board of Gamma Holdings N.V. (The Netherlands – listed company)

* Independent members.

Seven members of the Supervisory Board are foreign persons (Germany, United States, Switzerland).

In addition, the Supervisory Board comprises one female member and thus complies with the provisions of Law n°2011-103 of January 27, 2011 on the balanced representation of men and women within management and supervisory boards and professional equality.

The terms of office of Eurazeo, Manfred Kindle and Thomas Farrell are due to expire early, at the close of the Shareholders' Meeting, in accordance with the provisions of article 19 of the articles of association and with the unanimous resolution of the members of the Supervisory Board of February 11, 2013. Draft resolutions for the purpose of renewing their term of office are submitted to such Shareholders' Meeting.

Members of the Supervisory Board during the financial year ended on December 31, 2012

During the financial year ended on December 31, 2012, the Supervisory Board also comprised the following members:

Luis Marini-Portugal

(42 years old)

PROFESSIONAL ADDRESS:
32, AVENUE DE MONCEAU – 75008 PARIS – FRANCE

NUMBER OF REXEL SHARES HELD:
–

EXPERIENCE AND EXPERTISE

Member of the Supervisory Board, of the Audit Committee and of the Compensation Committee until December 31, 2012

Luis Marini-Portugal joined Eurazeo in 1999 and served as a member of the Management Board from 2008 until the end of 2012. He was involved in a number of investments, including Foncia, B&B Hotels, Elis, Eutelsat S.A., Ipsos, Rexel and Terreal. Before joining Eurazeo in 1999, Luis Marini-Portugal worked at JP Morgan in London and Paris in corporate advice and capital market transactions. Luis Marini-Portugal was Deputy Chairman of the Supervisory Board of Foncia Groupe and of the Supervisory Committee of Foncia Holding, member of the Management Board of Ray Investment and also serves as Chairman of the board of directors of Holdelis (Elis). Luis Marini-Portugal is a graduate of *Hautes Études Commerciales* (HEC) in Paris.

TERM OF OFFICE

FIRST APPOINTMENT:
February 13, 2007

CURRENT TITLE:
Luis Marini-Portugal resigned from his position effective on December 31, 2012. To replace him, Vivianne Akriche was coopted by the Supervisory Board of February 11, 2013. A draft resolution ratifying his co-option is submitted to the Shareholders' Meeting.

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE FIVE LAST FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

At December 31, 2012:

In France

– Member of the Supervisory Board of Rexel
– Member of the Audit Committee of Rexel
– Member of the Compensation Committee of Rexel

Abroad

–

Over the last five financial years:

In France

–

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

At December 31, 2012:

In France

– Director of Passerelles & Compétences (France – association)
– Director of T&F (France – association)

Abroad

–

Luis Marini-Portugal (42 years old)	PROFESSIONAL ADDRESS: 32, AVENUE DE MONCEAU – 75008 PARIS – FRANCE	NUMBER OF REXEL SHARES HELD: –

Over the last five financial years:

In France

- Member of the Executive Board of Eurazeo (France – listed company)
- Deputy Chairman of the Supervisory Board of Foncia Groupe and Deputy Chairman of the Supervisory Committee of Foncia Holding (France – unlisted company)
- Chairman of the Board of Directors of Holdelis (France – unlisted company)
- Manager of Investco 4i Bingen (France – unlisted *société civile*)
- Manager of Investco 5 Bingen (France – unlisted *société civile*)
- CEO of Ray France Investment (France – unlisted company)
- Chairman of the Supervisory Board of Groupe B&B Hotels (France – unlisted company)
- Permanent representative of BlueBirds II Participations on the Board of Directors of Eutelsat S.A. (France – unlisted company)
- Permanent representative of BlueBirds II Participations on the Board of Directors of Eutelsat Communications S.A. (France – listed company)
- Director of Legendre Holding 17 (France – unlisted company)
- Director of Arabelle (France – unlisted company)

Abroad

- Director of RES 1 SA (Luxembourg – unlisted company) and RES 2 SA (Luxembourg – unlisted company)
- Member of the Management Board of Ray Investment (Luxembourg – unlisted company)
- Director of RedBirds Participations (Luxembourg – unlisted company)
- Manager of Eurazeo Entertainment Lux Sarl (Luxembourg – unlisted company)

Françoise Gri* (55 years old)	PROFESSIONAL ADDRESS: 25, RUE DES VAUSSOURDS – 92500 RUEIL-MALMAISON – FRANCE	NUMBER OF REXEL SHARES HELD: –

EXPERIENCE AND EXPERTISE

Member of the Supervisory Board, Chairman of the Compensation Committee and member ot the Appointment Committee until February 11, 2013

Françoise Gri is the President of ManpowerGroup France and Southern Europe. She spent the essential part of her carrier within the IBM group. In 1981, she joined IBM France as a sales engineer then worked in several commercial management functions. In 1996, she became the manager of the marketing and commercial e-business solutions section with IBM EMEA (Europe, Middle East, Africa) before becoming in charge, in 2000, of the management of the commercial operations of IMB EMEA. In 2001, Françoise Gri became the Chief Executive Officer of IBM France and occupied these functions until 2007 when she was appointed as President of Manpower France in March 2007. In January 2011, Françoise Gri became the president of Southern Europe for Manpower (ManpowerGroup Southern Europe) – which comprises Spain, Portugal, Italy, Greece, Turkey and Israël – while continuing to assume the functions of President of Manpower France (which became ManpowerGroup France). In 2011, for the eighth consecutive year, Françoise Gri was cited as of the world's 50 most influential business women according to the ranking published each year by the US magazine Fortune ("The Global Power 50"). She is one of the eight French business women cited in this international ranking. She was awarded the decorations of *Chevalier de la Légion d'Honneur* in February 2008. She is also *Chevalier de l'Ordre National du Mérite*. She is a member of the ethical committee and of the employment committee of the MEDEF and vice-president of GPS (Groupement des Professions de Services), which is affiliated with the MEDEF, since March 2011. Françoise Gri is also a member of the Board of Directors of Edenred (previously Accor Services) since June 2010. Françoise Gri is a graduate of *École Nationale Supérieure d'Informatique et Mathématiques Appliquées* (ENSIMAG) in Grenoble (France).

Françoise Gri* (55 years old)	PROFESSIONAL ADDRESS: 25, RUE DES VAUSSOURDS – 92500 RUEIL-MALMAISON – FRANCE	NUMBER OF REXEL SHARES HELD: –
TERM OF OFFICE		
FIRST APPOINTMENT: May 20, 2010	CURRENT TITLE: Françoise Gri resigned from her position effective on February 11, 2013. A new member of the Supervisory Board, meeting the independence criteria, shall be appointed to replace Françoise Gri.	
TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE FIVE LAST FINANCIAL YEARS		
TITLES AND DUTIES WITHIN THE REXEL GROUP: **At December 31, 2012:** *In France* – Member of the Supervisory Board of Rexel – Chairman of the Compensation Committee of Rexel – Member of the Appointment Committee of Rexel *Abroad* – **Over the last five financial years:** *In France* – *Abroad* –	TITLES AND DUTIES OUTSIDE THE REXEL GROUP: **Current:** *In France* – President of ManpowerGroup France (France – unlisted company) – Member of the Board of Directors of Edenred (France – listed company) – Member of the Board of Directors of Crédit Agricole SA (France – listed company) – Member of the Ethics Committee of MEDEF – Vice-President of the *Institut de l'Entreprise* – Counsel at the Conseil Economique, Social et Environnemental *Abroad* – Executive Vice-President of ManpowerGroup (United States – listed company) **Over the last five financial years:** *In France* – Chief Executive Officer of IBM France (France – unlisted company) – Deputy Chair of *Fondation Agir Contre l'Exclusion* – Member of the Board of Directors of *École Centrale de Paris* – Vice-President of the GPS *Abroad* – Member of the Board of Directors of STX (Norway – unlisted company)	

* Independent members.

7.1.2.2 Operation of the Supervisory Board

The Supervisory board is organized and performs the missions entrusted to it in accordance with applicable laws, the Company's articles of association and its internal regulations.

The missions of the Supervisory board

The Supervisory Board exercises ongoing control over Rexel's management by the Management Board under the conditions provided by law. In particular, the Supervisory Board has the following specific duties:

- it appoints and dismisses Management Board members and determines their compensation (including benefits in kind and special pension arrangements);
- it appoints and dismisses the Chairman of the Management Board;
- if permitted by the by-laws, it may grant powers to one or more Management Board members to represent Rexel;
- it co-opts Supervisory Board members;
- it authorizes agreements that are subject to article L.225-86 of the French Commercial Code;
- it creates the Supervisory Board Committees, defines their powers, appoints committee members and determines their compensation;
- it authorizes the sale of real properties and the disposal of equity investments, in whole or in part, and grants security interests;

– it allocates attendance fees;

– it approves securities, endorsements and guarantees.

In addition, pursuant to the Company's articles of association, certain decisions by the Management Board require the prior approval of the Supervisory Board (see paragraph 8.3.2.2 "Supervisory board (articles 19 to 25 of the articles of association)" of this *Document de Référence*).

Information of the Supervisory Board

The members of the Supervisory Board receive appropriate information as well as the documents required to perform their mission and to prepare the deliberations. The information and documents are sent to the members of the Supervisory Board at least three days before the date of the Supervisory Board meeting. They include the meeting agenda, draft resolutions, draft reports as well as any other document required to review the decisions set forth on the agenda.

In addition, at least once every quarter, the Management Board submits a management report on the Company's business to the Supervisory Board. The Supervisory Board also reviews and comments on the report drawn up by the Management Board.

Finally, the Management Board or the Chairman of the Management Board informs the members of the Supervisory Board of any events or transactions of significant importance for the Company and the Rexel Group.

The Supervisory Board's Rules of Procedure

The Supervisory Board of Rexel adopted its own Rules of Procedure on February 13, 2007 pursuant to Rexel's by-laws, which was last updated on May 11, 2011, for the purpose of setting forth the provisions governing the organization and operation of the Supervisory Board and the rights and responsibilities of its members. These Rules of Procedure are not enforceable *vis-à-vis* third parties and may not be invoked by such parties against members of the Supervisory Board.

The Supervisory Board's Rules of Procedure is available on the Company's website (www.rexel.com) and the main stipulations of the Rules of Procedure are reproduced or summarized below.

Members of the Supervisory Board

The Supervisory Board is made up of five to fifteen members, subject to exemption provided for by law in the case of a merger. Supervisory Board members are appointed by the ordinary shareholders' meeting for a term of 4 years (as an exception, the duties of the current members of the Supervisory Board, the term of which was determined for 5 years, shall expire at their initial expiry date).

The Supervisory Board shall be renewed in quarters, rounded to the higher whole number every year so that it is fully renewed every four years. The order of early termination of the terms of office shall be determined by the unanimous decision of the members of the Supervisory Board present or represented or, if unanimity is unable to be reached, by drawing lots. The terms of office of the persons so appointed will expire on the date determined by the unanimous decision of the Supervisory Board or determined by the Chairman prior to the draw. The renewal of Supervisory Board members shall then be carried out in the order of length of service.

The new members of the Supervisory Board follow an integration programme designed to acquaint them with the Rexel Group and its business.

Duties and powers of the Supervisory Board

It has the following powers:

(i) Powers in the area of control:

– it reviews the financial condition, cash position and commitments of Rexel and its subsidiaries;

– it reviews the financial statements auditing process and information provided to the shareholders and to the market;

– it authorizes related-party agreements.

(ii) Powers in the area of appointments and compensation:

– it appoints and dismisses Management Board members (including the Chairman), determines their number within the limits provided by the by-laws and their compensation;

– it appoints and dismisses the Chairman of the Management Board, including in his capacity as member of the Management Board;

– it co-opts the members of the Supervisory Board;

– it allocates attendance fees.

(iii) Preparation of reports to be submitted to general shareholders' meetings:

Each year, the Supervisory Board submits to the ordinary annual shareholders' meeting its comments on the Management Board's report and on the financial statements for the financial year.

The Chairman of the Supervisory Board must append to this report a report on how the Supervisory Board prepares and organizes its work, and on the internal control procedures implemented by Rexel.

The Supervisory Board submits recommendations on the reappointment of Supervisory Board members.

(iv) Powers to grant prior authorization to the Management Board to make certain decisions:

The Supervisory Board grants to the Management Board the authorizations required by law or by a provision of the by-laws of Rexel.

In addition, a list of decisions made by the Management Board, which are subject to prior authorization by the Supervisory Board under the terms of Rexel's by-laws, is mentioned in paragraph 8.3.2.2 "Supervisory Board (articles 19 to 25 of the by-laws)" of this *Document de Référence*.

Meetings of the Supervisory Board

Insofar as possible and depending on the circumstances, any deliberation of the Supervisory Board on a matter falling within the scope of a committee shall be preceded by referring such matter to the relevant committee and may be made only after the relevant committee has submitted its recommendations or proposals.

The Supervisory Board meets whenever the best interests of Rexel so require, and at least once every quarter, at meetings convened by its Chairman or Deputy Chairman. Meetings may be held by videoconference or any other form of telecommunication. Meetings are held at the registered office or at any other place specified in the notice of meeting.

The Chairman of the Supervisory Board may invite some or all members of the Management Board to attend Supervisory Board meetings, without the right to participate in the vote.

The Supervisory Board is duly convened only if a quorum consisting of at least half of its members is in attendance. Decisions are approved by a majority of votes of the members present or represented; each Supervisory Board member has one vote and may not represent more than one of his colleagues. In the event of a tie, the Chairman of the meeting shall cast the tie-breaking vote, if and only if the Supervisory Board consists of an even number of Supervisory Board members and only at meetings chaired by the Chairman of the Supervisory Board.

An attendance record is kept, and signed by those members of the Supervisory Board participating in each meeting.

The deliberations of the Supervisory Board are recorded in minutes, which are drawn up in accordance with applicable law and signed by the Chairman of the meeting and by at least one Supervisory Board member or, in the event the Chairman is unavailable, by two Supervisory Board members. The copies or extracts of these minutes are certified by the Chairman or Deputy Chairman of the Supervisory Board, a member of the Management Board or a duly empowered proxy.

Code of Conduct of the Supervisory Board

The Supervisory Board, a collegiate body, is required to act in Rexel's corporate interests under all circumstances. Therefore, the Supervisory Board members carry out their duties with loyalty, in good faith, and with professionalism and independence. Also, they ensure that any conflict of interest that might exist between their personal interests and those of Rexel is avoided.

Compensation of Supervisory Board members

The ordinary shareholders' meeting may allocate attendance fees to Supervisory Board members. The Supervisory Board allocates this remuneration among its members as it deems appropriate.

The compensation of the Chairman and of the Deputy Chairman of the Supervisory Board are determined by the Supervisory Board. Such compensation may be both fixed and proportional.

The Supervisory Board may allot exceptional compensation for special missions or functions assigned to Supervisory Board members. Any such compensation is recorded in operating expenses and is subject to approval by the ordinary shareholders' meeting.

The Supervisory Board may authorize the reimbursement of travel and other expenses incurred by its members in the best interest of Rexel.

No other compensation, whether permanent or temporary, may be allotted to Supervisory Board members unless they are bound to Rexel by an employment agreement under the conditions allowed by applicable law and regulations.

Independent Members of the Supervisory Board

In accordance with the good corporate governance principles and practices set out in its Rules of Procedure, the Supervisory Board and each of the committees comprise independent members who are elected or appointed as such.

Definition of independence and related criteria

In accordance with the AFEP and MEDEF corporate governance guidelines, an independent member may not:

– be an employee or corporate officer of Rexel or of the Rexel Group, an employee or director of a shareholder that controls Rexel alone or in concert with others, (within the meaning of the law) or a company consolidated thereby, and must not have held such capacity within the five previous years;

– be a corporate officer of a company in which Rexel directly or indirectly holds an office as a director or in which an employee designated as such or a corporate officer of Rexel (incumbent or having held such position within less than five years) holds the office of director;

– be a customer (or have direct or indirect ties to a customer), supplier, corporate banker or investment banker (i) significant for Rexel or the Rexel Group; or (ii) for whom Rexel or the Rexel Group represents a significant portion of its business;

– have any family ties with any corporate officer of Rexel or the Rexel Group;

– have been an auditor of Rexel or of any Rexel Group company within the last five years;

– have served as a corporate officer of Rexel for more than 12 years; and

– receive or have received material additional compensation from Rexel or the Rexel Group, other than attendance fees, including participation in any stock option plan or any other type of performance-related compensation.

Supervisory Board members who represent significant direct or indirect shareholders of Rexel may be deemed to be independent if such shareholders do not control Rexel within the meaning of article L.233-3 of the French Commercial Code. However, when a member of the Supervisory Board represents a shareholder of Rexel that directly or indirectly owns more than 10% of Rexel's share capital or voting rights, the Supervisory Board, acting on a report of the Appointment Committee, shall systematically review the qualification of independence by taking into account the share ownership of Rexel and the existence of a potential conflict of interest.

The Supervisory Board may find that while one of its members fulfils the aforesaid criteria, he may not be designated as independent owing to his individual situation or to the situation of Rexel, in light of its shareholder base or for any other reason.

Qualification procedure for independent members

The Appointment Committee reviews the designation of independent members each year and draws up a report to the Supervisory Board on the matter. Each year, in light of this report, the Supervisory Board reviews the situation of each Supervisory Board member with respect to independence criteria. The Supervisory Board submits the findings of its review to the shareholders in the annual report.

Based on this review for the year ended December 31, 2012, four Supervisory Board members were independent: Françoise Gri, François David, Thomas Farrell and Fritz Fröhlich.

It also results from this review that two members of the Audit Committee was independent during the year ended December 31, 2012 (Fritz Fröhlich and Thomas Farrell). The Appointment Committee included two independent members during the year ended December 31, 2012 (Fritz Fröhlich and Françoise Gri). The Compensation Committee included three independent members during the year ended December 31, 2012 (François David, Françoise Gri and Fritz Fröhlich). The Strategic Committee included two independent members during the year ended December 31, 2012 (François David and Thomas Farrell). Thomas Farrell was appointed to the Audit and Strategic Committees on May 16, 2012.

Françoise Gri resigned from her positions as member of the Supervisory Board, of the Appointment Committee and of the Compensation Committee of Rexel, with effect as from February 11, 2013. As a result, the number of independent members stands at three on the Supervisory Board, one on the Appointment Committee and two on the Compensation Committee. A new Supervisory Board member meeting the independence criteria shall be appointed to replace Françoise Gri.

Supervisory Board observer (censeur)

The Supervisory Board may appoint one or more observers *(censeurs)*, who may be but are not required to be shareholders, and who shall be asked to attend Supervisory Board meetings, exclusively for purposes of information.

Supervisory Board Committees

The Supervisory Board may create committees to assist it in carrying out its functions. The Supervisory Board Rules of Procedure set the rules that apply to each committee, in particular the rules relating to their composition and operational procedures. In addition, the Supervisory Board Rules of Procedure set certain rules that are specific to the audit committee, appointments committee, compensation committee and strategic committee.

Assessment of organization and operation of the Supervisory Board

In accordance with its Rules of Procedure, the Supervisory Board undertakes a self-assessment of its performance on a periodic basis and at least once a year. In addition, an assessment of the Supervisory Board's performance is carried out at least once every three years, with the assistance of an external consultant.

In 2012, in accordance with the AFEP-MEDEF recommendations, the assessment of the composition, the operation and the organisation of the Supervisory Board and its Committees was entrusted to an external consultant, KPMG Advisory. In order to carry out its assessement, KPMG Advisory has conducted a document review and interviewed each member of the Supervisory Board based on a questionnaire drafted by KPMG Advisory and approved by the Chairman of the Supervisory Board.

The report of KPGM Advisory, presented to the Supervisory Board at its meeting of February 11, 2013, underlines the quality of the organization, the secretaryship and the minutes of the Supervisory Board as well as of the information communicated. It expresses the satisfaction of the members of the Supervisory Board in respect of the composition, the operation and the organization of the Supervisory Board. It also highlights the good participation of each member to the Supervisory Board debates and the quality of these debates. KPMG Advisory also summarized certain progress and improvement axis, some of which had already been discussed by the Supervisory Board.

Thus, upon its meeting of February 11, 2013, the Supervisory Board decided to redefine the assignment perimeter of the Supervisory Board and of the Strategic Committee in respect of sales of businesses, interests in any company and asset by the Rexel Group and decided to propose to the next shareholders' meeting to amend article 23.3 of the articles of association in order to set a threshold above which the prior authorization of the Supervisory Board would be required, upon recommandations of the Strategic Committee.

Moreover, certain suggestions have been made in order to improve the work conditions of the Supervisory Board, in particular regarding (i) the composition of the Supervisory Board (increase the number of women and of members representing the international and operational scale of the Rexel Group) and (ii) the upholding of the annual meeting of the Audit Committee dedicated to the presentation of risk management policy and risk mapping, initiated in 2011, and the organization of an annual presentation of the Supervisory Board in this respect.

7.1.2.3 The work of the Supervisory Board during the 2012 financial year

During the financial year ended on December 31, 2012, the Supervisory Board met 12 times upon notice given in accordance with the articles of association and with the rules of procedure. The average attendance rate was 90%.

During the financial year ended on December 31, 2012, the Supervisory Board deliberated on, *inter alia*:

- the closing of the financial statements for the financial year ended on December 31, 2011;
- the review of the 2011 *Document de Référence*;
- the preparation of the Company's shareholders' meeting of May 16, 2012;
- the review of the quarterly and half-year financial statements, the quarterly and half-year management reports drawn up by the Management Board and related financial communication;
- the review of the work of the Supervisory Board Committees;
- the issue of the 2012 Bonds and the additional issue of 2012 Bonds;
- the authorization of the free allocation of shares to certain corporate officers and Rexel Group employees;
- the Rexel Group's budget for the 2012 financial year as well as the strategic three-year plan;
- the Energy in Motion corporate project;
- Rexel Group's development projects;
- the risk-mapping review;
- the transactions related to the employee share-ownership plan proposed to Rexel Group employees in France and abroad;
- the 2012 audit plan; and
- the review of the work of the Risks Committee.

The Board of Directors was further informed of the progress made on the main projects conducted by the Rexel Group subsidiaries.

7.1.3 Supervisory Board Committees

In order to perform its mission and facilitate its debates and decisions, the Supervisory Board has created four special committees and determined their composition and responsibilities: the Audit Committee, the Compensation Committee, the Appointment Committee and the Strategic Committee.

The committees are responsible for providing the Supervisory Board with their opinions, proposals or recommendations. Their powers are strictly advisory and they discharge their duties under the Supervisory Board's responsibility.

Each of the Supervisory Board's special committees has drawn up rules of procedure that have been approved by the Supervisory Board and set out the applicable stipulations of the Supervisory Board Rules of Procedure.

7.1.3.1 Audit Committee

Members of the Audit Committee

The Audit Committee was set up on March 1, 2007 and is made up of the following persons:

- Fritz Fröhlich (Chairman and independent member);
- David Novak;
- Vivianne Akriche (appointed on February 11, 2013 to replace Luis Marini-Portugal, resigning member);
- Akshay Singh; and
- Thomas Farrell (independent member appointed on May 16, 2012).

The members of the Audit Committee are appointed on the basis of specific skills in the financial or accounting fields, in consideration of their academic education and professional experience, in particular in connection with the preparation, audit and analysis of financial statements, accounting issues and risk follow-up and management.

The independence criteria of the members of the Supervisory Board are set out in the Supervisory Board Rules of Procedure (see section 7.1.2.2 "Operation of the Supervisory Board" of this *Document de Référence*) The criteria for independent members of the Committees, in particular of the Audit Committee, are identical. In the financial year ended December 31, 2012, four Supervisory Board members were independent: François David, Thomas Farrell, Fritz Fröhlich and Françoise Gri. Within the Audit Committee, during this financial year ended, Fritz Fröhlich and Thomas Farrell were therefore considered as independent.

Fritz Fröhlich, independent member, has specific skills in the financial or accounting fields. Furthermore, each of the other members of the Audit Committee has skills in the financial or accounting fields.

Operation of the Audit Committee

The main provisions of the Rules of Procedure of the Audit Committee are set out below. Such provisions take into account the conclusions of the working group on audit committee set up by the AMF.

Members

The Audit Committee is made up of a maximum of five members, at least two of whom must be independent. At least one of the independent members shall have an expertise in financial and accounting matters.

The Chairman of the Supervisory Board shall not be a member of the Audit Committee.

The members of the Audit Committee shall be appointed for their expertise in accounting and finance matters.

Powers

The Audit Committee monitors the elaboration and the control of the financial and accounting information. It assists the Supervisory Board in ascertaining the accuracy and faithfulness of the parent company and consolidated financial statements of Rexel and the quality of the information provided. Its mission, as assigned by the Supervisory Board when preparing the parent company and consolidated financial statements, which are drawn up annually, half-yearly and quarterly in accordance with applicable regulations, and when preparing any deliberations with respect to the financial statements of Rexel, is to make recommendations and submit proposals to the Supervisory Board in all areas listed below:

– review and control of the financial and accounting information:
  - knowledge of the scope of consolidation, accounting methods and auditing procedures;
  - review of the quarterly, half-yearly and annual financial statements, and in particular analysis of provisions and of material risks and off-balance sheet liabilities;
  - knowledge of accounting positions taken in recognizing material transactions;
  - submission of recommendations to the Supervisory Board on all proposed adoption of material changes in accounting methods;
  - review of the Rexel Group's financial position;
  - monitoring of the review by the auditors of the consolidated and company quarterly, half-yearly and annual financial statements;
  - review of the procedures for preparing the information provided to the shareholders and to the market and review of the press releases published by the Rexel Group in connection with financial and accounting matters;

– control of the statutory auditors' mission and independence:
  - oversight of the selection procedure applicable to the statutory auditors;
  - submission of recommendations to the Supervisory Board on the Management Board's proposals to appoint, replace and reappoint statutory auditors to the shareholders' meeting;
  - knowledge of the amount of fees paid to the statutory auditors and recommendation thereon to the Management Board;
  - ascertaining that the statutory auditors comply with the rules governing their independence;

– control of internal audit procedures and monitoring of the internal control and risk management systems efficiency:
  - submission of recommendations on the mission and organization of the Rexel Group's internal audit department and its action plan;
  - review of main findings carried out by Internal Audit within the framework of its work, followed by a report to the Supervisory Board;
  - review of the contributions of the internal audit department to the assessment of the risk management and internal control procedures;
  - review of the organization and application of internal control framework within the Rexel Group and review of the risk identification and management procedures.

Operations

The Audit Committee meets at least four times per year and whenever it deems it necessary. It meets prior to those Supervisory Board meetings during which matters falling within its scope are to be reviewed. The frequency and duration of Audit Committee meetings must be such that they allow for in-depth review and discussion of the matters falling within the Committee's scope.

The Committee must report on its activities to the Supervisory Committee on a regular basis, and at least at the time at which the Management Board adopts the financial statements for the year, semester and trimester.

The Committee is duly convened only if a quorum consisting of at least half of its members is present. A committee member may not be represented by proxy.

The Committee adopts decisions by a simple majority. In case of a tie, the Chairman does not cast the tie-breaking vote.

The work of the Audit Committee during the financial year ended on December 31, 2012

The Audit Committee met 6 times in the course of the financial year, in particular prior to the meetings of the Supervisory Board called upon to approve the accounts drawn up by the Management Board, and reported on its work to the Supervisory Board.

The Company's Chief Finance, Control and Legal Officer, the Group's Chief Administrative and Financial Officer, the Group's Chief Internal Audit Officer and the Group Consolidation and Accounting Standards Officer and, as the case may be, the Group Chief Finance and Treasury Officer, upon invitation, attended each of these meetings, some of which were also attended by the statutory auditors.

Its work related to, in particular, (i) the financial statements for the financial year ended on December 31, 2011, the summary half-year financial statements as at June 30, 2012 and the summary quarterly financial statements as at March 31, 2012 and September 30, 2012, (ii) the proper application of the accounting principles, (iii) the tax position of the Rexel Group subsidiaries, (iv) the Rexel Group's financial indebtedness, (v) the main off-balance sheet commitments, (vi) the main financial orientations, (vii) the audit and internal control works, (viii) the Rexel Group's risk-mapping updating process, (ix) various topics related to risks and to the internal control and risk management systems, (x) the group's commitments in relation to pensions, (xi) the issue of the 2012 Bonds and the additional issue of the 2012 Bonds and (xii) the expiry of the term of office of one of the principal statutory auditors and of one of the deputy statutory auditors at the close of the 2012 General Shareholders' Meetings.

The Statutory Auditors presented their findings in connection with the audit of the annual financial statements for the financial year ended on December 31, 2011, the limited review of the summary half-year financial statements as at June 30, 2012 and of the procedures followed for the purpose of the summary quarterly financial statements as at March 30, 2012 and September 30, 2012.

The attendance rate for Audit Committee meetings was 90%.

7.1.3.2 Appointment Committee

Members of the Appointment Committee

The Appointment Committee was set up on March 1, 2007 and is made up of the following persons:

- Roberto Quarta (Chairman);
- Patrick Sayer;
- Angel L. Morales; and
- Fritz Fröhlich (independent member).

Françoise Gri, independent member of the Appointment Committee during the 2012 financial year, resigned from her positions as member of the Supervisory Board, of the Appointment Committee and of the Compensation Committee of Rexel with effect as from February 11, 2013. A new Supervisory Board member meeting the independence criteria shall be appointed to replace Françoise Gri.

Operation of the Appointment Committee

The main provisions of the rules of procedure of the Appointment Committee are set out below.

Members

The Appointment Committee is made up of a maximum of five members, at least two of whom are independent.

Powers

The Appointment Committee has the following responsibilities:

- issue recommendations on the appropriateness of appointments, dismissals of appointments, dismissals and renewals of appointments of members and the Chairman of the Supervisory Board, members and the Chairman of the Audit, Strategic and Compensation Committees, members and the Chairman of the Management Board and members of the Executive Committee, and to issue recommendations on the candidates considered, in terms of expertise, availability, appropriateness and complementarity with other Supervisory Board, Management Board or Executive Committee members;
- propose independence criteria for members of the Supervisory Board;
- verify compliance with independence criteria and issue opinions thereon, as required, and advise the Chairman of the Supervisory Board on the number of independent members;
- be in a position at any time to formulate a proposal on a potential successor to the Chairman of the Management Board or of the Supervisory Board;
- issue a recommendation, on the Management Board's proposal, on the acceptance and resignation by Rexel from any office as member of the board of directors or any equivalent body and on the appointment and dismissal of permanent representatives of Rexel on the said board of directors or equivalent bodies.

Operations

The Appointment Committee meets at least once each year and, in any case, prior to those Supervisory Board or Management Board meetings during which matters falling within its scope are to be reviewed. The frequency and duration of Appointment Committee meetings must be such that they allow for in-depth review and discussion of the matters falling within the scope of the Appointment Committee.

The Appointment Committee is duly convened only if a quorum consisting of at least half of its members is present. A member of the Appointment Committee may not be represented by proxy.

The Appointment Committee adopts decisions by a simple majority. In case of a tie, the Chairman does not cast the tie-breaking vote.

The work of the Appointment Committee during the financial year ended on December 31, 2012

During 2012, the Appointment Committee met 5 times and reported on its work to the Supervisory Board.

In particular, the Appointment Committee proposed (i) to replace one member of the Executive Committee for the Asia-Pacific Executive Management function, (ii) an organisation change in relation to the evolution of the roles and responsibilities within the Company's Executive Committee and (iii) the departure of Michel Favre and Jean-Dominique Perret from Rexel's Management Board.

The attendance rate for Appointment Committee meetings was 92%.

7.1.3.3 Compensation Committee

Members of the Compensation Committee

The Compensation Committee was set up on March 1, 2007 and is made up of the following persons:

- Patrick Sayer (Chairman, appointed on February 11, 2013);
- Akshay Singh;
- Roberto Quarta;
- François David (independent member); and
- Fritz Fröhlich (independent member).

Françoise Gri, independent member of the Appointment Committee during the 2012 financial year, resigned from her positions as member of the Supervisory Board, of the Appointment Committee and of the Compensation Committee of Rexel with effect as from February 11, 2013. A new Supervisory Board member meeting the independence criteria shall be appointed to replace Françoise Gri.

Operation of the Compensation Committee

The main provisions of the rules of procedure of the Compensation Committee are set out below.

Members

The Compensation Committee is made up of a maximum of six members, at least three of whom must be independent.

The Chairman and Deputy Chairman of the Supervisory Board may serve on the Compensation Committee but may not participate in the Compensation Committee's work concerning their own compensation.

Powers

The responsibilities of the Compensation Committee are the following:

- to make all recommendations to the Supervisory Board on the compensation of Management Board and Executive Committee members, on the rules for determining the variable components and any supplemental components such as pension schemes and benefits in kind;
- to be informed of planned compensation in the event of the breach of an employment agreement or corporate mandate of a Management Board or Executive Committee member and to render an opinion in this respect to the Chairman of the Supervisory Board;
- to render an opinion on the stock option and bonus share award policy, for all categories of beneficiaries, and more particularly for Rexel Management Board and Executive Committee members; to make recommendations on the frequency of such awards and the terms and conditions of award.

Operations

The Compensation Committee meets at least once each year and whenever it deems it necessary. It meets prior to those Supervisory Board meetings during which matters falling within its scope are to be reviewed. The frequency and duration of Compensation Committee meetings must be such that they allow for in-depth review and discussion of the matters falling within the scope of the Compensation Committee.

The Compensation Committee is duly convened only if a quorum consisting of at least half of its members is present. A member of the Compensation Committee may not be represented by proxy.

The Compensation Committee adopts decisions by a simple majority. In case of a tie, the Chairman does not cast the tie-breaking vote.

On an annual basis, pursuant to the exercise of its advisory functions on the setting of compensation for the members of the Management Board, the Compensation Committee may hear the members of the Management Board, notably in order to prepare the performance evaluations of the latter by the Supervisory Committee.

The work of the Compensation committee during the financial year ended on December 31, 2012

In 2012, the Compensation Committee met 7 times and reported on its work to the Supervisory Board.

The main points of focus of its work, which was reported to the Supervisory Board, included, in particular (i) making proposals in relation to the compensation of the members of the Management Board and of the other members of the Executive Committee, (ii) making proposals in relation to the free allocation of shares to the members of the Management Board and to the Rexel Group employees, (iii) reviewing the compensation of the independent members of the Supervisory Board and (iv) the employee share-ownership plan proposed to the Rexel Group employees, in France and abroad.

The attendance rate for Compensation Committee meetings was 83%.

7.1.3.4 Strategic Committee

Members of the Strategic Committee

The Strategic Committee was set up on March 1, 2007 and is made up of the following persons:

- David Novak (Chairman);
- Patrick Sayer;
- François David (independent member);
- Angel L. Morales, and Thomas Farrell (appointed on May 16, 2012, independent member).

Operation of the Strategic Committee

The main provisions of the rules of procedure of the Strategic Committee are set out below.

Members

The Strategic Committee is made up of a maximum of five members, at least two of whom must be independent, who are appointed by the Supervisory Board.

Powers

The Strategic Committee's responsibilities are:

- review and issue recommendations to the Supervisory Board on projects for the strategic plans and annual budgets of Rexel drawn up by the Management Board. In this respect, the Strategic Committee may interview Management Board members on the assumptions applied in drawing up the said plans;
- review and issue recommendations to the Supervisory Board on planned acquisitions or disposals of business divisions or assets, and on investments, whenever the enterprise value exceeds the threshold above which such transactions are subject to prior approval by the Supervisory Board;
- review and issue recommendations to the Supervisory Board on the creation of any business division or subsidiary, on investments in any business division or on the acquisition of any equity interest in a country in which Rexel does not operate;
- review and issue recommendations to the Supervisory Board on any borrowing or assumption of liabilities by Rexel in an amount exceeding the threshold above which such transactions are subject to prior approval by the Supervisory Board;
- review and issue recommendations to the Supervisory Board on all proposed mergers, spin-offs or asset transfers in connection with Rexel;
- review and issue recommendations to the Supervisory Board on any proposal for the admission to trading on an organized exchange of tradable securities issued by Rexel or any of its subsidiaries;
- review and issue recommendations to the Supervisory Board on any transaction entailing a significant alteration in the scope of the business activities of Rexel and its subsidiaries;
- review the Rexel Group's financial position, in conjunction with the Audit Committee.

Operations

The Strategic Committee meets at least once each year and whenever it deems it necessary. It meets prior to those Supervisory Board meetings during which matters falling within its scope are to be reviewed. The frequency and duration of Strategic Committee meetings must be such that they allow for in-depth review and discussion of the matters falling within the Strategic Committee's scope.

The Strategic Committee is duly convened only if a quorum consisting of at least half of its members is present. A committee member may not be represented by proxy.

The Strategic Committee adopts decisions by a simple majority. In case of a tie, the Chairman does not cast the tie-breaking vote.

The work of the Strategic Committee during the financial year ended on December 31, 2012

During 2012, the Strategic Committee met 7 times and reported on its work to the Supervisory Board.

During the year, the Strategic Committee worked on, *inter alia*, the issue of the 2012 Bonds, on the various acquisition and divestiture projects of the Rexel Group, on the three-year strategic plan, on the Energy in Motion corporate project and on the 2013 budget.

The attendance rate for Strategic Committee meetings was 91%.

7.1.4 Executive Committee

Rexel's operational organization is structured around an Executive Committee.

The Executive Committee includes the members of the Management Board, CEOs of the Rexel Group's geographic areas and the Communication Management. The Committee serves as a forum for the consolidation of strategy, initiative coordination and the monitoring of performance and Rexel Group-wide projects.

As of the date of this *Document de Référence*, the Executive Committee is comprised of the following persons: Rudy Provoost (Chairman of the Management Board and Chief Executive Officer); Pascal Martin (Management Board member, Group Senior Vice-President, Corporate Strategy, Business Portfolio Management and New Business Development); Jean-Dominique Perret (Group Senior Vice-President, Human Resources, Group Delegate for International Businesses); Michel Favre (Chief Financial Officer and Group Senior Vice-President); Pascale Giet (Group Senior Vice-President Communication and Sustainable Development); Peter Hakanson (Group Senior Vice-President Operations), Patrick Bérard (Senior Vice-President Southern Europe); Jeff Hall (Senior Vice-President and CEO Canada); Henri-Paul Laschkar (Senior Vice-President Northern Europe); Mitch Williams (Senior Vice-President Asia Pacific); Christopher Hartmann (Executive Vice-President and CEO USA) and Michel Klein (Senior Vice-President Central and Eastern Europe).

Until his resignation on February 13, 2012, Jean-Charles Pauze was a member of the Executive Committee in his capacity as Chairman of the Management Board of Rexel.

The Executive Committee meets at least every two months to define the Rexel Group's strategy, coordinate initiatives (particularly with respect to operations), monitor Rexel Group performance and ensure the implementation of cross-divisional cross-divisional projects for the Rexel Group.

7.1.5 Statements concerning the Management Board and Supervisory Board

To Rexel's knowledge:

- there are no family ties among members of the Management Board and Supervisory Board of Rexel;
- no member of the Management Board or Supervisory Board of Rexel has been convicted of fraud within the last five years;
- no member of the Management Board or Supervisory Board of Rexel has been associated with any "bankruptcy", receivership or liquidation within the last five years;
- no member of the Management Board or Supervisory Board of Rexel has been the subject of any official public incrimination or sanctions by statutory or regulatory authorities within the last five years; and
- no member of the Management Board or Supervisory Board of Rexel has been disqualified by a court from acting as a member of an administrative, management or supervisory body of any issuer or from participating in the management or conduct of the business of any issuer within the last five years.

7.1.6 Conflicts of interest

David Novak, Vivianne Akriche, Angel L. Morales and Akshay Singh are members of the Management Board of Ray Investment, the main shareholder of Rexel.

Patrick Sayer, Marc Frappier and Vivianne Akriche are corporate officers of Eurazeo, an indirect shareholder of Rexel S.A.

Roberto Quarta, Manfred Kindle and David Novak hold various offices within Clayton Dubilier & Rice, an indirect shareholder of Rexel.

On April, 4, 2007, Ray Investment and its shareholders entered into an agreement with Rexel in order to structure their relationships in the event of sales of Rexel's shares by Ray Investment or its shareholders.

To the knowledge of Rexel, Roberto Quarta, Patrick Sayer, Marc Frappier, Manfred Kindle, Vivianne Akriche, Angel L. Morales, David Novak and Akshay Singh are not in a situation of conflict of interest with respect to the performance of their corporate duties within Rexel.

As of the date of this *Document de Référence* and to Rexel's knowledge, there exists no other situation that could give rise to a conflict between the private interests of members of the Management Board or Supervisory Board and Rexel's interests.

For information regarding the appointment of members of the Supervisory Board, see paragraph 7.1.2.2 "Operation of the Supervisory Board" of this *Document de Référence* as well as paragraph 8.1.5 "Agreements potentially leading to a change of control" of this *Document de Référence*.

7.1.7 Service agreements between Management Board and Supervisory Board members and Rexel or one of its subsidiaries

There are no service agreements between Management Board and Supervisory Board members and Rexel or one of its subsidiaries and that award any benefits.

7.2 IMPLEMENTATION OF THE AFEP MEDEF CORPORATE GOVERNANCE CODE OF LISTED COMPANIES

The corporate governance code of the *Association Française des Entreprises Privées* (AFEP) and of the *Mouvement des Entreprises de France* (MEDEF) are the Company's point of reference with regards to corporate governance.

Rexel believes to be in compliance with the corporate governance guidelines as set forth in the corporate governance code of the AFEP and the MEDEF, to the extent that such guidelines are compatible with the organization, size and means of the Rexel Group, subject to the following items:

AFEP-MEDEF RECOMMENDATIONS	PRACTICAL IMPLEMENTATION WITHIN THE REXEL GROUP AND EXPLANATIONS
Review of the financial statements by the Audit Committee (recommendation 14.2.1)	The Rexel Audit Committee that reviews the financial statements meets after the Management Board meeting during which the financial statements are closed, on the day before, or the day of, the meeting of the Supervisory Board, which controls such financial statements.
The financial statement review periods must be sufficient (at least 2 days prior to review by the Supervisory Board).	The procedures set up within Rexel however enable the Audit Committee members to review the financial statements within a reasonable period prior to the meeting of the Audit Committee and of the Supervisory Board : the documents are sent to the Audit Committee and Supervisory Board members at least three business days prior to the Committee and Board meetings.
The proportion of independent members on the Audit, Appointment and Compensation Committees (recommendations 14.1, 15.1 and 16.1)	Audit Committee: two out of five members are independent. Appointment Committee: two out of five members were independent during the 2012 financial year. Françoise Gri, independent member, resigned from her positions as Supervisory Board and Appointment Committee member on February 11, 2013. A new Supervisory Board member meeting the independence criteria will be appointed to replace Françoise Gri. Compensation Committee: three out of six members were independent during the 2012 financial year. Françoise Gri, independent member, resigned from her positions as Supervisory Board and Compensation Committee member on February 11, 2013. A new Supervisory Board member meeting the independence criteria will be appointed to replace Françoise Gri. The composition of the Committees is the result of Rexel's shareholding structure and of the provisions of the agreements entered into among the shareholders.
Share options (stock options) (recommendation 20.2.3)	The share option and subscription plans set up by Rexel prior to the publication of the October 2008 AFEP MEDEF recommendations (which are included in the AFEP-MEDEF Code of corporate governance) have not been modified to take account of such recommendations, because of the practical difficulties that such modifications would have implied.
Performance shares (recommendation 20.2.3)	
Make the allocation of performance shares to executive corporate officers subject to the purchase of a defined number of shares at the time the allocated shares become available, in accordance with terms set by the Supervisory Board and made public at the time of allocation of such shares.	The free share allocations decided on May 11, 2010, May 12, 2011, October 11, 2011 and May 2, 2012 in favor of, *inter alia*, the members of Rexel's Management Board, did not provide for an obligation for such members to purchase a given number of shares on the market at the time the free shares became available. The Supervisory Board, upon the recommendations of the Compensation Committee, considered that the obligation for the members of the Management Board to retain at least 20% of their free shares vested until the end of their duties was restrictive and high enough (it being specified that for the previous allotments of free shares, this percentage was of 10%).

AFEP-MEDEF RECOMMENDATIONS	PRACTICAL IMPLEMENTATION WITHIN THE REXEL GROUP AND EXPLANATIONS
The allocation of options and shares to executive corporate officers must provide for performance criteria.	The "Ordinary Plan" relating to the allocation of free shares to Rudy Provoost decided by the Management Board on October 11, 2011 (see paragraph 8.1.2.6 "Allotment of free shares" of this *Document de Référence*) provides that the vesting of the shares is subject to a presence criteria but does not provide for any performance criteria. This exceptional allocation of free shares to Rudy Provoost, which has been approved by the Supervisory Board, upon the recommendation of the Compensation Committee, is justified by (i) the appointment at the head of the Rexel Group of Rudy Provoost who has a unique manager profile in respect of the industry and (ii) the desire of the Rexel Group to compensate, to a certain extent, certain deferred compensation items which were owed to Rudy Provoost under his previous employment which he forfeited upon joining the Rexel Group.
Ensure that the options and shares valued in accordance with IFRS standards do not represent a disproportionate percentage of the aggregate compensation, options and shares granted to each executive corporate officer.	The free share plans set up by the Management Board on October 11, 2011 (see paragraph 8.1.2.6 "Allotment of free shares" of this *Document de Référence*) for Rudy Provoost account for a significant percentage of his gross compensation. The Supervisory Board of Rexel, upon the recommendations of the Compensation Committee, took into account the specific context resulting from the arrival of Rudy Provoost within the Rexel Group. In particular, the Supervisory Board was of the opinion that this allocation was justified by the importance of the transition period resulting from Jean-Charles Pauze's departure, the replacement of Jean-Charles Pauze by Rudy Provoost and the ambitious mid-term objectives of the Rexel Group.
Avoid an excessive concentration of the allotments on the corporate officers.	The Supervisory Board, upon the recommendations of the Compensation Committee, authorized, upon the arrival of Rudy Provoost within the Rexel Group, that free shares be exceptionally allocated solely to the members of the Executive Committee of Rexel (including the members of the Management Board) and two key operations managers of the Rexel Group. The vesting of these free shares is subject to a "TSR" performance criteria (Total Shareholder Return, as such term is defined in paragraph 8.1.2.6 "Allotment of free shares" of this *Document de Référence*). The Supervisory Board of Rexel, upon the recommendations of the Compensation Committee, took into account the specific context resulting from the arrival of Rudy Provoost within the Rexel Group. In particular, the Supervisory Board was of the opinion that this allocation was justified by the importance of the transition period resulting from Jean-Charles Pauze's departure, the replacement of Jean-Charles Pauze by Rudy Provoost and the ambitious mid-term objectives of the Rexel Group.
Make allotments at the same periods of time.	The free shares allocated by the Management Board on October 11, 2011, upon the arrival of Rudy Provoost (see paragraph 8.1.2.6 "Allotment of free shares" of this *Document de Référence*) were not granted at the same periods as the previous allocations. These allocations were approved by the Supervisory Board in order to take into account the exceptional context resulting from the arrival of Rudy Provoost within the Rexel Group at this time of the year.
Severance packages for Management Board members (recommendation 20.2.4)	
The performance criteria determined by the Boards must be restrictive and allow for a severance package to be paid to a corporate officer only in the event of forced dismissal and where there is a change of control or strategy.	Severance packages for the members of the Management Board are not subject to the following cumulative conditions: (i) forced dismissal (ii) change of control or strategy. The Supervisory Board, upon the recommendations of the Compensation Committee, wished that the severance packages (including legal or conventional redundancy payment *(indemnité de licenciement légale ou conventionnelle)*, as applicable) of the members of the Management Board would be paid in cases of termination of the corporate office or of the employment contract (which is suspended during the term of the corporate office) at the Company's initiative, except in cases of serious misconduct *(faute grave)*, gross misconduct *(faute lourde)* or retirement, which excludes any payment in the event of termination at the initiative of the corporate officer or in case of a change in his/her duties within the Group (see paragraph 7.3 "Compensation of corporate officers" of this *Document de Référence*).
Non-application of the voluntary or compulsory retirement indemnities.	In case of voluntary or compulsory retirement, in order to protect the interests of Rexel and of the Rexel Group as a whole, the non-compete provisions may be applicable. The Supervisory Board thereby wishes to ensure the protection of the Rexel Group's interests.

AFEP-MEDEF RECOMMENDATIONS	PRACTICAL IMPLEMENTATION WITHIN THE REXEL GROUP AND EXPLANATIONS
Potential beneficiaries of the additional retirement plan (recommendation 20.2.5)	The additional defined-benefit retirement plan (article 39) is open to a number of beneficiaries and, among these beneficiaries, the number of corporate officers exceeds the number of beneficiaries who are not corporate officers.
The group of beneficiaries must be significantly wider than the corporate officers alone.	The additional defined-benefit retirement plan (article 39) is open to a limited number of beneficiaries (see paragraph 7.3.4 "Pension, retirement or similar benefits" of this *Document de Référence*).

The AFEP and MEDEF corporate governance code is available on the MEDEF's website (www.medef.com).

7.3 COMPENSATION OF CORPORATE OFFICERS

7.3.1 Compensation and benefits in kind

7.3.1.1 Members of the Management Board

Compensation of the members of the Management Board is set by the Supervisory Board following the advice of the Compensation Committee.

In accordance with Rexel's policy on compensation, the members of the Management Board are paid a fixed annual amount which is determined according to criteria specific to each member (experience, seniority, responsibilities) and criteria based on the sector of business activity and the general economic situation. Members of the Management Board also receive a variable compensation. This variable compensation is paid in order to correlate the compensation of the members of the Management Board with the results of the business activity of Rexel and of the Rexel Group. The variable compensation is calculated on the basis of the attainment of personal goals and other criteria relative to Rexel. The personal goals are qualitative criteria determined based on the person in question, the duties carried out within Rexel or the Rexel Group and the objectives pursued by such person. Rexel- or Group-based criteria are quantitative criteria based on the results of Rexel and the aggregates that it normally uses in the context of the analysis of its financial situation.

In addition, the members of the Management Board may receive bonuses for which the amount depends on constraints relative to the exercise of their duties and the realization of objectives or outstanding work.

The members of the Management Board also are awarded benefits in kind in respect of their duties carried out within the Rexel Group.

Finally, in order to bind the members to the growth of the Rexel Group and its financial results, Rexel may grant shares, subscription options or purchase options to members of the Management Board.

COMPENSATION AND BENEFITS OF THE MEMBERS OF THE MANAGEMENT BOARD

Compensation and other benefits received by Rudy Provoost

Compensation for the financial year ending December 31, 2013

At its meeting of March 6, 2013, the Supervisory Board, upon recommendation of the Compensation Committee, determined the following compensation items for Rudy Provoost for the financial year 2013:

- gross fixed compensation, amounting to €850,000 per annum;
- an annual variable target based bonus amounting to 100% of his gross annual compensation if 100% of his individual and financial set targets are reached. This variable bonus is based for 75% on financial criteria and for 25% on qualitative criteria. If the achieved financial results exceed 100% of the set financial targets, the variable bonus may reach up to 150% of 75% and shall remain set at 100% for the remaining 25%;
- a housing allowance for a gross annual amount of €60,000.

Compensation for the financial year ending December 31, 2012

At its meeting of February 8, 2012, the Supervisory Board, upon recommendation of the Compensation Committee, determined the following compensation items for Rudy Provoost for the financial year 2012:

- gross fixed compensation, amounting to €800,000 per annum;
- an annual variable target-based bonus amounting to 100% of his gross annual compensation if 100% of his individual and financial set targets are reached. This variable bonus is based for 75% on financial criteria and for 25% on qualitative criteria. If the achieved financial

results exceed 100% of the set financial targets, the variable bonus may reach up to 150% of 75% and shall remain set at 100% for the remaining 25%. The financial criteria for 2012 are EBITA as a percentage of sales (20%) and in volume (50%), ATWC (15%) and sales growth compared to budget (15%). Qualitative criteria were based on items relating to the activity of Rudy Provoost in his own fields of responsibility;

- a housing allowance for a gross annual amount of €60,000; and
- benefits in kind in the amount of €3,060, consisting of: a company car, and a gas card, as well as €7,548 for executive director's unemployment coverage (GSC).

In addition, in the course of the year ended December 31, 2013, Rudy Provoost will receive a variable compensation in respect of the year ended December 31, 2012 for a gross amount of €516,860.

Compensation for the financial year ending December 31, 2011

During the financial year ended on December 31, 2011, Rudy Provoost received:

- gross fixed compensation, amounting to €800,000 per annum;
- a housing allowance for a gross annual amount of €60,000, paid on a *prorata temporis* basis, *i.e.*, €15,000 for the financial year ended December 31, 2011; and
- benefits in kind in the amount of €1,980 for executive director's unemployment coverage (GSC).

Moreover, since Rudy Provoost, as a result of his decision to join the Rexel Group, lost a portion of his variable compensation due by his former employer in respect of 2011, it was decided to compensate him for part of this loss. In this respect, he received an amount of €91,350 during the financial year ended on December 31, 2012.

In addition, in the course of the year ended December 31, 2012, Rudy Provoost received a variable compensation in respect of the year ended December 31, 2011 for a gross amount of €216,670. This targeted variable annual compensation was based for 75% on financial criteria linked to the Rexel Group's results and for 25% on qualitative criteria. The financial criteria for 2011 were EBITDA as a percentage of sales and in volume, ATWC and sales growth compared to budget. Qualitative criteria were based on items relating to the activity of Rudy Provoost in his own fields of responsibility.

Other benefits

Rudy Provoost receives the following benefits:

- a supplemental health insurance *(mutuelle)*;
- a welfare insurance *(contrat de prévoyance)*;
- a basic and supplementary pension;
- a health check-up; and
- compensation for tax and retirement advisors' fees.

Compensation and other benefits received by Pascal Martin

Compensation for the financial year ending December 31, 2013

At its meeting of February 11, 2013, the Supervisory Board, upon recommendation of the Compensation Committee, determined the following compensation items for Pascal Martin for the financial year 2013:

- gross fixed compensation, amounting to €474,300 per annum; and
- an annual variable target-based portion which may reach 65% of the gross annual fixed compensation in the event of the achievement of 100% of the individual and financial targets. This variable annual bonus was based for 65% on financial criteria relating to the Rexel Group's results and for 35% on qualitative criteria.

Compensation for the financial year ending December 31, 2012

At its meeting of February 8, 2012, the Supervisory Board, upon recommendation of the Compensation Committee, determined the following compensation items for Pascal Martin for the financial year 2012:

- gross fixed compensation, amounting to €465,000 per annum;
- an annual variable target-based portion which may reach 65% of the gross annual fixed compensation in the event of the achievement of 100% of the individual and financial targets. This variable annual bonus was based for 65% on financial criteria relating to the Rexel Group's results and for 35% on qualitative criteria. If the achieved financial results exceed 100% of the set financial targets, the variable bonus may reach up to 150% of 65% and shall remain set at 100% for the remaining 35%. The financial criteria for 2012 are EBITA as a percentage of sales (20%) and in volume (50%), ATWC (15%) and sales growth compared to budget (15%). Qualitative criteria are based on items relating to the activity of Pascal Martin in his own fields of responsibility; and
- benefits in kind in the amount of €6,489, consisting of: a company car, and a gas card, as well as €17,001 for executive director's unemployment coverage (GSC).

In addition, in the course of the year ended December 31, 2013, Pascal Martin will receive a variable compensation in respect of the year ended December 31, 2012 for a gross amount of €200,472.

Compensation for the financial year ending December 31, 2011

During the financial year ended on December 31, 2011, Pascal Martin received:

- gross fixed compensation, amounting to €453,000 per annum;
- a variable compensation paid in respect of the 2010 targets, amounting to €315,558; and

- benefits in kind in the amount of €6,489, consisting of: a company car, and a gas card, as well as €16,524 for executive director's unemployment coverage (GSC).

In addition, in the course of the year ended December 31, 2012, Pascal Martin received a variable compensation in respect of the year ended December 31, 2011 for a gross amount of €313,739. This targeted variable annual compensation was based for 70% on financial criteria linked to the Rexel Group's results and for 30% on qualitative criteria. The financial criteria for 2011 were EBITDA as a percentage of sales and in volume, ATWC and sales growth compared to budget. Qualitative criteria were based on items relating to the activity of Pascal Martin in his own fields of responsibility.

Lastly, at its meeting of July 26, 2011, the Supervisory Board, upon the recommendation of the Compensation Committee, determined a retention plan for the benefit of all of the members of Rexel's Executive Committee, including the corporate officers (with the exception of Jean-Charles Pauze). This retention plan is linked to the transition period at the head of the Rexel Group, for the members of the Executive Committee and the corporate officers, and comprises, on the one hand, an exceptional bonus and, on the other hand, an exceptional free share allocation subject to a performance condition on the other hand, as described in paragraph 8.1.2.6 of this *Document de Référence*.

Pascal Martin was effectively present as at December 31, 2012 and as such received in January 2013 an exceptional bonus in a gross amount of €226,500.

Other benefits

Pascal Martin receives the following benefits:

- a supplemental health insurance *(mutuelle)*;
- a welfare insurance *(contrat de prévoyance)*;
- a basic and supplementary pension;
- a defined benefit plan, which takes into account his seniority;
- a health check-up; and
- compensation for tax and retirement advisors' fees.

COMPENSATION AND BENEFITS OF FORMER MEMBERS OF THE MANAGEMENT BOARD

Compensation and other benefits received by Michel Favre, who ceased to serve as a member of the Management Board on October 30, 2012

Michel Favre ceased to serve on the Managemed Board on October 30, 2012. His employment contract with Rexel Développement, which had been suspended since May 20, 2009, was reinstated effective October 30, 2012.

Michel Favre has been fulfilling his notice period since mid-November 2012.

Severance indemnities

On May 19, 2011, the Supervisory Board determined the items of compensation, indemnities and benefits likely to be due by reason of the termination of Michel Favre's functions as a corporate officer. These items are described in Section 7.3.2 of this *Document de Référence*.

On November 29, 2012, in relation to the indemnities to be paid to Michel Favre in connection with the termination of his functions as a member of the Management Board decided by the Supervisory Board on October 30, 2012, the Supervisory Board approved the following principles:

- in consideration for reaching the three performance criteria defined in section 7.3.2 of this *Document de Référence*, on the basis of the financial statements for the financial year ended on December 31, 2011 (such achievement to be finally established by the Supervisory Board at its meeting of February 11, 2013), to grant Michel Favre a contractual severance indemnity equal to 18 months of his reference monthly compensation; and
- not to enforce the non-competition clause set forth in Michel Favre's employment contract and described in Section 7.3.2 of this *Document de Référence*.

On February 11, 2013, the Supervisory Board finally:

- decided and established that the performance criteria attached to the indemnity due to Michel Favre in connection with the termination of his functions as a member of the Management Board decided by the Supervisory board of October 30, 2012, had been fully reached, *i.e.*:
  - a level of EBITDA, calculated on the basis of the audited consolidated financial statements of Rexel for the financial year ended on December 31, 2011, equal to at least 60% of the budgeted EBITDA for such financial year;
  - an average operating WCR, calculated on the basis of the audited consolidated financial statements of Rexel for the financial year ended on December 31, 2011, equal to a maximum of 125% of budgeted performance for such financial year; and
  - a level of ROCE, calculated on the basis of the audited consolidated financial statements of Rexel for the financial year ended on December 31, 2011, equal to at least 75% of the budgeted performance for such financial year;
- as a result, set the amount of the contractual severance indemnity due to Michel Favre at a gross amount of €1,045,000, *i.e.* a contractual severance indemnity equal to 18 months of the reference monthly compensation, including the contractual indemnity due to him by reason of his seniority;

- approved the decision not to enforce the non-competition clause set forth in Michel Favre's employment contract, as described in Section 7.3.2 of this *Document de Référence*; and
- approved the decision to set the expiry date of Michel Favre's notice period at July 31, 2013 at the latest.

Furthermore, in addition to the contractual indemnity described above, the Supervisory Board, on February 11, 2013, also acknowledged the payment to Michel Favre of an overall, fixed and final settlement indemnity in a gross amount of €382,670.

Compensation for the financial year ending December 31, 2012

At its meeting of February 8, 2012, the Supervisory Board, upon recommendation of the Compensation Committee, determined the following compensation items for Michel Favre for the financial year 2012:

- gross fixed compensation, amounting to €465,000 per annum;
- an annual variable target-based portion which may reach 65% of the gross annual fixed compensation in the event of the achievement of 100% of the individual and financial targets; and
- benefits in kind in the amount of €5,523 paid by Rexel and €1,306 paid by Rexel Développement, consisting of: a company car, and a gas card, as well as €14,168 for executive director's unemployment coverage (GSC).

In addition, in the course of the year ended December 31, 2012, Michel Favre received a variable compensation in respect of the year ended December 31, 2012 for a gross amount of €152,330.

Finally, Michel Favre will be eligible under the profit-sharing plan applicable in Rexel Développement on a *prorata temporis* basis in respect of the 2013 financial year.

Compensation for the financial year ending December 31, 2011

During the financial year ended on December 31, 2011, Michel Favre received:

- gross fixed compensation, amounting to €453,000 per annum;
- a variable compensation paid in respect of the 2010 targets, amounting to €318,225; and
- benefits in kind in the amount of €6,327, consisting of: a company car, and a gas card, as well as €16,524 in connection with joining an executive director's unemployment coverage (GSC).

In addition, in the course of the year ended December 31, 2012, Michel Favre received a variable compensation in respect of the year ended December 31, 2011 for a gross amount of €311,169. This targeted variable annual compensation was based for 60% on financial criteria linked to the Rexel Group's results and for 40% on qualitative criteria. The financial criteria for 2011 were EBITDA as a percentage of sales and in volume, ATWC and sales growth compared to budget. Qualitative criteria were based on items relating to the activity of Michel Favre in his own fields of responsibility.

Lastly, at its meeting of July 26, 2011, the Supervisory Board, upon the recommendation of the Compensation Committee, determined a retention plan for the benefit of all of the members of Rexel's Executive Committee, including the corporate officers (with the exception of Jean-Charles Pauze). This retention plan is linked to the transition period at the head of the Rexel Group, for the members of the Executive Committee and the corporate officers, and comprises, on the one hand, an exceptional bonus and, on the other hand, an exceptional free share allocation subject to a performance condition on the other hand, as described in paragraph 8.1.2.6 of this *Document de Référence*.

Michel Favre was effectively present as at December 31, 2012, and as such received an exceptional bonus in a gross amount of €232,500 in January 2013.

Other benefits

In connection with his employment contract, Michel Favre also has the following benefits:

- supplemental health insurance *(mutuelle)*;
- welfare insurance *(contrat de prévoyance)*;
- a basic and supplementary pension;
- a supplementary defined contribution retirement scheme;
- a defined benefit plan, which takes into account his seniority;
- a health check-up; and
- professional fees of a tax and retirement advisor.

Compensation and other benefits received by Jean-Dominique Perret, who ceased to serve as a member of the Management Board on November 29, 2012

Compensation for the financial year ending December 31, 2013

Having reached the age of 65, Jean-Dominique Perret resigned from his functions as member of the Management Board effective November 29, 2012.

Compensation for the financial year ending December 31, 2012

At its meeting of February 8, 2012, the Supervisory Board, upon recommendation of the Compensation Committee, determined the following compensation items for Jean-Dominique Perret for the 2012 financial year:

– In his capacity as member of the Management Board of Rexel:
  - fixed compensation in a gross amount of €186,680 per annum;
  - an annual variable target-based portion which may reach 60% of the gross annual fixed compensation in the event of the achievement of 100% of the individual and financial targets. This variable annual compensation is based for 65% on financial criteria linked to the Rexel Group's results and for 35% on qualitative criteria. If the achieved financial results exceed 100% of the set financial targets, the variable bonus may reach up to 150% of 65% and shall remain set at 100% for the remaining 35%. The financial criteria for 2012 are EBITA as a percentage of sales (20%) and in volume (50%), ATWC (15%) and sales growth compared to budget (15%). Qualitative criteria are based on items relating to the activity of Jean-Dominique Perret in his own fields of responsibility.

– In his salaried capacity as Group Delegate for International Affairs:
  - fixed compensation in a gross amount of €113,320 per annum;
  - an annual variable target-based portion which may reach 60% of the gross annual fixed compensation in the event of the achievement of 100% of the individual and financial targets. This variable annual bonus was based for 65% on financial criteria relating to the Rexel Group's results and for 35% on qualitative criteria. If the achieved financial results exceed 100% of the set financial targets, the variable bonus may reach up to 150% of 65% and shall remain set at 100% for the remaining 35%. The financial criteria for 2012 are EBITDA as a percentage of sales (20%) and in volume (50%), ATWC (15%) and sales growth compared to budget (15%). Qualitative criteria are based on items relating to the activity of Jean-Dominique Perret in his own fields of responsibility; and
  - benefits in kind in the amount of €7,680, consisting of: a company car and a gas card.

In addition, in the course of the year ended December 31, 2013, Jean-Dominique Perret will receive a variable compensation in respect of the year ended December 31, 2012 for a gross amount of €124,788.

Finally, Jean-Dominique Perret will be eligible under the profit-sharing plan applicable in Rexel Développement on a *prorata temporis* basis in respect of the 2013 financial.

Compensation for the financial year ending December 31, 2011

In the course of the financial year ended on December 31, 2011, Jean-Dominique Perret received:

– In his capacity as member of the Management Board of Rexel:
  - gross fixed compensation amounting to €179,213 per annum; and
  - a variable compensation paid in respect of the 2010 targets, amounting to €114,325; and

– in his salaried capacity as Group Delegate for International Affairs:
  - gross fixed compensation amounting to €108,787 per annum; and
  - a variable compensation paid in respect of the 2010 targets, amounting to €69,398; and
  - benefits in kind in the amount of €7,678, consisting of: a company car and a gas card.

In the course of the year ended December 31, 2012, Jean-Dominique Perret received a variable compensation in respect of the year ended December 31, 2011 for a gross amount of €183,571. This targeted variable annual compensation was based for 65% on financial criteria linked to the Rexel Group's results and for 35% on qualitative criteria. The financial criteria for 2011 were EBITDA as a percentage of sales and in volume, ATWC and sales growth compared to budget. Qualitative criteria were based on items relating to the activity of Jean-Dominique Perret in his own fields of responsibility.

Lastly, under the profit-sharing plan, Jean-Dominique Perret received a gross amount of €3,800 in respect of the financial year ended December 31, 2011.

Lastly, at its meeting of July 26, 2011, the Supervisory Board, upon the recommendation of the Compensation Committee, determined a retention plan for the benefit of all of the members of Rexel's Executive Committee, including the corporate officers (with the exception of Jean-Charles Pauze). This retention plan is linked to the transition period at the head of the Rexel Group, for the members of the Executive Committee and the corporate officers, and comprises, on the one hand, an exceptional bonus and, on the other hand, an exceptional free share allocation subject to a performance condition on the other hand, as described in paragraph 8.1.2.6 of this *Document de Référence*.

Jean-Dominique Perret was effectively present as at December 31, 2012, and as such received an exceptional bonus in a gross amount of €144,000 in January 2013.

Other benefits

In connection with his employment contract, Jean-Dominique Perret receives the following benefits:

- a supplemental health insurance *(mutuelle)*;
- a welfare insurance *(contrat de prévoyance)*;
- a basic and supplementary pension;
- a supplementary defined contribution retirement scheme;
- a defined benefit plan, which takes into account his seniority, as of January 1, 2009; and
- compensation for tax and retirement advisors' fees.

Compensation and other benefits received by Jean-Charles Pauze

Jean-Charles Pauze left his functions as member and Chairman of the Management Board as from February 13, 2012, whereupon his employment contract with Rexel Développement, which had been suspended since March 1, 2007, was reinstated. In his new functions, Jean-Charles Pauze was responsible for certain missions in connection with external growth and for consolidating the client/supplier relationship. His employment contract terminated on December 31, 2012.

Compensation for the financial year ending December 31, 2012

Upon its meetings of April 28, 2011 and February 8, 2012, the Supervisory Board, upon recommendation of the Compensation Committee, determined the following compensation items for Jean-Charles Pauze in his capacity as corporate officer from January 1, 2012 until his term of office expiry date, *i.e.* February 13, 2012:

- gross annual fixed compensation, amounting to €819,400;
- an annual variable target-based portion which may reach 120% of the gross annual fixed compensation if 100% of the set targets are met;
- a hardship allowance for travel in France and abroad in a gross annual amount of €170,000; paid on a *prorata temporis* basis; and
- benefits in kind in the amount of €1,231 paid by Rexel and €6,155 paid by Rexel Développement, consisting of a company car and a gas card.

In the course of the year ended December 31, 2013, Jean-Charles Pauze will receive a variable compensation in respect of the year ended December 31, 2012 for a gross amount of €819,400.

Compensation for the financial year ending December 31, 2011

During the financial year ended December 31, 2011, Jean-Charles Pauze received:

- gross fixed compensation amounting to €819,400;
- a variable compensation paid in respect of the 2010 targets, amounting to €944,280;
- a hardship allowance for travel in France and abroad in a gross amount of €170,000; and
- benefits in kind in the amount of €7,385, consisting of a company car and a gas card.

In the financial year ending December 31, 2012, Jean-Charles Pauze received a variable compensation for the financial year ended December 31, 2011 in the gross amount of €975,220.

The target variable annual compensation was based for 75% on financial criteria relating to the Rexel Group's results and for 25% on qualitative criteria. The financial criteria for 2011 were EBITDA as a percentage of sales and in volume, ATWC and sales growth compared to budget. Qualitative criteria were based on items relating to the activity of Jean-Charles Pauze in his own fields of responsibility.

Attendance fees

Jean-Charles Pauze was paid attendance fees in his capacities as corporate officer of Rexel Senate, an English subsidiary of Rexel, and of Rexel Holdings USA Corp., a U.S. subsidiary of Rexel:

- in an amount of €90,000, paid in 2012, for the financial year ended December 31, 2011; and
- in an amount of €90,000, paid in 2011, for the financial year ended December 31, 2010.

Jean-Charles Pauze no longer benefits from attendance fees for the financial year ended December 31, 2012.

Other benefits

Jean-Charles Pauze received in 2012 the following benefits in connection with his employment contract:

- a supplemental health insurance *(mutuelle)*;
- a welfare insurance *(contrat de prévoyance)*;
- a basic and supplementary pension;
- a supplementary defined contribution pension scheme;
- a defined benefit plan, which takes into account his length of service;
- a health check-up; and
- compensation for tax and retirement advisors' fees.

Summary of the compensation and benefits in kind of the members of the Management Board

A summary of the compensation and benefits in kind of the members of the Management Board for the years ended December 31, 2012 and December 31, 2011 is set forth in the tables below.

Table 1 – Summary of the compensation, options and shares allotted to each executive corporate officer

The table below sets forth a summary of all items of compensation owed by the Rexel Group companies to the members of the Management Board with respect to the financial years ended on December 31, 2012 and December 31, 2011:

	FINANCIAL YEAR ENDED ON DECEMBER 31,	
	2012	2011
Rudy Provoost		
Compensation due for the financial year (1)	€1,387,468	€433,650
Valuation of options allotted for the financial year (2)	–	–
Valuation of free shares granted for the financial year (3)	€1,314,108	€6,450,525
Total	**€2,701,576**	**€6,884,175**
Pascal Martin		
Compensation due for the financial year (1)	€688,962	€789,752
Valuation of options allotted for the financial year (2)	–	–
Valuation of free shares granted for the financial year (3)	€666,343	€1,335,554
Total	**€1,355,305**	**€2,125,306**
Michel Favre (4)		
Compensation due for the financial year (1)	€638,327	€787,020
Valuation of options allotted for the financial year (2)	–	–
Valuation of free shares granted for the financial year (3)	€594,066	€1,261,009
Total	**€1,232,393**	**€2,048,029**
Jean-Dominique Perret (5)		
Compensation due for the financial year (1)	€432,468	€479,249
Valuation of options allotted for the financial year (2)	–	–
Valuation of free shares granted for the financial year (3)	€594,066	€1,024,872
Total	**€1,026,534**	**€1,504,121**
Jean-Charles Pauze (6)		
Compensation due for the financial year (1)	€1,665,749	€2,062,005
Valuation of options allotted for the financial year (2)	–	–
Valuation of free shares granted for the financial year (3)	–	€1,355,351
Total	**€1,665,749**	**€3,417,356**

(1) See paragraph 7.3.1.1 “Members of the Management Board” of this *Document de Référence*.
(2) On the grant date, see paragraph 8.1.2.5 “Subscription or purchase options for Rexel shares” of this *Document de Référence*.
(3) On the grant date, see paragraph 8.1.2.6 “Allotment of free shares” of this *Document de Référence*.
(4) Michel Favre has ceased to serve as a member of the Management Board since October 30, 2012.
(5) Having reached the age of 65, Jean-Dominique Perret resigned from his functions on November 29, 2012.
(6) Jean-Charles Pauze left his functions as member and Chairman of the Management Board as from February 13, 2012 and his employment contract with Rexel Développement ended December 31, 2012.

Table 2 – Summary table of the compensation of each executive corporate officer

The following table sets forth the compensation of the members of the Management Board for the financial years ended December 31, 2012 and December 31, 2011:

	FINANCIAL YEAR ENDED ON DECEMBER 31,			
	2012		2011	
	DUE	PAID	DUE	PAID
Rudy Provoost				
Fixed compensation	€800,000	€800,000	€200,000	€200,000
Variable compensation	€516,860 (3)	€216,670 (2)	€216,670 (2)	–
Housing allowance	€60,000	€60,000	€15,000	€15,000
Attendance fees	–	–	–	–
Benefits in kind	€10,608	€10,608	€1,980	€1,980
Total	**€1,387,468**	**€1,087,278**	**€433,650**	**€216,980**
Pascal Martin				
Fixed compensation	€465,000	€465,000	€453,000	€453,000
Variable compensation	€200,472 (3)	€313,739 (2)	€313,739 (2)	€315,558 (1)
Attendance fees	–	–	–	–
Benefits in kind	€23,490	€23,490	€23,013	€23,013
Total	**€688,962**	**€802,229**	**€789,752**	**€791,571**
Michel Favre (7)				
Fixed compensation	€465,000	€465,000	€453,000	€453,000
Variable compensation	€152,330 (3)	€311,169 (2)	€311,169 (2)	€318,225 (1)
Attendance fees	–	–	–	–
Benefits in kind	€20,997	€20,997	€22,851	€22,851
Total	**€638,327**	**€797,166**	**€787,020**	**€794,076**
Jean-Dominique Perret (8)				
Fixed compensation	€300,000	€300,000	€288,000	€288,000
Variable compensation	€124,788 (3)	€183,571 (2)	€183,571 (2)	€183,723 (1)
Attendance fees	–	–	–	–
Benefits in kind	€7,680	€7,680	€7,678	€7,678
Total	**€432,468**	**€491,251**	**€479,249**	**€479,401**
Jean-Charles Pauze (6)				
Fixed compensation	€819,400	€819,400	€819,400	€819,400
Variable compensation	€819,400 (3)	€975,220 (2)	€975,220 (2)	€944,280 (1)
Hardship allowance	€19,563	€19,563	€170,000	€170,000
Attendance fees	–	–	€90,000 (5)	€90,000 (4)
Benefits in kind	€7,386	€7,386	€7,385	€7,385
Total	**€1,665,749**	**€1,821,569**	**€2,062,005**	**€2,031,065**

(1) Variable compensation due for the financial year ended December 31, 2010 and paid during the financial year ended December 31, 2011.
(2) Variable compensation due for the financial year ended December 31, 2011 and paid during the financial year ended December 31, 2012.
(3) Variable compensation due for the financial year ended December 31, 2012 and paid during the financial year ending December 31, 2013.
(4) Attendance fees due for the financial year ended December 31, 2010 and paid during the financial year ended December 31, 2011.
(5) Attendance fees due for the financial year ended December 31, 2011 and paid during the financial year ended December 31, 2012.
(6) Jean-Charles Pauze left his functions as member and Chairman of the Management Board as from February 13, 2012 and his employment contract with Rexel Développement ended on December 31, 2012.
(7) Michel Favre has ceased to serve as a member of the Management Board since October 30, 2012.
(8) Having reached the age of 65, Jean-Dominique Perret resigned from his functions on November 29, 2012.

Table 3 – Table on attendance fees and other compensation received by the non-executive corporate managers

See paragraph 7.3.1.2 "Members of the Supervisory Board" of this *Document de Référence*.

Table 4 – Share subscription or purchase options allotted by Rexel and other Rexel Group companies to each executive corporate officer during the financial year

The summary tables in relation to share purchase or subscription plans and to the options allotted are set forth in paragraph 8.1.2.5 "Subscription or purchase options for Rexel shares" of this *Document de Référence*.

Table 5 – Share subscription or purchase options exercised by each executive corporate officer during the financial year

The summary tables in relation to options exercised are set forth in paragraph 8.1.2.5 "Subscription or purchase options for Rexel shares" of this *Document de Référence*.

Table 6 – Performance shares allotted to each executive corporate officer

The summary tables in relation to free share allotment plans and free share allotments are set forth in paragraph 8.1.2.6 "Allotment of free shares" of this *Document de Référence*.

Table 7– Newly available performance shares during the financial year for each executive corporate officer

The summary tables in relation to vested shares are set forth in paragraph 8.1.2.6 "Allotment of free shares" of this *Document de Référence*.

Table 8 – Historical information on the subscription or purchase option allotments

The share subscription or purchase option plans are described in paragraph 8.1.2.5 "Subscription or purchase options for Rexel shares" of this *Document de Référence*.

Table 9 – Subscription or purchase options granted to the top ten employees other than corporate officer beneficiaries, and details of options exercised

The share subscription or purchase options granted to and exercised by the top ten employees other than corporate officer beneficiaries are described in paragraph 8.1.2.5 "Subscription or purchase options for Rexel shares" of this *Document de Référence*.

Table 10 –Summary table of the employment agreements, the specific pension plans, the severance indemnities and the non-compete clauses

A summary of the employment agreements, the specific pension plans, the severance indemnities and the non-compete clauses is set forth in the table below:

CORPORATE OFFICER	EMPLOYMENT AGREEMENT	SPECIFIC PENSION PLAN	SEVERANCE INDEMNITIES	NON-COMPETE CLAUSE
Rudy Provoost Chairman of the Management Board From October 1, 2011 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2014	No	No (upon its meeting of March 6, 2013, the Supervisory Board, upon recommandation of the Compensation Committee, decided to abolish the advantage consisting in the benefit of a supplementary defined – benefit pension plan (article 39) granted to Rudy Provoost)	Yes (see paragraph 7.3.2 "Compensation, indemnities or benefits due or that may become due as a result of the assumption, termination or change in the functions of corporate officers" of this *Document de Référence*)	Yes Duration : 12 months Indemnities : 1/12th of the annual gross fixed compensation per month
Pascal Martin Member of the Management Board From May 19, 2011 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2014	Yes Employment agreement suspended since January 1, 2008	Yes (see paragraph 7.3.4 "Pension, retirement or similar benefits" of this *Document de Référence*)	Yes (see paragraph 7.3.2 "Compensation, indemnities or benefits due or that may become due as a result of the assumption, termination or change in the functions of corporate officers" of this *Document de Référence*)	Yes Duration : 12 months Indemnities : 1/12th of the annual gross fixed compensation per month

CORPORATE OFFICER	EMPLOYMENT AGREEMENT	SPECIFIC PENSION PLAN	SEVERANCE INDEMNITIES	NON-COMPETE CLAUSE
Michel Favre Member of the Management Board From May 19, 2011 until October 30, 2012	Yes Initial employment contract suspended since May 20, 2009 and reinstated as October 30, 2012	Yes (see paragraph 7.3.4 "Pension, retirement or similar benefits" of this *Document de Référence*)	Yes (see paragraph 7.3.2 "Compensation, indemnities or benefits due or that may become due as a result of the assumption, termination or change in the functions of corporate officers" of this *Document de Référence*)	Yes Duration : 12 months Indemnities : 1/12th of the annual gross fixed compensation per month
Jean-Dominique Perret Member of the Management Board From May 19, 2011 until November 29, 2012	Yes	Yes, since January 1, 2009 (see paragraph 7.3.4 "Pension, retirement or similar benefits" of this *Document de Référence*)	Yes (see paragraph 7.3.2 "Compensation, indemnities or benefits due or that may become due as a result of the assumption, termination or change in the functions of corporate officers" of this *Document de Référence*)	Yes Duration : 12 months Indemnities : 1/12th of the annual gross fixed compensation per month

7.3.1.2 Members of the Supervisory Board

The Company's shareholders' meeting may grant attendance fees to the members of the Supervisory Board.

The Board of Directors:

- distributes the attendance fees among its members, as it deems fit;
- sets the compensation of the Chairman and of the Vice-Chairman of the Supervisory Board; such compensation may be both fixed and proportional;
- may grant exceptional compensation for missions or tasks assigned to the members of the Supervisory Board; and
- may authorize the reimbursement of travel costs and of expenses incurred by its members in the interest of the Company.

On May 16, 2012, Rexel's shareholders' meeting granted the Supervisory Board an aggregate amount of €500,000 in attendance fees. This amount had previously been set at €300,000.

Following the recommendations of the Compensation Committee, the Supervisory Board meeting of February 8, 2012 decided, within the scope of the allocated global amount, to allocate compensation to the independent members of the Supervisory Board in the gross amount including (i) a fixed portion in the amount of €30,000 and (ii) a variable portion of up to €30,000 that may be allocated to each independent member to the extent of their attendance to the meetings of the Supervisory Board and the Committees of which they are members. Moreover, a gross compensation of €10,000 is allocated for each position as Chairman of the Appointment, Compensation and Strategic Committees of the Supervisory Board that is occupied by an independent member of the Supervisory Board and a gross compensation of €20,000 is allocated for the position of Chairman of the Audit Committee of the Supervisory Board that is occupied by an independent member of the Supervisory Board.

Following the recommendations of the Compensation Committee, the Supervisory Board of February 11, 2013 decided that the variable portion for 2012 would amount to €26,700 for Françoise Gri (who resigned from her functions as member of the Supervisory Board and as Committee member on February 11, 2013), €26,100 for Fritz Fröhlich, €22,200 for François David and €30,000 for Thomas Farrell.

Thus, Françoise Gri (who resigned from her functions as member of the Supervisory Board and as Committee member on February 11, 2013), Fritz Fröhlich, François David and Joe Adorjan (who resigned from his functions as member of the Supervisory Board and as committee member on February 8, 2011) and Thomas Farrell received the following compensation in respect of the financial years ended December 31, 2012 and 2011:

	FINANCIAL YEAR ENDED DECEMBER 31,			
	2012		2011	
MEMBER	COMPENSATION	TOTAL	COMPENSATION	TOTAL
Françoise Gri		€66,700		€70,000
As committee Chairman	€10,000		€10,000	
As independent member				
Fixed portion	€30,000		€30,000	
Variable portion	€26,700		€30,000	
Fritz Fröhlich		€76,100		€70,000
As committee Chairman	€20,000		€10,000	
As independent member				
Fixed portion	€30,000		€30,000	
Variable portion	€26,100		€30,000	
François David		€52,200		€50,100
As independent member				
Fixed portion	€30,000		€30,000	
Variable portion	€22,200		€20,100	
Joe Adorjan		–		€7,500
As independent member				
Fixed portion	–		€5,000	
Variable portion	–		€2,500	
Thomas Farrell		€60,000	–	–
As observer before May 16, 2012 and independent member after May 16, 2012				
Fixed portion	€30,000			
Variable portion	€30,000			
Total		**€255,000**		**€197,600**

Rexel has paid no other compensation to the members of the Supervisory Board for the years ended December 31, 2012 and December 31, 2011.

7.3.2 Compensation, indemnities or benefits due or that may become due as a result of the assumption, termination or change in the functions of corporate officers

Members of the Management Board

In the event of termination of his corporate office, Rudy Provoost shall benefit from a severance indemnity, subject to certain performance criteria decided upon by the Supervisory Board meeting of October 6, 2011 and which were approved by the Shareholders' Meeting of May 16, 2012.

Moreover, the employment agreements of Michel Favre, Pascal Martin and Jean-Dominique Perret provide, under certain conditions, for payment undertakings in the event of a termination, subject to performance criteria decided upon by the Supervisory Board meeting of May 19, 2011 and which were approved by the Shareholders' Meeting of May 16, 2012.

Severance indemnity of Rudy Provoost

Rudy Provoost does not have an employment contract with any of the Rexel Group companies.

In the event that his corporate functions are terminated, Rudy Provoost shall, in accordance with the decision of the Supervisory Board of October 6, 2011, benefit from a gross contractual severance payment equal to 24 months of a monthly reference compensation. Monthly reference compensation is understood as the amount of the fixed gross annual compensation plus the average gross amount of the last two variable bonuses paid, excluding any exceptional bonus, with this sum being divided by 12.

This gross severance indemnity is deemed to include the compensating indemnity for honoring the non-compete clause, if any. It shall not apply in the event of termination for gross negligence *(faute grave)* or wilful misconduct *(faute lourde)* or retirement leave or compulsory retirement leave.

In addition, regardless of the cause of departure from Rexel, a non-competition clause is stipulated. This non-competition undertaking is limited to a period of 12 months from the date of the termination of the corporate mandate. As consideration, the monthly non-competition payment is equal to one twelfth of his gross fixed annual compensation.

Severance payments for Pascal Martin

Pascal Martin's employment contract with Rexel Développement was suspended on January 1, 2008.

In the event that his corporate duties within Rexel should end, Pascal Martin's employment agreement with Rexel Développement would re-enter into effect subject to compensation conditions equivalent to those from which he benefits as a corporate officer.

The employment agreement of Pascal Martin provides, in the event of the termination of the employment agreement at the option of the employer following the end of the duties as a corporate officer, for whatever reason and except in case of gross negligence *(faute grave)* or wilful misconduct *(faute lourde)* or compulsory retirement leave, that Pascal Martin will benefit from a gross contractual severance indemnity equal to 18 months of his monthly reference compensation.

The monthly reference compensation is defined as the gross annual fixed compensation applicable in the month prior to the effective redundancy date, plus the gross average of the last two bonus payments received with the exception of any exceptional bonus, divided by 12 months. The monthly reference compensation includes any potential compensation received as an executive in the course of this period.

This contractual indemnity is deemed to include the statutory severance indemnity *(indemnité de licenciement légale)* or severance indemnity pursuant to the collective bargaining agreement *(indemnité conventionnelle de licenciement)* due, if any, as well as the compensating indemnity for honoring the non-compete clause. It shall not apply in the event of a retirement leave or compulsory retirement leave. In these hypothesis, only the severance indemnity pursuant to the collective bargaining agreement will be due and, as the case may be, the compensating indemnity for honoring the non-compete clause.

The notice period for breach of contract is 8 months. The compensation in lieu of notice is equal to 8 months of the last paid compensation, in his capacity as officer or as employee of the company, whichever the highest.

In addition, a non-competition clause is stipulated in Pascal Martin's suspended employment contract. This non-competition undertaking is limited to a period of 12 months from the date of the termination of the employment contract. As consideration, the monthly non-competition payment is equal to one twelfth of his gross fixed annual compensation.

Former members of the Management Board

Severance payments for Michel Favre

Michel Favre's employment contract with Rexel Développement, which was suspended on May 20, 2009, was reinstated on October 30, 2012 subject to compensation conditions equivalent to those from which he benefits as a corporate officer.

The employment agreement of Michel Favre provides, in the event of the termination of the employment agreement at the option of the employer following the end of the duties as a corporate officer, for whatever reason and except in case of gross negligence *(faute grave)* or wilful misconduct *(faute lourde)* or compulsory retirement leave, that Michel Favre will benefit from a gross contractual severance indemnity equal to 18 months of his monthly reference compensation.

The monthly reference compensation is defined as the gross annual compensation applicable in the month prior to the effective redundancy date, plus the gross average of the last two bonus payments received with the exception of any exceptional bonus, divided by 12 months. The monthly reference compensation includes any potential compensation received as an executive in the course of this period.

This contractual indemnity is deemed to include the statutory severance indemnity *(indemnité de licenciement légale)* or severance indemnity pursuant to the collective bargaining agreement *(indemnité conventionnelle de licenciement)* due, if any, as well as the compensating indemnity for honoring the non-compete clause. It shall not apply in the event of a retirement leave or compulsory retirement leave. In these hypothesis, only the severance indemnity pursuant to the collective bargaining agreement will be due and, as the case may be, the compensating indemnity for honoring the non-compete clause.

The notice period for breach of contract is 8 months. The compensation in lieu of notice is equal to 8 months of the last paid compensation, in his capacity as officer or as employee of the company, whichever the highest.

In addition, a non-competition clause is stipulated in Michel Favre's suspended employment contract. This non-competition undertaking is limited to a period of 12 months from the date of the termination of the employment contract. As consideration, the monthly non-competition payment is equal to one twelfth of his gross fixed annual compensation.

Severance payments for Jean-Dominique Perret

Having reached the age of 65, Jean-Dominique Perret resigned from its corporate office on November 29, 2012. He is acting as salaried Group Senior Vice-President, Human Resources and Group Delegate for International Businesses.

His employment contract with Rexel Développement provides, in the event of the termination of the employment agreement at the option of the employer, for whatever reason and except in case of gross negligence *(faute grave)* or willful misconduct *(faute lourde)* or compulsory retirement leave, Jean-Dominique Perret will benefit from a gross contractual severance indemnity equal to 18 months of his monthly reference compensation in his capacities as corporate officer and as an employee of the company.

The monthly reference compensation is defined as the gross annual fixed compensation applicable in the month prior to the effective redundancy date, plus the gross average of the last two bonus payments received with the exception of any exceptional bonus, divided by 12 months. The monthly reference compensation includes any potential compensation received as an executive in the course of this period.

This contractual indemnity is deemed to include the statutory severance indemnity *(indemnité de licenciement légale)* or severance indemnity pursuant to the collective bargaining agreement *(indemnité conventionnelle de licenciement)* due, if any, as well as the compensating indemnity for honoring the non-compete clause. It shall not apply in the event of a retirement leave or compulsory retirement leave. In these hypothesis, only the severance indemnity pursuant to the collective bargaining agreement will be due and, as the case may be, the compensating indemnity for honoring the non-compete clause.

The notice period for breach of contract is 8 months. The compensation in lieu of notice is equal to 8 months of the last paid compensation, in his capacity as officer and as employee of the company.

In addition, a non-competition clause is stipulated in Jean-Dominique Perret's employment contract. This non-competition undertaking is limited to a period of 12 months from the date of the termination of the employment contract. As consideration, the monthly non-competition payment is equal to one twelfth of his gross fixed annual compensation.

Performance conditions to which the severance indemnities are subject

Pursuant to the provisions of article L.225-90-1 of the French Commercial Code, Rudy Provoost's severance indemnities (other than the competition clause compensatory indemnity) and the contractual indemnities for termination of the employment contracts of Michel Favre, Pascal Martin and Jean-Domnique Perret are subject to the following performance criteria:

– the payment of 50% of the indemnity would be dependent on the level of EBITDA (operating result before depreciation and amortization) of the Rexel Group. This payment would be 100% if the level of EBITDA, calculated on the basis of Rexel's consolidated audited financial statements for the last financial year preceding the date of termination of the employment contract (the reference period), reaches a minimum of 60% of the amount budgeted for such period. If, during the reference period, Rexel's economic and financial situation and/or the economic and financial conditions of the market deteriorate, this level could be reviewed by the Supervisory Board, upon the proposal of the Compensation Committee, and submitted for approval to the annual shareholders' meeting in order to ensure coherence of the objective with the difficulty of its implementation;

– the payment of 35% of the indemnity would be dependent on the level of average operating WCR (average trade operating working capital) of the Rexel Group. This payment would be 100% if the level of average operating WCR, calculated on the basis of Rexel's consolidated audited financial statements for the last financial period preceding the date of termination of the corporate functions or employment contract (the reference period), reaches a maximum of 125% of the performance budgeted for such period. If, during the reference period, Rexel's economic and financial situation and/or the economic and financial conditions of the market deteriorate, this level could be reviewed by the Supervisory Board, upon the proposal of the Compensation Committee, and submitted for approval to the annual shareholders' meeting in order to ensure coherence of the objective with the difficulty of its implementation; and

– the payment of 15% of the indemnity would be dependent on the level of ROCE (return on capital employed) of the Rexel Group. This payment would be 100% if the level of ROCE, calculated on the basis of Rexel's consolidated audited financial statements for the last financial period preceding the date of termination of the employment contract (the reference period), reaches a minimum of 75% of the performance budgeted for such period.

If, during the reference period, Rexel's economic and financial situation and/or the economic and financial conditions of the market deteriorate, this level could be reviewed by the Supervisory Board, upon the proposal of the Compensation Committee, and submitted for approval to the annual shareholders' meeting in order to ensure coherence of the objective with the difficulty of its implementation.

These indemnities will only be paid after a decision of the Supervisory Board acknowledging the fulfillment of these conditions.

7.3.3 Other benefits

During the financial period ended December 31, 2012, Rexel did not grant any loans, advances or guarantees to any of its corporate officers.

7.3.4 Pension, retirement or similar benefits

A supplementary defined-benefit pension plan is in force within Rexel Développement and Rexel, as of July 1, 2009.

Further to the law on pensions system reform enacted on November 10, 2010 and after approval of Rexel's Compensation Committee, the supplementary defined-benefit pension plan in force within Rexel Développement and Rexel since July 1, 2009 and the former supplementary defined benefit retirement scheme closed on June 30, 2009 were submitted to a number of amendments effective as of January 1, 2011, in particular:

- possible settlement of the additional pension only as of the minimum settlement age of the general pension system (compared to a fixed age of 60 previously);
- possibility for beneficiaries having reached the minimum settlement age of the general pension system, but not having reached the full rate under the general pension system, of settling their additional pension at a reduced rate, with the application of a penalty for missing quarters;
- setting-up of a minimum length of service of 4 years with Rexel at the time of settlement of the additional pension in order to benefit from this pension system.

Are eligible for this supplementary pension scheme, officers with the status of employee and/or corporate officer whose status and activity are defined in article L.3111-2 of the French Labor Code and whom Global Grade is 20 or above under the Global Grading system defined for Rexel by Hewitt.

At January 1, 2013, seven managing directors including two corporate officers met these eligibility criteria: Jean-Charles Pauze, Rudy Provoost, Michel Favre, Pascal Martin, Jean-Dominique Perret, Patrick Bérard and Henri-Paul Laschkar. Upon its meeting of March 6, 2013, the Supervisory Board, upon recommandation of the Compensation Committee, decided to abolish the advantage consisting in the benefit of a supplementary defined – benefit pension plan (article 39) granted to Rudy Provoost.

The additional pension under this plan is equal to product of the reference compensation, the years of seniority and a yearly acquisition factor ranging between 0% and 1% according to the level of reference compensation.

The reference compensation used in the calculation of the additional pension is equal to the average of the three best calendar years of gross compensation received for the period in which the potential beneficiary can justify seniority and eligibility.

This compensation includes:

- Salary and/or compensation as a corporate officer,
- Exclusively contractual annual bonuses classified as "annual variable compensation" not including any special bonuses, hardship allowances or other similar bonuses. These annual bonuses are taken into account at up to 80% of the fixed base salary.

The reference compensation does not include the amount or nature of special bonuses, especially payments made at retirement and/or redundancy and/or entered into amicably, judicially, through arbitration or by a transaction. It also does not include benefits in kind.

The reference compensation is globally capped up to 40 times of the yearly French Social Security ceiling.

A certain number of limits have been put in place on the amount of the benefit:

- the amount of the additional retirement pension under the new rules is limited to 20% of the reference compensation;
- the amount of the additional retirement pension under all the supplemental pension schemes of Rexel (defined benefits or defined contributions) may not exceed 25% of the reference compensation;
- the total amount of mandatory pension schemes and all supplementary plans in force within Rexel may not exceed 50% of the reference compensation.

The total provision booked by Rexel for all employees covered by this additional defined-benefit retirement plan corresponded to a commitment of €16.2 million as of December 31, 2012 reduced by the value of a hedge asset established with an insurance company. As of December 31, 2012, the value of this hedge asset was estimated at €7.7 million.

On the date of this *Document de Référence*, Rexel complies with five out of six of the recommendations issued by the AFEP and the MEDEF:

AFEP-MEDEF RECOMMENDATIONS	AS OF JANUARY 1, 2012
Eligibility criteria / Seniority	Compliant
Number of corporate officers compared to the total number of beneficiaries	Not compliant*
Yearly accrual percentage	Compliant
Period of maximum accrual attainment	Compliant
Reference compensation	Compliant
Maximum level of benefits	Compliant

* As of January 1, 2013, the total number of eligible persons was seven, including four corporate officers.

7.4 MARKET ETHICS CHARTER

On April 4, 2007, Rexel adopted a market ethics charter, which has been updated on February 8, 2012, the objective of which is to specify the applicable regulations in respect of share transactions by permanent and/or occasional insiders and interested persons, including in particular corporate officers and employees of the Rexel Group who have constant or occasional access to inside information as well as outsiders to the Rexel Group who can, in the context of their role or position, have access to inside information in relation to Rexel or the Rexel Group.

The market ethics charter provides for the creation of the position of a market ethics manager within the Rexel Group. The market ethics manager oversees compliance with the market ethics charter, in particular by informing those persons concerned of the periods during which they must abstain from transactions involving Rexel's shares, informing the Management Board and the Supervisory Board of any finding of violations of the applicable regulations within the Rexel Group, or by establishing and updating a list, to be provided upon request to the AMF, of persons considered to be insiders, and informing such persons of their inclusion in such list.

The market ethics charter mentions the applicable obligations with respect to the holding, disclosure and use of inside information as well as the applicable sanctions in the event of a violation of such obligations. The market ethics charter thus specifies the confidentiality and abstention obligations or the obligation to hold shares in registered form that applies to permanent or occasional insiders and interested persons. The market ethics charter also lays out the definition of inside information as well as the applicable rules in the case of, for example, an offence and breach by an insider, or a market manipulation. It also provides for periods of abstention linked, in particular, to the publication of Rexel's financial accounts.

7.5 RELATED PARTY TRANSACTIONS

7.5.1 Principal related party transactions

The material agreements that were entered into between Rexel and related parties, or the members of the Management Board of Rexel, the members of the Supervisory Board of Rexel, the shareholders of Rexel and the subsidiaries of Rexel, within the meaning of articles L.225-86 *et seq.* of the French Commercial Code, during the financial year ended December 31, 2012 are:

Agreements referred to in article L.225-86 of the French Commercial Code, entered into by Rexel during the financial year ended December 31, 2012 and that have received prior approval of the Supervisory Board of Rexel:

- Two re-invoicing agreements entered into on March 14 and March 15, 2012 between Rexel and Rexel Développement SAS and Rexel France. These agreements have been entered into in connection with the implementation of the 2011 share buy back programme, which has been authorized by the Shareholders' Meeting of May 19, 2011. These agreements aim at re-invoicing Rexel Développement SAS and Rexel France for the costs incurred by Rexel in connection with the repurchase of shares to be delivered as existing shares to the employees of these two entities who benefit from the free shares plans that have implemented by the Management Board on May 11, 2010, May 12, 2011 and October 11, 2011. These agreements were authorized by the Supervisory Board during its February 8, 2012 meeting;
- A Purchase Agreement entered into on March 21, 2012, between Rexel, on the one hand, and Barclays Capital Inc., Merrill Lynch, Pierce, Fenner and Smith Incorporated, RBS Securities Inc., BNP Paribas Securities Corp. and Crédit Agricole Corporate and Investment Bank (the **"Banks III"**), on the other hand. Rexel Développement SAS, Rexel France, Hagemeyer Deutschland GmbH & Co KG, Rexel Belgium NV, Elektro-Material A.G., Rexel Nederland B.V. (formerly Hagemeyer Nederland B.V.), Elektroskandia Norge AS, Elektroskandia Suomi Oy, Svenska Elgrossist AB Selga, Rexel Holdings USA Corp., Rexel, Inc., General Supply & Services Inc. and Rexel North America Inc. acceded to this agreement through accession letters dated March 28, 2012. This agreement was concluded in the context of an issuanceby Rexel of bonds in aggregate principal amount of USD400 million represented by unsecured senior notes bearing interest at a rate of 6.125%, maturing on December 15, 2019 (the **"2012 Bond Issuance"**). The agreement provides for the terms under which Rexel undertook to issue the bonds, and the Banks III undertook to underwrite the said bonds. This agreement was authorized by the Supervisory Board during its March 14, 2012 meeting;
- An Indenture Agreement, entered into on March 28, 2012 between Rexel, Rexel Développement SAS, Rexel France, Hagemeyer Deutschland GmbH & Co KG, Rexel Belgium NV, Elektro-Material A.G., Rexel Nederland B.V. (formerly Hagemeyer Nederland B.V.), Elektroskandia Norge AS, Elektroskandia Suomi Oy, Svenska Elgrossist AB Selga, Rexel Holdings USA Corp., Rexel, Inc., General Supply & Services Inc., Rexel North America Inc. and The Bank of New York Mellon. This agreement was concluded in the context of the 2012 Bond Issuance carried out by Rexel. It provides for the terms under which The Bank of New York Mellon undertook to act in the capacity of Trustee in the scope of the issuance of such bonds. This agreement was authorized by the Supervisory Board during its March 14, 2012 meeting;
- A new Purchase Agreement entered into on April 16, 2012, between Rexel, on the one hand, and the Banks, on the other hand. Rexel Développement SAS, Rexel France, Hagemeyer Deutschland GmbH & Co KG, Rexel Belgium NV, Elektro-Material A.G., Rexel Nederland B.V. (formerly Hagemeyer Nederland B.V.), Elektroskandia Norge AS, Elektroskandia Suomi Oy, Svenska Elgrossist AB Selga, Rexel Holdings USA Corp., Rexel, Inc., General Supply & Services Inc., Rexel North America Inc. acceded to this agreement through accession letters dated April 23, 2012. Rexel wished to carry out an additional bond issuance for an amount of USD100 million in the context of the 2012 Bond Issuance, thus increasing the amount of the 2012 Bond Issuance to USD500 million. The new Purchase Agreement provides for the terms under which Rexel undertook to issue the additional bonds, and the Banks III undertook to underwrite the said bonds. This agreement was authorized by the Supervisory Board during its April 12, 2012 meeting;
- Two re-invoicing agreements entered into on November 23 and November 27, 2012 between Rexel and Rexel Développement SAS and Rexel France. These agreements have been entered into in connection with the implementation of the 2012 share buy back programme, which has been authorized by the Shareholders' Meeting of May 16, 2012. These agreements aim at re-invoicing Rexel Développement SAS and Rexel France for the costs incurred by Rexel in connection with the repurchase of shares to be delivered as existing shares to the employees of these two entities who benefit from the free shares plans that have implemented by the Management Board on May 12, 2011, October 11, 2011, May 2, 2012 and July 26, 2012.

These agreements were authorized by the Supervisory Board during its October 30, 2012 meeting.

Agreement referred to in article L.225-90 of the French Commercial Code, entered into by Rexel during the financial year ended December 31, 2012 and that has not received prior approval of the Supervisory Board of Rexel

– An agreement entitled "Amendment to the Secondary Offering Cooperation Agreement" dated July 2, 2012 and amending the Secondary Offering Cooperation Agreement entered into on April 4, 2007, aiming at precising the modalities of cooperation between the relevant parties in the event of a sale of shares carried out pursuant to an accelerated book-building process to the extent the proceeds of such a transaction would total €75 million or more.

Agreements referred to in article L.225-90-1 of the French Commercial Code, entered into by Rexel during the financial year ended December 31, 2011 and continued during the financial year ended December 31, 2012:

– The undertakings granted to Mr. Michel Favre, member of the Management Board of Rexel until October 30, 2012, providing for the payment of contractual indemnities in lieu of notice and in relation to the termination of his functions and for the performance conditions. This agreement was authorized by the Supervisory Board meeting of May 19, 2011;

– The undertakings granted to Mr. Pascal Martin, member of the Management Board of Rexel, providing for the payment of contractual indemnities in lieu of notice and in relation to the termination of his functions and for the performance conditions. This agreement was authorized by the Supervisory Board meeting of May 19, 2011;

– The undertakings granted to Mr. Jean-Dominique Perret, member of the Management Board of Rexel until November 29, 2012, providing for the payment of contractual indemnities in lieu of notice and in relation to the termination of his functions and for the performance conditions. This agreement was authorized by the Supervisory Board meeting of May 19, 2011;

– The undertakings granted to Mr. Rudy Provoost, Chairman of the Management Board of Rexel, providing for the payment of contractual indemnities in lieu of notice and in relation to the termination of his functions and for the performance conditions. This agreement was authorized by the Supervisory Board meeting of May 19, 2011.

Agreements referred to in article L.225-86 of the French Commercial Code, entered into by Rexel during the previous financial years continued during the financial year ended December 31, 2012:

– A senior credit agreement of an amount of €1.7 billion entered into on December 17, 2009 between Rexel, on the one hand, Bank of America Securities Limited, BNP Paribas, Calyon, Crédit Industriel et Commercial, HSBC France, ING Belgium SA, Natixis, The Royal Bank of Scotland plc, Société Générale Corporate and Investment Banking, in their capacity as Lenders, on the other hand, as well as Calyon, in its capacity as Facilities Agent. Rexel Développement S.A.S., Rexel Distribution, Rexel France, Hagemeyer Deutschland GmbH & Co. KG, Rexel Belgium SA, Elektro-Material A.G., Hagemeyer Nederland B.V. (renamed Rexel Nederland B.V.), Elektroskandia Norge AS, Elektroskandia Suomi Oy, Svenska Elgrossist AB Selga, International Electric Supply Corp., Rexel, Inc., General Supply & Services Inc. and Rexel North America Inc. acceded to this senior credit agreement in the capacity of guarantors through accession letters dated December 21, 2009. This agreement was authorized by the Supervisory Board during its December 2 and December 10, 2009 meetings;

– A Purchase Agreement entered into on December 11, 2009, between Rexel, on the one hand, and Calyon, the Royal Bank of Scotland plc, Merrill Lynch International, BNP Paribas, HSBC Bank plc, Natixis, Crédit Industriel et Commercial (CIC), ING Bank N.V., London Branch, Société Générale et Bayerische Landesbank (the **"Banks I"**), on the other hand. Rexel Développement S.A.S., Rexel Distribution, Rexel France, Hagemeyer Deutschland GmbH & Co. KG, Rexel Belgium SA, Elektro-Material A.G., Hagemeyer Nederland B.V. (renamed Rexel Nederland B.V.), Elektroskandia Norge AS, Elektroskandia Suomi Oy, Svenska Elgrossist AB Selga, International Electric Supply Corp., Rexel, Inc., General Supply & Services Inc. and Rexel North America Inc. acceded to this agreement through accession letters dated December 21, 2009. This agreement was entered into in connection with a bond issuance by Rexel in the amount of €575 million, represented by unsecured senior notes bearing interest at 8.25%, maturing on December 15, 2016 (the **"2009 Bond Issuance"**). It provides for the terms under which Rexel undertook to issue, and the Banks I undertook to underwrite these bonds. This agreement was authorized by the Supervisory Board during its December 2, 2009 and December 10, 2009 meetings;

– An Agency Agreement, entered into on December 21, 2009, between Rexel, Rexel Développement S.A.S., Rexel Distribution, Rexel France, Hagemeyer Deutschland GmbH & Co. RG, Rexel Belgium, Elektro-Material A.G., Hagemeyer Nederland B.V. (renamed Rexel Nederland B.V.), Elektroskandia Norge AS, Elektroskandia Suomi Oy, Svenska Elgrossist AB Selgo, International Electric Supply Corp., Rexel Inc., General Supply & Services Inc., Rexel North America Inc., BNP Paribas Trust Corporation UK Limited and CACEIS Bank Luxembourg. This agreement was entered into in the context of the 2009 Bond Issuance. It provides for the terms under which CACEIS Bank Luxembourg undertook to act in the capacity of Registrar and of Paying Agent in the scope of the issuance of such bonds. This agreement was authorized by the Supervisory Board upon its December 2 and December 10, 2009 meetings;

- A Trust Deed, entered into on December 21, 2009 between Rexel, Rexel Développement S.A.S., Rexel Distribution, Rexel France, Hagemeyer Deutschland GmbH & Co. KG, Rexel Belgium SA, Elektro-Material A.G., Hagemeyer Nederland B.V. (renamed Rexel Nederland B.V.), Elektroskandia Norge AS, Elektroskandia Suomi Oy, Svenska Elgrossist AB Selga, International Electric Supply Corp., Rexel Inc., General Supply & Services Inc., Rexel North America Inc., Compagnie de Distribution de Matériel Electrique B.V., Finelec Développement SA and BNP Paribas Trust Corporation UK Limited. This agreement was entered into in the context of the 2009 Bond Issuance. It provides for the terms under which BNP Paribas Trust Corporation undertook to act in the capacity of Trustee in the scope of the issuance of such bonds. This agreement was authorized by the Supervisory Board during its December 2, 2009 and December 10, 2009 meetings;
- A Purchase Agreement entered into on January 8, 2010, between Rexel, on the one hand, and CALYON, the Royal Bank of Scotland plc, Merrill Lynch International, BNP Paribas, HSBC Bank plc, Natixis, Crédit Industriel et Commercial (CIC), ING Bank N.V., London Branch, Société Générale and Bayerische Landesbank, on the other hand. Rexel Développement S.A.S., Rexel Distribution, Rexel France, Hagemeyer Deutschland GmbH & Co. KG, Rexel Belgium SA, Elektro-Material A.G., Rexel Nederland B.V., Elektroskandia Norge AS, Elektroskandia Suomi Oy, Svenska Elgrossist AB Selga, International Electric Supply Corp., Rexel, Inc., General Supply & Services Inc. and Rexel North America Inc. acceded to this agreement through accession letters dated January 20, 2010. On December 21, 2009, Rexel carried out the 2009 Bond Issuance, referred to above. Rexel wished to carry out an additional bond issuance for an amount of €75 million (the **"2010 Complementary Bond Issuance"**), thus increasing the amount of the 2009 Bond Issuance to €650 million. The agreement provides for the terms under which Rexel undertook to issue, and the Banks I undertook to underwrite the additional bonds. This agreement was authorized by the Supervisory Board during its January 8, 2010 meeting;
- An Amended and Restated Agency Agreement, entered into on January 20, 2010 between Rexel, Rexel Développement S.A.S., Rexel Distribution, Rexel France, Hagemeyer Deutschland GmbH & Co. KG, Rexel Belgium SA, Elektro-Material A.G., Rexel Nederland B.V., Elektroskandia Norge AS, Elektroskandia Suomi Oy, Svenska Elgrossist AB Selga, International Electric Supply Corp., Rexel, Inc., General Supply & Services Inc., Rexel North America Inc., BNP Paribas Trust Corporation UK Limited and CACEIS Bank Luxembourg. On December 21, 2009, Rexel carried out the 2009 Bond Issuance. An Agency Agreement entered into on December 21, 2009, provided for the terms under which CACEIS Bank Luxembourg undertook to act in the capacity of Registrar and of Paying Agent in the scope of the said bond issuance. Rexel wished to carry out the 2010 Complementary Bond Issuance. The Amended and Restated Agency Agreement amends and supersedes the Agency Agreement. It provides for the terms under which CACEIS Bank Luxembourg undertook to act in the capacity of Registrar and of Paying Agent in the scope of the bond issuance. This agreement was authorized by the Supervisory Board during its January 8, 2010 meeting;
- A First Supplemental Trust Deed, entered into on January 20, 2010 between Rexel, Rexel Développement S.A.S., Rexel Distribution, Rexel France, Hagemeyer Deutschland GmbH & Co. KG, Rexel Belgium SA, Elektro-Material A.G., Rexel Nederland B.V., Elektroskandia Norge AS, Elektroskandia Suomi Oy, Svenska Elgrossist AB Selga, International Electric Supply Corp., Rexel, Inc., General Supply & Services Inc., Rexel North America Inc., Compagnie de Distribution de Matériel Electrique B.V., Finelec Développement SA and BNP the 2009 Bond Issuance. A Trust Deed entered into on December 21, 2009, provided for the terms under which BNP Paribas Trust Corporation undertook to act in the capacity of Trustee in the scope of the said bond issuance. Rexel wished to carry out the 2010 Complementary Bond Issuance. The First Supplemental Trust Deed provides for the terms under which BNP Paribas Trust Corporation undertook to act in the capacity of Trustee in the scope of the issuance of the additional bonds. This agreement was authorized by the Supervisory Board during its January 8, 2010 meeting;
- An amendment to the defined benefit retirement plan effective within Rexel as from July 1, 2009, signed April 29, 2011. This amendment aims at harmonizing such plan with the legal modifications regarding the minimum age and the required age for the payment at full rate of the retirement rights of the base regime of the French Social Security. This amendment was authorized by the Supervisory Board during its February 8, 2011 meeting;
- A Purchase Agreement entered into on May 24, 2011, between Rexel, on the one hand, and BNP Paribas, HSBC and Société Générale (the **"Banks II"**), on the other hand. Rexel Développement, Rexel Distribution, Rexel France S.A.S., Hagemeyer Deutschland GmbH & Co KG, Rexel Belgium, Elektro-Material A.G., Rexel Nederland B.V. (formerly Hagemeyer Nederland B.V), Elektroskandia Norge AS, Elektroskandia Suomi Oy, Svenska Elgrossist AB Selga, Rexel Holdings USA Corp. (formerly International Electrical Supply Corp.), Rexel, Inc., General Supply & Services Inc. and Rexel North America, Inc. acceded to this agreement through accession letters dated May 27, 2011. This agreement

was concluded in the context of the carrying out by Rexel of a bond issuance for an amount of €500 million represented by unsecured senior notes bearing interest at a rate of 7%, maturing on December 17, 2018 (the **"2011 Bond Issuance"**). The agreement provides for the terms under which Rexel undertook to issue the bonds, and the Banks II undertook to place the issued bonds, and in the event of a lack of subscribers, to underwrite the non placed bonds. This agreement was authorized by the Supervisory Board during its May 11, 2011 meeting;

– A Trust Deed, entered into on May 27, 2011 between Rexel, Rexel Développement, Rexel Distribution, Rexel France SAS, Hagemeyer Deutschland GmbH & Co KG, Rexel Belgium, Elektro-Material A.G., Rexel Nederland B.V. (formerly Hagemeyer Nederland B.V.), Elektroskandia Norge AS, Elektroskandia Suomi Oy, Svenska Elgrossist AB Selga, Rexel Holdings USA Corp. (formerly International Electrical Supply Corp.), Rexel, Inc., General Supply & Services Inc., Rexel North America, Inc., Finelec Développement SA, Compagnie de Distribution de Matériel Electrique B.V. and BNP Paribas Trust Corporation UK Limited. This agreement was concluded in the context of the 2011 Bond Issuance carried out by Rexel. It provides for the terms under which BNP Paribas Trust Corporation UK Limited undertook to act in the capacity of Trustee in the scope of the issuance of such bonds. This agreement was authorized by the Supervisory Board during its May 11, 2011 meeting;

– An Agency Agreement, entered into on May 27, 2011 between Rexel, Rexel Développement, Rexel Distribution, Rexel France SAS, Hagemeyer Deutschland GmbH & Co KG, Rexel Belgium, Elektro-Material A.G., Rexel Nederland B.V. (formerly Hagemeyer Nederland B.V.), Elektroskandia Norge AS, Elektroskandia Suomi Oy, Svenska Elgrossist AB Selga, Rexel Holdings USA Corp. (formerly International Electrical Supply Corp.), Rexel, Inc., General Supply & Services Inc., Rexel North America, Inc., BNP Paribas Trust Corporation UK Limited and CACEIS Bank Luxembourg. This agreement was concluded in the context of the 2011 Bond Issuance carried out by Rexel, referred to above. It provides for the terms under which CACEIS Bank Luxembourg undertook to act in the capacity of Registrar and of Principal Paying Agent in the scope of the issuance of the bonds. This agreement was authorized by the Supervisory Board during its May 11, 2011 meeting;

– An amendment to the Senior Credit Agreement in force as of December 17, 2009 and entered into on April 21, 2011 between Rexel, on the one hand, Bank of America Securities Limited, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Crédit Industriel et Commercial, HSBC France, ING Belgium SA, Natixis, The Royal Bank of Scotland plc, Société Générale Corporate and Investment Banking, on the other hand, Crédit Agricole Corporate and Investment Bank and Rexel Développement, Rexel Distribution, Rexel France S.A.S., Hagemeyer Deutschland GmbH & Co KG, Rexel Belgium, Elektro-Material A.G., Rexel Nederland B.V. (formerly Hagemeyer Nederland B.V.), Elektroskandia Norge AS, Elektroskandia Suomi Oy, Svenska Elgrossist AB Selga, Rexel Holdings USA Corp. (formerly International Electrical Supply Corp.), Rexel, Inc., General Supply & Services Inc., Rexel North America, Inc, on the third part. This amendment aims to permit the use of the product of a bond issuance as voluntary anticipated reimbursement of the sums due under the Senior Credit Agreement, without proceeding to the concomitant cancellation of the Lenders' Commitments under the Senior Credit Agreement up to the sums reimbursed thereof. This amendment has been authorized by the Supervisory Board during its April 8, 2011 meeting;

– The complementary retirement undertakings taken by Rexel to the benefit of Rudy Provoost under the supplementary defined benefit retirement plan effective as from July 1, 2009, it being specified that the terms and conditions of the supplementary defined benefit retirement plan (article 39) installed by the Company have already been authorized by the Supervisory Board of the Company. These undertakings have been authorized by the Supervisory Board during its October 6, 2011 meeting;

– An amendment to the defined benefit retirement plan effective as from July 1, 2009. This amendment aims at harmonizing such plan with certain provisions of the social security regulation. This amendment was authorized by the Supervisory Board during its March 16, 2010 meeting;

– A bilateral facility agreement between Rexel as borrower, Rexel Distribution as guarantor and Bayerische Landesbank as lender for an amount of €40,000,000. Rexel's indirect subsidiary, Rexel Distribution, acts in the capacity of guarantor for the amount lent in order to guarantee the obligations of Rexel under the facility agreement. This is a term loan. This agreement was authorized by the Supervisory Board during its July 27, 2010 meeting;

– The compensation agreements of certain subsidiaries of Rexel under the guarantees granted in connection with the senior credit agreement of an amount of €1.7 billion, entered into on December 17, 2009 referred to above and of the 2009 Bond Issuance and the 2010 Complementary Bond Issuance. Under these compensation agreements entered into between Rexel and its guarantor subsidiaries (Rexel Développement SAS, Rexel Distribution, Rexel France, Hagemeyer Deutschland GmbH & Co KG, Rexel Belgium, Elektro-Material A.G., Rexel Nederland B.V., Elektroskandia Norge AS, Elektroskandia Suomi Oy, Svenska Elgrossist

AB Selga, International Electrical Supply Corp., Rexel, Inc., General Supply & Services Inc. and Rexel North America Inc.) (the **"Guarantors"**), Rexel compensates such Guarantors in respect of the guarantee granted by each of them. The yearly compensation thus stipulated is calculated on the basis of the maximum amount that the relevant Guarantor may be requested to pay under the granted guarantee. These agreements were authorized by the Supervisory Board during its November 9, 2010 meeting;

- The Cooperation Agreement entered into on April 4, 2007. This agreement was authorized by the Supervisory Board during its April 4, 2007 meeting;
- A defined-benefit pension plan agreement to become effective on July 1, 2009, authorized by the Supervisory Board during its March 30, 2009 meeting.

Ordinary agreements entered into by Rexel under ordinary terms:

- Two long-term facility agreements between Rexel Holdings USA Corp. and Rexel entered into on March 1, 2010;
- A long-term facility agreement between Elektro Material AG and Rexel entered into on March 1, 2010;
- A long-term facility agreement between Elektroskandia Norway Holding AG and Rexel entered into on March 1, 2010;
- A long-term facility agreement between Hagemeyer Finance BV branch in Finland and Rexel entered into on March 1, 2010;
- A long-term facility agreement between Rexel Développement SAS and Rexel entered into on November 29, 2010 and terminated in 2012;
- A long-term facility agreement between Svenska Selga Elgrossit AB Selga and Rexel entered into on March 1, 2010;
- A long-term facility agreement between Redeal and Rexel entered into on March 1, 2010;
- Two facility agreements between Rexel Développement SAS and Rexel entered into on March 1, 2010;
- Renewal of the tax integration option pursuant to which Rexel has become solely liable for corporate tax *(impôt sur les sociétés)*, for the social contribution on corporate profits pursuant to article 223 ter ZC of the French general tax Code and for the yearly flat-rate tax *(imposition forfaitaire annuelle)*, owed by the group formed by Rexel and the subsidiaries held directly or indirectly at least at 95% of the share capital and having agreed thereto, pursuant to articles 223 A *et seq.* of the French general tax code;
- A Current Account Agreement entered into between Rexel Développement SAS, cash pooling entity of the Rexel Group, and Rexel, dated March 1, 2010;
- An amendment to the Current Account Agreement entered into between Rexel Distribution (merged into Rexel Développement SAS), cash pooling entity of the Rexel Group, and Rexel, dated March 1, 2010, providing for the option for Rexel Développement SAS to offset debts against receivables due by group companies having entered into similar current account agreements with Rexel Développement SAS;
- A current Account Agreement entered into between Rexel Développement SAS, cash pooling entity of the Rexel Group, and Rexel, dated January 3, 2012;
- A tax integration agreement entered into on May 9 and May 24, 2012 between Rexel and each of the companies included in the tax integration perimeter of the Rexel Group since January 1, 2005 under the conditions and forms required under article 223 A *et seq.* of the French general tax code;
- A long-term facility agreement between Rexel Holdings USA Corp. and Rexel entered into on June 25, 2012 (the **"Loan"**);
- An amendment to the Loan entered into between Rexel Holdings USA Corp. and Rexel, providing for an additional loan dated November 23, 2012;
- A services agreement between Rexel Développement SAS and Rexel entered into on July 27, 2012.

7.5.2 Special reports of the Statutory Auditors in relation to related party agreements

7.5.2.1 Special report of the Statutory Auditors in relation to the related party agreements for 2012

This is a free translation into English of the Statutory Auditors' special report on related party agreements and commitments issued in French and it is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Commissaire aux comptes
Membre de la compagnie régionale de Versailles

Ernst & Young Audit
1/2, place des Saisons
92400 Courbevoie – Paris La Défense 1
S.A.S. à capital variable

Commissaire aux comptes
Membre de la compagnie régionale de Versailles

To the Shareholders,

Rexel
189 – 193, bd Malesherbes
75017 Paris

Statutory auditors' special report on related party agreements and commitments
(Shareholders' Meeting for the approval of the financial statements for the year ended December 31, 2012)

In our capacity as Statutory Auditors of your Company, we hereby report to you on related party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of article R.225-58 of the French Commercial Code *(Code de commerce)*, it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable it is also our responsibility to provide shareholders with the information required by article R.225-58 of the French Commercial Code *(Code de commerce)* in relation to the implementation during the year of agreements and commitments already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

AGREEMENTS AND COMMITMENTS TO BE SUBMITTED FOR THE APPROVAL OF THE SHAREHOLDERS' MEETING

Agreements and commitments authorized during the year

In accordance with article L.225-88 of the French Commercial Code *(Code de commerce)*, we were informed of the following agreements and commitments which received prior authorization from your Supervisory Board.

1. 2012 Bond Issuance

Related parties

Rudy Provoost, in his capacity as Chairman of the Management Board of your Company (in turn Chairman of Rexel Développement), Chairman and director of Rexel North America Inc., Chairman and director of Rexel Holdings USA Corp., and director of Rexel France.

Michel Favre, in his capacity as member of the Management Board of your Company and director of Rexel France, Rexel Sverige A.B., Elektroskandia Norge A.S.

Nature and purpose

On March 14, 2012, your Supervisory Board authorized a bond issuance of a minimum nominal amount of USD 300 million and a maximum amount of USD 500 million, represented by unsecured senior high-yield notes in the United States which bear interest annually at a maximum rate of 7.5% and have a maturity of between seven and nine years.

On April 12, 2012, your Supervisory Board authorized an additional issuance of high-yield notes in the United States for a maximum amount of USD 100 million. These new bonds are similar to the bonds described above.

In the context of the 2012 Bond Issuance by your Company, several agreements have been entered into, in accordance with the following terms and conditions:

a) Purchase Agreement

A Purchase Agreement was entered into on March 21, 2012 between your Company, on the one hand, and the Guarantors and the Banks, on the other hand. This agreement was entered into within the framework of a bond issuance in the amount of USD 400 million, represented by unsecured senior notes which bear interest annually at 6.125% and are redeemable on December 15, 2019.

The Purchase Agreement provides the terms and conditions under which your Company has undertaken to issue these bonds and the Banks have undertaken to purchase them.

b) Indenture

An Indenture was entered into on March 28, 2012 between Rexel, the Guarantors and the Bank of New York Mellon. The Indenture provides the terms and conditions under which the Bank of New York Mellon has undertaken to act as Trustee within the framework of the bond issuances.

The Indenture includes all the terms and conditions governing the bonds and customary clauses for this type of agreement, inter alia a set of representations and guarantees granted by the Company and the Guarantors, an indemnification undertaking by your Company and each of the Guarantors in favor of the Bank of New York Mellon and a termination clause that allows the Bank of New York Mellon to terminate the Indenture in the case of certain material events.

c) New Purchase Agreement

A new Purchase Agreement was entered into on April 16, 2012 between your Company, on the one hand, and the Guarantors and the Banks, on the other hand. This Purchase Agreement was entered into within the framework of an additional bond issuance of USD 100 million, increasing the 2012 Bond Issuance to USD 500 million. The new Purchase Agreement provides the terms and conditions under which your Company has undertaken to issue these additional bonds and the Banks have undertaken to purchase them. The newly issued bonds rank pari passu to and are fungible with the existing bonds.

The Purchase Agreements have been signed by the following banks: Barclays Capital Inc., Merrill Lynch, Pierce, Fenner and Smith Incorporated, RBS Securities Inc., BNP Paribas Securities Corp. and Crédit Agricole Corporate and Investment Bank.

The Purchase Agreements include customary clauses for this type of agreement, *inter alia* a set of representations and guarantees granted by the Company and the Guarantors, the terms of completion of the bond issuance, an indemnification undertaking by your Company and each of the Guarantors in favor of the Banks and a termination clause that allows the Banks to terminate the transaction in the case of material events.

The Purchase Agreements and the Indenture have been signed by the following Guarantors: Rexel Développement SAS, Rexel France, Hagemeyer Deutschland GmbH & Co. K.G., Rexel Belgium N.V., Elektro-Material A.G., Rexel Nederland B.V. (formerly Hagemeyer Nederland B.V.), Elektroskandia Norge AS, Elektroskandia Suomi Oy, Svenska Elgrossist AB Selga, Rexel Holdings USA Corp., Rexel Inc., General Supply & Services Inc. and Rexel North America Inc. which became parties to these agreements through deeds of accession dated March 28, 2012 and April 23, 2012.

Conditions

As at December 31, 2012, the debt recorded in your Company's balance sheet with respect to the 2012 Bond Issuance amounted to €379.0 million.

In 2012, the financial expense recorded in your Company's income statement with respect to these agreements amounted to €17.6 million.

2. Rebilling agreements related to the 2011 share repurchase plan

Related parties

Rudy Provoost, in his capacity as Chairman of the Management Board of your Company (in turn Chairman of Rexel Développement) and director of Rexel France.

Michel Favre, in his capacity as member of the Management Board of your Company and director of Rexel France.

Nature and purpose

On February 8, 2012, your Supervisory Board authorized two rebilling agreements entered into on March 14 and March 15, 2012 between your Company and the companies Rexel Développement S.A.S. and Rexel France, respectively. These agreements were entered into within the framework of the implementation of the 2011 share repurchase plan authorized by the Shareholders' Meeting on May 19, 2011. The purpose of these agreements is to charge to Rexel Développement S.A.S. and Rexel France the cost of repurchasing the shares acquired by your Company for the purpose of delivering existing shares to the employees of these two companies designated as beneficiaries of the free share plans set up by the Management Board on May 11, 2010, May 12, 2011 and October 11, 2011.

Conditions

In 2012, recharged amounts recognized with respect to the free share plan under set up on May 11, 2010 amounted to €2.7 million for Rexel Développment S.A.S. and €1.3 million for Rexel France.

No amounts were recharged in 2012 with respect to the free share plans set up on May 12 and October 11, 2011.

3. Rebilling agreements related to the 2012 share repurchase plan

Related parties

Rudy Provoost, in his capacity as Chairman of the Management Board of your Company (in turn Chairman of Rexel Développement) and director of Rexel France.

Michel Favre, in his capacity as member of the Management Board of your Company and director of Rexel France.

Nature and purpose

On October 30, 2012, your Supervisory Board authorized two rebilling agreements entered into on November 23 and November 27, 2012 between your Company and the companies Rexel Développement S.A.S. and Rexel France, respectively. These agreements were entered into within the framework of the implementation of the 2012 share repurchase plan authorized by the Shareholders' Meeting on May 16, 2012. The purpose of these agreements is to charge to Rexel Développement S.A.S. and Rexel France the cost of repurchasing the shares acquired by your Company for the purpose of delivering existing shares to the employees of these two companies designed as beneficiaries of the free share plans set up by the Management Board on May 12, 2011, October 11, 2011, May 2, 2012 and July 26, 2012.

Conditions

This agreement had no impact on the financial statements of your Company for the financial year ended December 31, 2012.

Agreements and commitments with no prior authorization

In accordance with article L.225-90 of the French Commercial Code *(Code de commerce)*, we inform you that the following agreement did not receive prior authorization from your Supervisory Board.

Amendment to the Secondary Offering Cooperation Agreement

Related parties

Your Company, Ray Investment SARL, as a shareholder holding more than 10% of the voting rights, and the shareholders of Ray Investment SARL.

Nature and purpose

An amendment to the Secondary Offering Cooperation Agreement of April 4, 2007 was entered into on July 2, 2012. This amendment sets out the conditions for cooperation between the parties in the event shares are sold through accelerated bookbuilding, insofar as the transaction generates income of at least €75 million.

This amendment was entered into under time constraints that prevented the Supervisory Board from authorizing it in advance in accordance with the provisions of articles L.225-86 *et seq.* of the French Commercial Code *(Code de commerce)*.

Conditions

This agreement had no impact on the financial statements of your Company for the financial year ended December 31, 2012.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

Agreements and commitments approved in prior years

a) Which remained in force during the year

In accordance with Article R.225-57 of the French Commercial Code *(Code de commerce)*, we have been advised that the implementation of the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years continued during the year.

1. 2009 Senior Credit Agreement

Nature and purpose

On December 2, 2009 and December 10, 2009, your Supervisory Board authorized a new Senior Credit Agreement entered into by your Company on December 17, 2009 for a principal amount of €1,700 million between Rexel, on the one hand, Bank of America Securities Limited, BNP Paribas, Calyon, Crédit Industriel et Commercial, HSBC France, ING Belgium S.A., Natixis, The Royal Bank of Scotland plc, and Société Générale Corporate and Investment Banking, in their capacity as "Lenders", on the other hand, as well as Calyon, in its capacity as "Facilities Agent".

The agreement provides that Rexel's subsidiaries (Rexel Développement S.A.S., Rexel Distribution [merged into Rexel Développement on July 26, 2011]), Rexel France, Hagemeyer Deutschland GmbH & Co. K.G., Rexel Belgium S.A., Elektro-Material A.G., Hagemeyer Nederland B.V. [renamed Rexel Nederland B.V.], Elektroskandia Norge A.S., Elektroskandia Suomi Oy, Svenska Elgrossist AB Selga, International Electric Supply Corp. [renamed Rexel Holdings USA Corp.], Rexel Inc., General Supply & Services Inc. and Rexel North America Inc.) will guarantee the obligations of the Company in their capacity as Guarantors.

Conditions

As at December 31, 2012, Facility A, in a maximum amount of €600 million, has expired and is no longer available. The entire amount of Facility B, in a maximum amount of €1,100 million and reduced to €1,074.1 million in 2010, remains unused.

In 2012, the financial expense recorded in your Company's income statement with respect to these agreements amounted to €1.8 million.

2. Bilateral facility agreement

Nature and purpose

On July 27, 2010, the Supervisory Board authorized the signing of a loan agreement for an amount of €40 million with Bayerische Landesbank as lender, your Company as borrower and Rexel Distribution (merged into Rexel Développement on July 26, 2011) as guarantor. The indirect subsidiary of your Company, Rexel Distribution (merged into Rexel Développement on July 26, 2011), acts in the capacity of guarantor for the amount lent in order to guarantee the obligations of Rexel under the facility agreement. This is a term loan for which the maturity date is December 17, 2014.

Conditions

As at December 31, 2012, the debt recorded in your Company's balance sheet with respect to this bilateral facility agreement amounted to €25.9 million. The loan bears interest at the EURIBOR rate, increased by a margin which depends on debt ratio.

In 2012, the financial expense recorded in your Company's income statement with respect to this agreement amounted to €0.9 million.

3. 2009 Bond Issuance (Purchase Agreement, Indenture, Service Agreement) and the 2010 Additional Bond Issuance

3.1 – 2009 Bond Issuance

Nature and purpose

On December 2, 2009 and December 10, 2009, your Supervisory Board authorized the 2009 Bond Issuance, in a nominal amount of €575 million, represented by unsecured senior high-yield notes which bear interest annually at 8.25% and are redeemable on December 15, 2016.

In the context of the 2009 Bond Issuance by your Company, several agreements have been entered into, in accordance with the following terms and conditions:

a) Purchase Agreement

The Purchase Agreement was entered into on December 11, 2009, between your Company and the Guarantors, on the one hand, and the Banks, on the other hand. The Purchase Agreement provides the terms and conditions under which your Company has undertaken to issue the bonds and the Banks have undertaken to underwrite the bonds, and in the event of a lack of sufficient subscribers, to subscribe to the bonds not underwritten.

The Purchase Agreement has been signed by the following banks: Calyon, the Royal Bank of Scotland plc, Merill Lynch International, BNP Paribas, HSBC Bank plc, Natixis, Crédit Industriel et Commercial (CIC), ING Bank N.V., London Branch, Société Générale and Bayerische Landesbank.

The Purchase Agreement includes customary clauses for this type of agreement, *inter alia* a set of representations and guarantees granted by your Company and the Guarantors, the terms of completion of the bond issuance, the payment of the Banks' fees for their services, an indemnification undertaking by your Company and each of the Guarantors in favor of the Banks and a termination clause that allows the Banks to terminate the transaction in the case of material events.

b) Indenture

The Indenture was entered into on December 21, 2009 between your Company, the Guarantors and BNP Paribas Trust Corporation UK Limited. It provides the terms and conditions under which BNP Paribas Trust Corporation UK Limited will guarantee the undertakings of the Company in connection with the bonds.

The Indenture includes customary clauses for this type of agreement, *inter alia* a set of representations and guarantees granted by your Company and the Guarantors, an indemnification undertaking by your Company and each of the Guarantors in favor of BNP Paribas Trust Corporation UK Limited and a termination clause that allows BNP Paribas Trust Corporation UK Limited to terminate the Indenture in the case of certain events.

c) Service Agreement

The Service Agreement was entered into on December 21, 2009 between your Company, the Guarantors and CACEIS Bank Luxembourg. It provides the terms and conditions under which CACEIS Bank Luxembourg will act as Registrar and Paying Agent in the name and on behalf of your Company and of the Guarantors in connection with the bond issuance. Thus, CACEIS Bank Luxembourg is in charge of the effective completion of the issuance of the bonds and their admission to trading on the regulated market of the Luxembourg stock exchange and, following such admission, for making the various payments due by your Company and/or the Guarantors with respect to the bonds (including the payment of interest, redemption or early redemption).

The Service Agreement includes customary clauses for this type of agreement, *inter alia* the description of services to be carried out by CACEIS Bank Luxembourg as well as an indemnification undertaking by your Company and the Guarantors in favor of CACEIS Bank Luxembourg and the terms of termination of the Service Agreement.

The Purchase Agreement, the Indenture and the Service Agreement have been signed by the following Guarantors: Rexel Développement S.A.S., Rexel Distribution (merged into Rexel Développement on July 26, 2011), Rexel France, Hagemeyer Deutschland GmbH & Co. K.G., Rexel Belgium S.A., Elektro-Material A.G., Hagemeyer Nederland B.V. (renamed Rexel Nederland B.V.), Elektroskandia Norge A.S., Elektroskandia Suomi Oy, Svenska Elgrossist AB Selga, International Electric Supply Corp. (renamed Rexel Holdings USA Corp.), Rexel Inc., General Supply & Services Inc. and Rexel North America Inc.

Compagnie de Distribution de Matériel Electrique BV and Finelec Développement S.A. are also parties to the Indenture.

3.2 – 2010 Additional Bond Issuance

Nature and purpose

On January 8, 2010, the Supervisory Board authorized an additional bond issuance in a nominal amount of €75 million, represented by unsecured senior high-yield notes which bear interest annually at 8.25% and are redeemable on December 15, 2016.

In the context of the Additional Bond Issuance by your Company, several agreements have been entered into, in accordance with the following terms and conditions:

a) 2010 Purchase Agreement

The Purchase Agreement was entered into on January 8, 2010, between your Company and the Guarantors, on the one hand, and the Banks, on the other hand. The Purchase Agreement provides the terms and conditions under which your Company has undertaken to issue the new bonds, and the Banks have undertaken to underwrite the new bonds, and in the event of a lack of sufficient subscribers, to subscribe to the new bonds not underwritten.

The Purchase Agreement has been signed by the following banks: Calyon, the Royal Bank of Scotland plc, Merill Lynch International, BNP Paribas, HSBC Bank plc, Natixis, Crédit Industriel et Commercial (CIC), ING Bank N.V., London Branch, Société Générale and Bayerische Landesbank.

The Purchase Agreement includes customary clauses for this type of agreement, *inter alia* a set of representations and guarantees granted by your Company and the Guarantors, the terms of completion of the issuance of the new bonds, the payment of the Banks' fees for their services, an indemnification undertaking by your Company and each of the Guarantors in favor of the Banks and a termination clause that allows the Banks to terminate the transaction in the case of material events.

b) Amended and Restated Service Agreement

The Amended and Restated Service Agreement was entered into on January 20, 2010 between your Company, the Guarantors, CACEIS Bank Luxembourg and BNP Trust Corporation UK. It provides the terms and conditions under which the new bonds will be issued and admitted to trading on the Euro MTF market, and it extends the terms of the Service Agreement (payments by the Company and/or the Guarantors with respect to the Bonds, including the payment of interest, redemption or early redemption, etc.) to these new bonds.

The Amended and Restated Service Agreement includes customary clauses for this type of agreement, including the description of services to be carried out by CACEIS Bank Luxembourg as well as an indemnification undertaking by your Company and the Guarantors in favor of CACEIS Bank Luxembourg and the terms of termination of the Service Agreement.

c) Supplemental Indenture

The Supplemental Indenture was entered into on January 20, 2010 between your Company, the Guarantors and BNP Paribas Trust Corporation UK Limited. The Supplemental Indenture aims at extending the application of the terms of the Indenture entered into on December 21, 2009 to the new bonds.

In particular, it includes provisions which extend the payment commitment granted by each Guarantor to the new bonds with respect to the bonds. Under the payment commitment, the Guarantors guarantee, jointly and severally, without subordination, all of your Company's payment commitments related to the bonds and the Indenture (including the Supplemental Indenture).

The payment commitment includes customary clauses for this type of commitment, including those related to the Guarantors' right of recourse against your Company and among themselves. It also includes restrictions for your Company and the Guarantors on some operations (mergers, spin-offs, transfers of assets).

The Purchase Agreement, the Supplemental Indenture and the Amended and Restated Service Agreement have been signed by the following Guarantors: Rexel Développement S.A.S., Rexel Distribution (merged into Rexel Développement on July 26, 2011), Rexel France, Hagemeyer Deutschland GmbH & Co. K.G., Rexel Belgium S.A., Elektro-Material A.G., Rexel Nederland B.V., Elektroskandia Norge A.S., Elektroskandia Suomi Oy, Svenska Elgrossist AB Selga, International Electric Supply Corp. (renamed Rexel Holdings USA Corp.), Rexel Inc., General Supply & Services Inc. and Rexel North America Inc.

Compagnie de Distribution de Matériel Electrique B.V. and Finelec Développement S.A. are also parties to the Supplemental Indenture.

Conditions

As at December 31, 2012, the debt recorded in your Company's balance sheet with respect to the 2009 Bond Issuance and the 2010 Additional Bond Issuance amounted to €586.3 million following the early redemption of the bonds for €63.8 million in 2012.

In 2012, the financial expense recorded in your Company's income statement with respect to these agreements amounted to €50.5 million. In addition, the early redemption resulted in a loss of €5.9 million.

4. 2011 Bond Issuance (Purchase Agreement, Indenture, Service Agreement)

Nature and purpose

On May 11, 2011, the Supervisory Board authorized a bond issuance of €500 million , represented by unsecured senior high-yield notes of your Company which bear interest annually at 7% and are redeemable on December 17, 2018. In the context of the bond issuance by your Company, several agreements have been entered into, in accordance with the following terms and conditions:

a) Purchase Agreement

The Purchase Agreement was entered into on May 24, 2011, between your Company and the Guarantors, on the one hand, and the Banks, on the other hand. The Purchase Agreement provides the terms and conditions under which your Company has undertaken to issue the bonds and the Banks have undertaken to underwrite the bonds, and in the event of a lack of sufficient subscribers, to subscribe to the bonds not underwritten.

The Purchase Agreement has been signed by the following banks: BNP Paribas, HSBC and Société Générale.

The Purchase Agreement includes customary clauses for this type of agreement, *inter alia* a set of representations and guarantees granted by the Company and the Guarantors, the terms of completion of the bond issuance, the payment of the Banks' fees for their services, an indemnification undertaking by your Company and each of the Guarantors in favor of the Banks and a termination clause that allows the Banks to terminate the transaction in the case of material events.

b) Indenture

The Indenture was entered into on May 27, 2011 between your Company, the Guarantors and BNP Paribas Trust Corporation UK Limited. It provides the terms and conditions under which BNP Paribas Trust Corporation UK Limited will guarantee the undertakings of the Company in connection with the bonds.

The Indenture includes customary clauses for this type of agreement, *inter alia* a set of representations and guarantees granted by the Company and the Guarantors, an indemnification undertaking by your Company and each of the Guarantors in favor of BNP Paribas Trust Corporation UK Limited and a termination clause that allows BNP Paribas Trust Corporation UK Limited to terminate the Indenture in the case of certain events.

c) Service Agreement

The Service Agreement was entered into on May 27, 2011 between your Company, the Guarantors, BNP Paribas Trust Corporation UK Limited and CACEIS Bank Luxembourg. It provides the terms and conditions under which CACEIS Bank Luxembourg undertook to act in the capacity of Registrar and Principal Paying Agent in the name and on behalf of your Company and of the Guarantors in the scope of the bond issuance.

Thus, CACEIS Bank Luxembourg is in charge of the effective completion of the issuance of the bonds and their admission to trading on the regulated market of the Luxembourg stock exchange and, following such admission, for making the various payments due by your Company and/or the Guarantors with respect to the bonds (including the payment of interest, redemption or early redemption).

The Service Agreement includes customary clauses for this type of agreement, including the description of services to be carried out by CACEIS Bank Luxembourg as well as an indemnification undertaking by your Company and the Guarantors in favor of CACEIS Bank Luxembourg and the terms of termination of the Service Agreement.

The Purchase Agreement, the Indenture and the Service Agreement have been signed by the following Guarantors: Rexel Développement S.A.S., Rexel Distribution (merged into Rexel Développement on July 26, 2011), Rexel France, Hagemeyer Deutschland GmbH & Co. K.G., Rexel Belgium S.A., Elektro-Material A.G., Hagemeyer Nederland B.V. (formerly Hagemeyer Nederland BV), Elektroskandia Norge A.S., Elektroskandia Suomi Oy, Svenska Elgrossist AB Selga, Rexel Holdings USA Corp., Rexel Inc., General Supply & Services Inc. and Rexel North America Inc.

Compagnie de Distribution de Matériel Electrique B.V. and Finelec Développement S.A. are also parties to the Indenture.

Conditions

As at December 31, 2012, the debt recorded in your Company's balance sheet with respect to the bond issuance amounted to €488.8 million.

In 2012, the financial expense recorded in your Company's income statement with respect to this agreement amounted to €34.4 million.

5. Compensation agreements between Rexel and certain subsidiaries

Nature and purpose

On November 9, 2010, your Supervisory Board authorized the signing of compensation agreements between Rexel and certain subsidiaries with respect to the guarantees granted in connection with the Senior Credit Agreement in an amount of €1.7 billion, entered into on December 17, 2009, the bond issuance of €575 million and the Additional Bond Issuance of €75 million.

Under these compensation agreements entered into between your Company and its guarantor subsidiaries (Rexel Développement S.A.S., Rexel Distribution [merged into Rexel Développement on July 26, 2011], Rexel France, Hagemeyer Deutschland GmbH & Co. K.G., Rexel Belgium, Elektro-Material A.G., Rexel Nederland B.V., Elektroskandia Norge A.S., Elektroskandia Suomi Oy, Svenska Elgrossist AB Selga, International Electric Supply Corp. [renamed Rexel Holdings USA Corp.], Rexel Inc., General Supply & Services Inc. and Rexel North America Inc.) (the "Guarantors"), your Company compensates such Guarantors in respect of the guarantee granted by each of them. The yearly compensation thus stipulated is calculated on the basis of the maximum amount that the relevant Guarantor may be requested to pay under the granted guarantee.

Conditions

In 2012, the financial expense recorded in your Company's income statement in respect of this agreement amounted to €14 million.

6. Commitments in favor of the members of your Company's Management Board in the event of termination of their duties

Nature and purpose

On May 19, 2011 and October 6, 2011, your Supervisory Board authorized the financial terms and conditions that would apply in the event of a termination of the duties of the members of the Management Board and the performance targets in relation to deferred items of compensation, in accordance with article L.225-90-1 of the French Commercial Code *(Code de commerce)* and pursuant to the "TEPA" law dated August 21, 2007.

1. Severance packages would be determined as follows:

    a) In the event that his corporate functions are terminated, Rudy Provoost would benefit from a contractual indemnity equal to 24 months of his monthly reference compensation. The monthly reference compensation is defined as the fixed gross annual compensation, plus the gross average of the last two bonus payments received, with the exception of any exceptional bonuses, divided by 12 months. This indemnity is not applicable in the case of retirement leave or compulsory retirement leave.
    In addition, regardless of the cause of departure from Rexel, a non-compete clause is stipulated. This non-compete undertaking is limited to a period of 12 months from the date of the termination of the corporate function. As consideration, the monthly non-compete payment is equal to one twelfth of his gross fixed annual compensation. This compensatory non-compete is included, when appropriate, in the contractual indemnity described above.

    b) In the event of a termination in an employment agreement at the request of the employer following the end of their duties as a corporate officer, and except in the case of serious misconduct *(faute grave)* or willful misconduct *(faute lourde)*, Pascal Martin, Jean-Dominique Perret and Michel Favre would benefit from a contractual indemnity equal to 18 months of their monthly reference compensation in their capacities as corporate officers and as employees of the Company. The monthly reference compensation is defined as the gross annual fixed compensation applicable in the month prior to the effective redundancy date, plus the gross average of the last two bonus payments received, with the exception of any exceptional bonuses, divided by 12 months.
    This gross indemnity includes the statutory severance indemnity (indemnité de licenciement légale) or the severance indemnity pursuant to the collective bargaining agreement (indemnité conventionnelle de licenciement) due, as well as, where applicable, the compensatory non-compete indemnity. It shall not apply in the event of a retirement leave or compulsory retirement leave. In such cases, only the severance indemnity pursuant to the collective bargaining agreement will be due and, where applicable, the compensatory non-compete indemnity.
    This non-competition undertaking is limited to a period of 12 months from the date of the termination of the employment contract. As consideration, the monthly non-competition payment is equal to one twelfth of his gross fixed annual compensation.
    The notice period for breach of contract is eight months. The compensation in lieu of notice is equal to eight months of the last compensation paid, for the duties as corporate officer or employee of the Company, whichever is higher.

2. The severance packages which would be paid to Rudy Provoost, Pascal Martin, Jean-Dominique Perret and Michel Favre, excluding the compensatory non-compete indemnity, would be subject to the following performance criteria:

    a) the payment of 50% of the severance package shall depend on the level of EBITDA (operating income before other income and expenses, plus depreciation and amortization) of the Rexel Group. This payment will be 100% if the level of EBITDA, calculated on the basis of the Company's audited consolidated financial statements for the financial period preceding the date of termination of the corporate functions or employment contract (the reference period), reaches a minimum of 60% of the amount budgeted for this period. If, during the reference period, the Company's economic and financial situation and/or the economic and financial conditions of the market deteriorate, this level may be reviewed by the Supervisory Board, upon the proposal of the Compensation Committee, and submitted for approval to the Annual Shareholders' Meeting in order to ensure coherence of the objective with the difficulty of its implementation;

b) the payment of 35% of the severance package shall depend on the level of average operating WCR (average trade operating working capital) of the Rexel Group. This payment will be 100% if the level of average operating WCR, calculated on the basis of the Company's audited consolidated financial statements for the financial period preceding the date of termination of the corporate functions or employment contract (reference period), reaches a maximum of 125% of the performance budgeted for this period. If, during the reference period, the Company's economic and financial situation and/or the economic and financial conditions of the market deteriorate, this level may be reviewed by the Supervisory Board, upon the proposal of the Compensation Committee, and submitted for approval to the Annual Shareholders' Meeting in order to ensure coherence of the objective with the difficulty of its implementation;

c) the payment of 15% of the severance package shall depend on the level of ROCE (return on capital employed) of the Rexel Group. This payment will be 100% if the level of ROCE, calculated on the basis of the Company's audited consolidated financial statements for the financial period preceding the date of termination of the corporate functions or employment contract (reference period), reaches a minimum of 75% of the performance budgeted for this period. If, during the reference period, the Company's economic and financial situation and/or the economic and financial conditions of the market deteriorate, this level may be reviewed by the Supervisory Board, upon the proposal of the Compensation Committee, and submitted for approval to the Annual Shareholders' Meeting in order to ensure coherence of the objective with the difficulty of its implementation.

Conditions

• Severance payments for Michel Favre

As from October 30, 2012, Michel Favre is no longer a member of the Management Board and his employment contract with Rexel Développement, which was suspended on May 20, 2009, has re-entered into effect. In mid-November 2012, Michel Favre submitted his notice.

On February 11, 2013, the Supervisory Board definitively:

– noted the attainment of 100% of the performance criteria relating to Michel Favre's indemnity with respect to the end of his term of office as a member of the Management Board as decided by the Supervisory Board on October 30, 2012. This indemnity will be paid in 2013;

– set, as a result, the contractual termination indemnity to be paid to Michel Favre at a gross amount of €1,045,000, representing 18 months of monthly reference compensation and including the severance indemnity due to him based on his seniority pursuant to the collective bargaining agreement;

– consented to the non-application of the non-compete clause contained in Michel Favre's employment contract; and

– consented to the ending of Michel Favre's notice period on July 31, 2013, at the latest.

• Jean-Dominique Perret

Having reached the age of 65, Jean-Dominique Perret resigned from his functions as member of the Management Board effective November 29, 2012.

• Other corporate officers

This agreement had no impact on the financial statements of your Company for the financial year ended December 31, 2012.

7. Secondary Offering Cooperation Agreement

Nature and purpose

On April 4, 2007, your Supervisory Board authorized your Company to enter into an agreement to regulate the relations between the parties in the event of any sale by Ray Investment S.A.R.L. or its shareholders of the shares of your Company for a consideration of at least €100 million.

Conditions

An amendment to this agreement was entered into, presented in the section "Agreements and commitments with no prior authorization".

b) Which were not implemented during the year

In addition, we have been advised that the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years were not implemented during the year.

1. Amendment to the 2009 Senior Credit Agreement

Nature and purpose

On April 8, 2011, your Supervisory Board authorized your Company to sign an amendment to the Senior Credit Agreement effective as from December 17, 2009 and entered into on April 21, 2011. This amendment aims to permit the use of the proceeds from the bond issuance for the early redemption of the sums due under the Senior Credit Agreement, without canceling the Lenders' Commitments under the Senior Credit Agreement.

Conditions

This agreement had no impact on the financial statements of your Company for the financial year ended December 31, 2012.

2. Supplementary defined-benefit pension plan

Nature and purpose

On March 30, 2009, your Supervisory Board authorized your Company to contract a supplementary defined-benefit pension plan with effect from July 1, 2009 for the members of the Management Board.

Conditions

This agreement had no impact for the financial year ended December 31, 2012.

3. Amendment to defined-benefit pension plan

Nature and purpose

On March 16, 2010, your Supervisory Board authorized your Company to sign an amendment to the defined-benefit pension plan. This amendment aims at harmonizing the plan with certain provisions of the social security regulations.

Conditions

This agreement had no impact for the financial year ended December 31, 2012.

4. Amendment to supplementary defined-benefit pension plan

Nature and purpose

On February 8, 2011, your Supervisory Board authorized your Company to sign an amendment to the supplementary defined-benefit pension plan effective within Rexel since July 1, 2009, which was signed on April 29, 2011. This amendment aims at harmonizing the plan with the legal modifications regarding the minimum age and the required age for the payment at full rate of retirement benefits under the basic French social security system.

Conditions

This agreement had no impact for the financial year ended December 31, 2012.

5. Supplementary defined-benefit pension plan in favor of Rudy Provoost

Nature and purpose

On October 6, 2011, the Supervisory Board authorized your Company to make supplementary defined-benefit pension commitments in favor of Rudy Provoost under the supplementary defined-benefit pension plan effective as from July 1, 2009.

Conditions

This agreement had no impact for the financial year ended December 31, 2012.

Neuilly-sur-Seine and Paris La Défense, March 11, 2013

The statutory auditors'

French original signed by

PricewaterhouseCoopers Audit	Ernst & Young Audit
Christian Perrier	Pierre Bourgeois

7.5.2.2 Special reports of the statutory auditors in relation to the related party agreements for 2011 and 2010

The special reports of the statutory auditors of Rexel in relation to the related party agreements for the financial year ended December 31, 2011 and December 31, 2010 are set out in the *Document de Référence* filed with the *Autorité des marchés financiers* on March 15, 2012 under number D.12-0164 and in the *Document de Référence* filed with the Autorité des marchés financiers on April 11, 2011 under number D.11-0272, as supplemented by the update to the *Document de Référence* filed with the *Autorité des marchés financiers* on April 28, 2011 under number D.11-0272-A01, respectively.

8 ADDITIONAL INFORMATION

8.1 SHAREHOLDERS 250

8.1.1 Principal shareholders 250
8.1.2 Share capital and voting rights 251
8.1.3 Shareholders' voting rights 266
8.1.4 Control structure 266
8.1.5 Agreements potentially leading to a change of control 266
8.1.6 Dividend policy 268

8.2 SHARE CAPITAL 269

8.2.1 Subscribed share capital and authorized but unissued share capital 269
8.2.2 Securities not representative of share capital 273
8.2.3 Treasury shares and purchase by Rexel of its own shares 273
8.2.4 Other securities conferring access to the share capital 275
8.2.5 Terms governing any right of acquisition and/or any obligation attached to the capital subscribed but not paid-up 275
8.2.6 Share capital of Rexel Group companies subject to an option or in respect of which an agreement has been made that provides for placing such share capital subject to an option 275
8.2.7 Changes in share capital 276
8.2.8 Pledges, guarantees and security interests 279

8.3 BY-LAWS (STATUTS) 279

8.3.1 Corporate purpose (article 3 of the by-laws) 279
8.3.2 Management and supervisory bodies (articles 14 to 25 of the by-laws) 280
8.3.3 Rights and obligations attached to shares (articles 8, 9, 11, 12 and 13 of the by-laws) 284
8.3.4 Changes to shareholders' rights 284
8.3.5 Shareholders' meetings (articles 27 to 35 of the by-laws) 285
8.3.6 Provisions likely to have an impact on the control of Rexel 286
8.3.7 Ownership threshold disclosures and identification of shareholders (articles 10 and 11 of the by-laws) 286
8.3.8 Special provisions governing changes to share capital (article 7 of the by-laws) 287

8.4 OTHER ELEMENTS THAT MAY HAVE AN IMPACT IN CASE OF TENDER OFFER 288

8.4.1 Control mechanisms in relation to employee shareholding 288
8.4.2 Agreements entered into by Rexel to be amended or terminated in case of change of control 288

8.5 MATERIAL AGREEMENTS 289

8.6 DOCUMENTS AVAILABLE TO THE PUBLIC 289

8.6.1 Legal documents 289
8.6.2 2012 annual financial report 289
8.6.3 The annual document 290

8.7 PERSON RESPONSIBLE FOR THE *DOCUMENT DE RÉFÉRENCE* 291

8.7.1 Person responsible for the *Document de Référence* 291
8.7.2 Responsibility statement 291
8.7.3 Person responsible for financial communication 292
8.7.4 Indicative financial information timetable 292

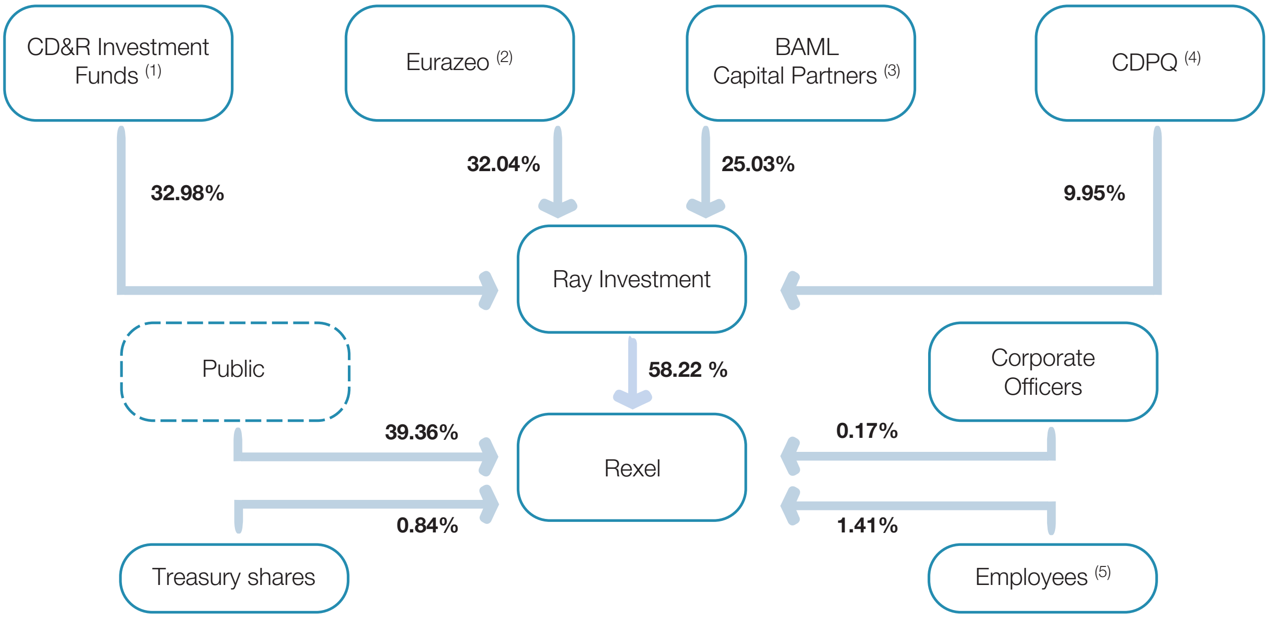
8.8 STATUTORY AUDITORS 292

8.8.1 Principal Statutory Auditors 292
8.8.2 Deputy Statutory Auditors 293
8.8.3 Fees paid to Statutory Auditors 293

8.1 SHAREHOLDERS

8.1.1 Principal shareholders

The chart below shows the simplified shareholding structure of Rexel as of December 31, 2012:



(1) *CD&R Investment Funds:* Clayton, Dubilier & Rice Fund VI Limited Partnership and Clayton, Dubilier & Rice Fund VII Limited Partnership, private equity funds managed by CD&R, indirectly own approximately 19.68% and 4.92%, respectively, of Ray Investment S.àr.l. In addition, a co-investment vehicle controlled by a subsidiary of CD&R indirectly owns approximately 8.38% of Ray Investment.
(2) *Eurazeo:* Ray France Investment S.A.S., a 95%-owned subsidiary of Eurazeo, owns approximately 32.04% of Ray Investment.
(3) *BAML Capital Partners:* the private equity funds and other entities managed by BAML Capital Partners and associated entities own approximately 19.51% of Ray Investment S.àr.l. In addition, a co-investment vehicle managed by BAML Capital Partners and associated entities indirectly owns approximately 5.52% of Ray Investment.
(4) *CDPQ:* Caisse de Dépôt et Placement du Québec owns 9.95% of Ray Investment.
(5) *Employees:* the employees include the managers and the other employees as well as the Rexel FCPEs.

Clayton, Dubilier & Rice, Inc. (“CD&R”)

CD&R is a private equity firm that invests in global businesses, primarily divisions of large multi-national corporations, and works closely with management teams to pursue long-term value enhancement strategies. Since 1978, CD&R has invested approximately USD12 billion in 43 European and American companies. The firm is comprised of seasoned corporate executives and investment professionals. The integration of these disciplines has enabled CD&R to build significant value through business improvements in its portfolio companies.

Eurazeo S.A. (“Eurazeo”)

Eurazeo is one of the foremost listed investment companies in Europe, with close to €4 billion of diversified assets. It is present in most of the capital investment chain: medium and large investments, small to medium-sized companies with Eurazeo PME and fast-growing companies with Eurazeo Croissance. Its purposes is to identify, accelerate and valuate the transforming capacity of companies in which it invests. Eurazeo has significant resources, a solid institutional and family shareholder base, no indebtedness and a long-term investment horizon enabling it to accompany companies over the duration of their projects. It is in particular the majority or reference shareholder of

Accor, ANF Immobilier, APCOA, Edenred, Elis, Europcar, Foncia, Fonroche Energie, Moncler, Rexel, 3S Photonics, Léon de Bruxelles and Dessange International.

Eurazeo's is actively involved with the company managers and its involvement is based on a shared vision for the future of the companies. Its numerous successes rely on its trademark commitment, respect and pragmatism.

BAML Capital Partners ("BAMLCP")

BAML Capital Partners is a private equity and mezzanine capital investment group within the Global Principal Investments group of Bank of America Merrill Lynch.

North Cove Partners ("NCP") is an investment advisor to Bank of America Merrill Lynch. NCP was established in June 2011 following its spin-off from Bank of America Merrill Lynch.

Ray Investment S.à r.l. ("Ray Investment")

Ray Investment is a *société à responsabilité limitée* established under Luxembourg law, with registered offices at 10, avenue de la Liberté, L-1930 Luxembourg, registered with the Luxembourg companies' registry under number B 104.766. Its share capital is €30,544,617, divided into 30,544,617 shares with a par value of €1 each. Ray Investment is owned by CD&R, Eurazeo and BAMLCP as well as Caisse de Dépôt et Placement du Québec.

8.1.2 Share capital and voting rights

8.1.2.1 Breakdown of shares and voting rights by shareholder

The table below shows the breakdown of the shareholding and of the voting rights of Rexel as of December 31, 2012, 2011 and 2010:

	DECEMBER 31,											
	2012				2011				2010			
SHAREHOLDERS	NUMBER OF SHARES	NUMBER OF VOTING RIGHTS	% OF SHARES	% OF VOTING RIGHTS	NUMBER OF SHARES	NUMBER OF VOTING RIGHTS	% OF SHARES	% OF VOTING RIGHTS	NUMBER OF SHARES	NUMBER OF VOTING RIGHTS	% OF SHARES	% OF VOTING RIGHTS
Ray Investment	158,324,738	158,324,738	58.22	58.22	190,268,736	190,268,736	70.78	70.78	185,575,336	185,575,336	71.32	71.32
Corporate officers (1)	463,254	463,254	0.17	0.17	1,927,659	1,927,659	0.72	0.72	1,935,812	1,935,812	0.74	0.74
Managers and other employees	3,124,125	3,124,125	1.15	1.15	2,238,317	2,238,317	0.83	0.83	2,231,628	2,231,628	0.86	0.86
Rexel FCPE	709,618	709,618	0.26	0.26	1,337,496	1,337,496	0.50	0.50	1,341,579	1,341,579	0.52	0.52
Public	107,008,960	107,008,960	39.36	39.36	70,456,778	70,456,778	26.21	26.21	69,025,641	69,025,641	26.53	26.53
Treasury shares	2,292,534	2,292,534 (2)	0.84	0.84 (2)	2,590,773	2,590,773 (2)	0.96	0.96 (2)	103,000	103,000 (2)	0.03	0.03 (2)
TOTAL	**271,923,229**	**271,923,229**	**100**	**100**	**268,819,759**	**268,819,759**	**100**	**100**	**260,212,996**	**260,212,996**	**100**	**100**

(1) Members of the Management Board and of the Supervisory Board.
(2) Theoretical voting rights. For the purpose of shareholders' meetings, no voting right is actually attached to these shares.

According to press releases dated February 14, 2013, Ray Investment announced the sale of 40 million of Rexel shares, representing 14.7% of the share capital of Rexel, at a price of €16 per share within the context of an accelerated bookbuilding reserved to institutional investors. Following such sale, Ray Investment was holding approximately 43.3% of the share capital and voting rights of Rexel and the shareholding interest of CD&R, Eurazeo, BAML and CDPQ in Ray Investment amounted to 35.6%, 29.4%, 24.1% and 11%.

To Rexel's knowledge and based on the declarations of crossing of thresholds that it has received, no shareholder other than those referred to above holds, as of December 31, 2012, more than 5% of the share capital and/or voting rights of Rexel.

8.1.2.2 Shareholding threshold disclosures

During the financial year ended December 31, 2012, Rexel received the following threshold crossing declarations:

- Pursuant to a letter received on March 5, 2012, Ray Investment declared that, on February 29, 2012, its holdings in Rexel had fallen below the 2/3 share capital and voting right threshold and that it held 160,268,736 Rexel shares representing the same number of voting rights, *i.e.* 59.62% of the share capital and voting rights of Rexel. This threshold crossing results from a market sale of Rexel shares in favour of institutional investors as part of an accelerated book building process;

- Pursuant to a letter received on June 6, 2012, BlackRock Inc. (40 East 52nd Street, New York, 10022, USA), acting for the account of clients and funds managed by it, declared that, on May 31, 2012, its holdings in Rexel had risen above the 5% share capital and voting right threshold and that its holdings for the account of such clients and funds stood at 14,880,628 Rexel shares representing the same number of voting rights, *i.e.* 5.54% of the share capital and voting rights of Rexel. This threshold crossing results from a market purchase of Rexel shares. The entity making the declaration further specified, in accordance with article 223-14 III 3° and IV of the AMF General Regulations, that it held 385,304 "Contracts for Differences" with no stated maturity in respect of the same number of Rexel shares, settled exclusively in cash;
- Pursuant to a letter received on July 3, 2012, BlackRock Inc. (40 East 52nd Street, New York, 10022, USA), acting for the account of clients and funds managed by it, declared that, on June 28, 2012, its holdings in Rexel had fallen below the 5% share capital and voting right threshold and that its holdings for the account of such clients and funds stood at 13,303,305 Rexel shares representing the same number of voting rights, *i.e.* 4.95% of the share capital and voting rights of Rexel. This threshold crossing results from a market sale of Rexel shares. The entity making the declaration further specified, in accordance with article 223-14 III 3° and IV of the AMF General Regulations, that it held 569,119 "Contracts for Differences" with no stated maturity in respect of the same number of Rexel shares, settled exclusively in cash.

8.1.2.3 Interests held by managers in the share capital of Rexel

Rexel interests held by Management Board and Supervisory Board members

As of December 31, 2012, the members of Rexel's Management Board and Supervisory Board held the following ownership interests in Rexel's share capital:

	NUMBER OF SHARES	% OF THE SHARE CAPITAL AND VOTING RIGHTS
CURRENT MEMBERS OF THE MANAGEMENT BOARD		
Rudy Provoost	–	–
Pascal Martin	463,254	0.17
MEMBERS OF THE MANAGEMENT BOARD DURING THE FINANCIAL YEAR 2012		
Michel Favre (1)	83,963	0.03
Jean-Dominique Perret (2)	316,541	0.12
CURRENT MEMBERS OF THE SUPERVISORY BOARD		
Roberto Quarta	–	–
Patrick Sayer	–	–
Vivianne Akriche	–	–
François David	–	–
Eurazeo (3)	–	–
Thomas Farrell	–	–
Fritz Fröhlich	–	–
Manfred Kindle	–	–
Angel L. Morales	–	–
David Novak	–	–
Akshay Singh	–	–
MEMBERS OF THE SUPERVISORY BOARD DURING THE FINANCIAL YEAR 2012		
Luis Marini-Portugal (4)	–	–
Françoise Gri (5)	–	–

(1) Michel Favre has ceased to serve as a member of the Management Board since October 30, 2012.
(2) Having reached the age of 65, Jean-Dominique Perret resigned from his functions on November 29, 2012.
(3) This shareholding does not take into account the Rexel shares held by Ray Investment, approximately 32.04% of the share capital of which is held by Ray France Investment S.A.S., a more than 95%-owned subsidiary of Eurazeo.
(4) Luis Marini-Portugal resigned from his functions effective December 31, 2012.
(5) Françoise Gri resigned from her functions effective February 11, 2013.

Transactions on Rexel securities carried out by Management Board and Supervisory Board members

During the financial year ended December 31, 2012:

- On February 17, 2012, Jean-Dominique Perret, member of the Management Board until November 29, 2012, sold Rexel shares at a price of €16.44 per share for a total amount of €328,824;
- On March 30, 2012, a private individual related to Pascal Martin, member of the Management Board, sold Rexel shares at a price of €16.70 per share for a total amount of €292,250;
- On April 2, 2012, Pascal Martin, member of the Management Board, repaid certain available FCPE units at a price of €16.7168 per unit for a total amount of €13,467.64;
- On September 3, 2012, Jean-Dominique Perret, member of the Management Board until November 29, 2012, sold Rexel shares at a price of €15.8096 per share for a total amount of €395,240;
- On August 31, 2012, Pascal Martin, member of the Management Board, sold Rexel shares at a price of €15.50 per share for a total amount of €803,427;
- On September 14, 2012, a private individual related to Pascal Martin, member of the Management Board, sold Rexel shares at a price of €16.5221 per share for a total amount of €289,136.75.

8.1.2.4 Employees shareholding

Employee shareholding plan implemented in 2007

In accordance with the eleventh resolution of the Ordinary and Extraordinary Shareholders' Meeting held on February 13, 2007, the Management Board has decided, on March 20, 2007 and April 4, 2007, to implement an increase in Rexel's share capital reserved for the employees of the Rexel Group companies which have adhered to the group savings plan (Plan Epargne Group – PEG) and to the international group savings plan (Plan d'Epargne Groupe International – PEGI) in France and in certain foreign countries.

The total number of shares that have been issued amounts to 1,436,874 shares, and the total amount of the capital increase reserved to such employees amounts to €19,266,448 (including an issuance premium of €12,082,078). This capital increase was carried out and recorded by the Management Board meeting of April 18, 2007. On April 18, 2007, the Management Board also carried out the issuance of 40,594 warrants to subscribe for shares (BSAs) attached to the 40,594 shares subscribed by the "Rexel Germany Levier 2012" compartment of the "Rexel Actionnariat Classique International" employee investment fund (FCPE).

The assets invested in 2007 under the PEG and the PEGI became available on April 1, 2012 and May 1, 2012, respectively.

Employee shareholding plan implemented in 2010

In accordance with the twenty-seventh resolution of the combined ordinary and extraordinary shareholders' meeting of May 20, 2010, the Management Board, at its meetings of May 20, 2010 and August 31, 2010, decided to implement a share capital increase reserved for members of the PEG or of the PEGI.

The total number of shares created pursuant to the decisions of the Management Board of May 20, 2010 and August 31, 2010 amounted to 356,123 shares. This share capital increase was carried out and acknowledged by the Management Board on November 17, 2010.

Furthermore, in accordance with the twenty-eighth resolution of the combined shareholders' meeting of May 20, 2010, the Management Board decided, further to the authorization of the Supervisory Board of May 20, 2010, to carry out an allocation of free shares of the Company at the benefit of members of the international Rexel Group savings plan who subscribe to the 2010 employee shareholding transaction pursuant to the twenty-seventh resolution of the shareholders' meeting. During its meeting of August 31, 2010, the Management Board adopted the free share allocation plan and on November 19, 2010, determined the list of beneficiaries of this allocation of free shares, for a total number of 135,234 shares. These free shares are subject to a condition of presence on June 30, 2015. Exceptions to this condition of presence are nevertheless provided in the aforementioned plan.

Employee shareholding plan implemented in 2012

In accordance with the thirty-third resolution of the combined ordinary and extraordinary shareholders' meeting of May 16, 2012, and with the authorization of the Supervisory board, the Management Board, at its meetings of May 16, 2012 and September 3, 2012, decided to implement a share capital increase reserved for members of the PEG or of the PEGI.

The total number of shares created pursuant to the decisions of the Management Board of May 16, 2012 and September 3, 2012 amounted to 337,465 shares. This share capital increase was carried out and acknowledged by the Management Board on November 23, 2012.

Furthermore, in accordance with the thirty-first resolution of the combined shareholders' meeting of May 16, 2012, the Management Board, further to the authorization of the Supervisory Board of May 16, 2012, adopted the free share allocation plan and, on November 23, 2012, determined the list of beneficiaries of this free share allocation plan, for a total number of 145,634 shares. These free shares are subject to a condition of presence on June 30, 2017, subject to certain exceptions.

Lastly, in accordance with the thirty-fourth resolution of the combined shareholders' meeting of May 16, 2012, the Management Board, at its meetings of May 16, 2012 and September 3, 2012, decided to implement the share capital increase for the benefit of Capital IRG Trusted Limited as part of the Share Incentive Plan ("SIP") in the United Kingdom.

As of December 31, 2012, the number of shares held by employees in the context of the employee shareholding plans, directly or through employee investment funds (FCPE), as part of the employee shareholding plan, was 1,046,194 shares, *i.e.,* 0.38 % of the share capital and voting rights of Rexel.

8.1.2.5 Subscription or purchase options for Rexel shares

This paragraph describes the share subscription or purchase option plans of Rexel and Rexel Développement in order to present information on the share subscription or purchase options issued and the related liquidity mechanisms.

Rexel's share purchase option plans

In accordance with the authorizations granted by the Extraordinary Shareholders' Meetings of October 28, 2005, May 31, 2006 and October 4, 2006, the Chairman of Rexel, pursuant to decisions dated as of October 28, 2005, November 30, 2005, May 31, 2006 and October 4, 2006, adopted the terms and conditions of two Rexel share subscription options plans for certain employees or corporate officers of the Rexel Group's French or foreign companies, and to proceed with the following allotments of subscription options:

PLAN	PLAN NO. 1			PLAN NO. 2	
Date of shareholders' meeting	October 28, 2005	May 31, 2006	October 4, 2006	October 28, 2005	May 31, 2006
Option grant date	October 28, 2005	May 31, 2006	October 4, 2006	November 30, 2005	May 31, 2006
Number of options to subscribe for shares granted	2,711,000	169,236	164,460	259,050	34,550
Maximum total number of options that can be exercised (1)	1,231,002	140,944	267,452	472,956	65,976
Total number of shares that can be subscribed for (1)	1,231,002	140,944	267,452	472,956	65,976
Total number of shares that can be subscribed by (1):					
– Rexel's corporate officers	–	–	–	–	–
– Rexel's top ten employees	860,750	169,236	164,460	35,500	17,600
Start of option exercise period	October 29, 2009	June 1, 2010	October 5, 2010	December 1, 2009	June 1, 2010
Option expiry date	October 28, 2016	October 28, 2016	October 28, 2016	November 30, 2016	November 30, 2016
Exercise price of the option (1)	€5.00	€6.50	€9.50	€5.00	€6.50
Number of options outstanding as of December 31, 2011	32,820	–	–	215,990	26,376
Number of shares that have been subscribed for as of December 31, 2012	–	–	–	50,836	15,100
Aggregate number of options that have been cancelled or lapsed	–	–	–	–	–
Outstanding options at the end of the financial year	32,820	–	–	165,154	11,276

(1) After the division of the par value of the Rexel share which occurred in 2007.

During the financial year ended December 31, 2012, no option to subscribe for or to purchase shares was granted to Rexel's corporate officers or any other employee and no share subscription or purchase option has been exercised by the officers of Rexel. During the financial year ended December 31, 2012, the 10 largest exercises carried out by employees in respect of all plans, were as follows:

BENEFICIARIES	NUMBER OF OPTIONS EXERCISED	NUMBER OF SHARES SUBSCRIBED	EXERCISE PRICE
Pierre Charron	3,800	3,800	€5
Roger Little	3,800	3,800	€5
Rachelle Caron	3,800	3,800	€5
Michel Valdois	3,200	3,200	€6.5
Tjalling Haisma	3,000	3,000	€6.5
Trevor Woods	3,000	3,000	€5
Guillaume Camboulive	2,600	2,600	€5
Thierry Mueth	2,600	2,600	€5
Raymond Offord	2,500	2,500	€5
Pierre Faury	3,000	3,000	€5

Plans instituted by Rexel Développement

The option plans established by Rexel Développement correspond to the option plans established by Rexel Distribution and assumed by Rexel Développement further to the merger by absorption of Rexel Distribution by Rexel Développement.

Rexel Développement share subscription option plans established in 2003

At the extraordinary shareholders' meeting held on May 14, 2003, the shareholders of Rexel Distribution authorized the Board of Directors of Rexel Distribution to grant to certain employees and corporate officers of Rexel Distribution, on one or more occasions, options to subscribe for Rexel Distribution shares, giving the right to subscribe for a maximum of 1,000,000 Rexel Distribution shares, subject to certain conditions and to the exercise of all options. The subscription price could not be lower than 80% of the average of the opening prices on the stock exchange during the 20 trading days preceding the option grant date.

On July 7, 2003, the Board of Directors of Rexel Distribution set up the plans relating to these options and granted 623,413 options to subscribe for a maximum of 623,413 Rexel Distribution shares at the price of €26.75 per Rexel Distribution share. 173,488 of the 623,413 options granted were exercisable only if certain performance criteria tied to the results of Rexel Distribution were met in 2004 and 2005. No option with performance criteria remains effective. Following the exceptional distribution of reserves on March 4, 2005, the subscription price for Rexel Distribution shares was adjusted. As of December 31, 2010, the subscription price was €21.61 per Rexel Distribution share.

Upon the merger by absorption of Rexel Distribution by Rexel Développement in July 2011, it was noted that there remained no potentially exercisable option under this share subscription plan.

Rexel Développement share subscription option plans established in 2004

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

On July 5, 2004, the Board of Directors of Rexel Distribution set up the plans relating to these options and awarded 782,790 options to subscribe for Rexel Distribution shares, giving the right to subscribe for 782,790 Rexel Distribution shares at the price of €35.26 per Rexel Distribution share. 179,550 of the 782,790 options granted were exercisable only if certain performance criteria tied to the results of Rexel Distribution were met in 2005 and 2006. No option with performance criteria remains effective. Following the exceptional distribution of reserves on March 4, 2005, the subscription price for share subscription options was adjusted. As of December 31, 2010, the subscription price was €28.49 per Rexel Distribution share. Options to subscribe for shares under the 2004 plan are exercisable between July 6, 2008 and July 4, 2014 inclusive.

In connection with the merger by absorption of Rexel Distribution by Rexel Développement in July 2011, the price and the number of shares under option were adjusted such that, as at December 31, 2011, with due account taken of the options exercised after the merger, 992 options conferring the right to subscribe to 992 shares of Rexel Développement at the price of €14.25 per Rexel Développement share, could still be exercised.

2011 liquidity mechanism

Further to the merger by absorption of Rexel Distribution by Rexel Développement, Rexel offered a liquidity mechanism to the option beneficiaries. Under this liquidity mechanism, it agreed to purchase the Rexel Développement shares subscribed to by the beneficiaries upon exercise of their options, for a certain period of time further to the merger by absorption. In this context, Rexel purchased 992 Rexel Développement shares subscribed to under the plan created on July 5, 2004, at a price of €17.27 per share.

The table below summarizes the status of the share purchase and subscription option plans established by Rexel Développement as of December 31, 2012:

				Pre-merger and completion of adjustments in July 2011			Post-merger and completion of adjustments in July 2011			As at December 31, 2012		
Date of shareholders' meeting	Option type	Number of options initially granted	Option grant date	Options exercisable	Purchase or subscription price as of grant date (in euros)	Number of shares to which the options give a right	Options exercisable	Purchase or subscription price (in euros)	Number of shares to which the options give a right	Options exercisable	Purchase or subscription price (in euros)	Number of shares to which the options give a right
May 14, 2003	Ordinary share subscription options	449,925	July 7, 2003	–	21.61	–	–	10.81	–	–	10.81	–
May 14, 2003	Share subscription options tied to performance criteria	173,488	July 7, 2003	–	21.61	–	–	10.81	–	–	10.81	–
May 24, 2004	Ordinary share subscription options	603,240	July 5, 2004	992	28.49	992	1,984	14.25	1,984	992	14.25	992
May 24, 2004	Share subscription options tied to performance criteria	179,550	July 5, 2004	–	28.49	–	–	14.25	–	–	14.25	–

During the financial year ended December 31, 2012, no option to subscribe to shares of Rexel Développement was granted. During the financial year ended December 31, 2012, no options were exercised by the employees.

8.1.2.6 Allotment of free shares

Allotment of free shares carried out during the financial year ended December 31, 2008

Pursuant to the authorizations granted by the Ordinary and Extraordinary Shareholders' Meeting held on May 20, 2008 and by the Supervisory Board on May 20, 2008, the Management Board, at its meetings of May 20, 2008 and June 23, 2008, decided to grant 1,541,720 free Rexel shares under four plans.

On May 20, 2008, in the context of the authorization granted to the Management Board to carry out the allocation of free shares, the Supervisory Board decided that the members of the Management Board who are allocated free shares shall hold 10% of such shares in the registered form until the end of their term of office.

In addition, in accordance with the twenty-seventh resolution of Rexel's Ordinary and Extraordinary Shareholders' Meeting held on May 20, 2008, the Management Board has decided, on October 1, 2008, to proceed with a second free grant of 66,241 Rexel shares.

The table below summarizes the free share allocations carried out during the financial year ended December 31, 2008:

PLAN	COMEX REXEL 2+2	COMEX REXEL 4+0	MANAGERS REXEL 2+2	MANAGERS REXEL 4+0	COMEX REXEL 2+2	COMEX REXEL 4+0	MANAGERS REXEL 2+2	MANAGERS REXEL 4+0
Shareholders' Meeting	May 20, 2008							
Management Board	June 23, 2008				October 1, 2008			
Number of beneficiaries	7	6	130	279	–	1	3	10
Initial number of free shares allocated	241,211	217,920	280,698	801,891	–	28,436	3,456	34,349
Corporate officers								
Jean-Charles Pauze	70,708	–	–	–	–	–	–	–
Nicolas Lwoff [(1)]	35,581	–	–	–	–	–	–	–
Pascal Martin	35,581	–	–	–	–	–	–	–
Jean-Dominique Perret [(2)]	35,581	–	–	–	–	–	–	–
Top ten employees [(3)]	328,021							
Date of final allocation	June 23, 2010	June 23, 2012	June 23, 2010	June 23, 2012	October 1, 2010	October 1, 2012	October 1, 2010	October 1, 2012
Date of transferability of shares	June 24, 2012	June 24, 2012	June 24, 2012	June 24, 2012	October 2, 2012	October 2, 2012	October 2, 2012	October 2, 2012
Number of free shares allocated and valid at December 31, 2011	–	37,889	–	327,199	–	4,944	–	9,711
Number of free shares delivered at December 31, 2012	–	37,889	–	326,551	–	4,944	–	8,282
Number of free shares that have been cancelled or lapsed	–	–	–	648	–	–	–	1,429
Number of free shares allocated and effective at December 31, 2012	–	–	–	–	–	–	–	–

(1) Nicolas Lwoff left the Rexel Group as of February 12, 2009.
(2) Having reached the age of 65, Jean-Dominique Perret resigned from his functions on November 29, 2012.
(3) The first ten grants have been indicated, independently from the number of beneficiaries.

The valuation of the free shares corresponds to the value recorded in connection with the implementation of IFRS 2, prior to the impact of the spreading of the expense over the acquisition period (see note 16 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2012).

During the financial year ended December 31, 2012, the following shares vested in favor of the first twelve employees of the Rexel Group under the plans providing for a 4-year vesting period:

BENEFICIARIES	NUMBER OF VESTED SHARES			
	PLAN COMEX REXEL 4+0 (JUNE 23, 2008)	PLAN MANAGERS REXEL 4+0 (JUNE 23, 2008)	PLAN COMEX REXEL 4+0 (OCTOBER 1, 2008)	PLAN MANAGERS REXEL 4+0 (OCTOBER 1, 2008)
TOP TWELVE EMPLOYEES				
Chris Hartmann	16,480		4,944	
Bradford Greene		7,084		
Kerry Warren		7,084		
Henri-Paul Laschkar	6,187			
Jeremy de Brabant	4,850			
Mitch Williams	4,850			
Robert Connors		4,212		
John Gschwind		4,212		
James Hibberd		4,212		
Mark Testa		4,212		
Guy Picken		4,024		
Hubert Salmon	4,024			

Allocation of free shares during the financial year ended December 31, 2009

Pursuant to the authorizations granted by the Ordinary and Extraordinary Shareholders' Meeting held on May 20, 2008 and by the Supervisory Board on May 11, 2009, the Management Board, at its meeting of May 11, 2009, decided to grant 1,372,166 free Rexel shares under four plans.

The table below summarizes the free share allocations carried out in the financial year ended December 31, 2009:

PLAN	COMEX REXEL 2+2	COMEX REXEL 4+0	MANAGERS REXEL 2+2	MANAGERS REXEL 4+0
Shareholders' Meeting	May 20, 2008			
Management Board	May 11, 2009			
Number of beneficiaries	3	7	96	190
Initial number of free shares allocated	107,934	218,884	259,282	786,066
Corporate officers				
– Michel Favre (1)	58,500	–	–	–
Top eleven employees (2)	310,754			
Date of final allocation	May 11, 2011	May 11, 2013	May 11, 2011	May 11, 2013
Date of transferability of shares	May 12, 2013	May 12, 2013	May 12, 2013	May 12, 2013
Number of free shares allocated and valid at December 31, 2011	–	165,840	–	602,575
Initial number of free shares cancelled or having lapsed (3), including:	–	–	–	2,187
– Number of free shares that have lapsed as a result of the condition of presence	–	–	–	2,187
– Number of free shares that have lapsed as a result of the performance condition	–	–	–	–
Number of free shares allocated and valid at December 31, 2012	–	165,840	–	600,388

(1) Michel Favre was appointed as corporate officer further to the allocation of free shares and has received the free shares granted in his capacity as employee. Since October 30, 2012, Michel Favre is no longer a member of the Management Board.
(2) Given the number of shares allocated to the employees, the eleven first grants have been indicated.
(3) Condition of presence which has not been satisfied or performance condition which has not been satisfied.

The valuation of the free shares corresponds to the value recorded in connection with the implementation of IFRS 2, prior to the impact of the spreading of the expense over the acquisition period (see note 16 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2012).

During the financial year ended December 31, 2012, no shares vested under these plans.

Free shares granted in the financial year ended December 31, 2010

Pursuant to the authorizations granted by the Ordinary and Extraordinary Shareholders' Meeting held on May 20, 2009 and by the Supervisory Board on May 11, 2010, the Management Board, during its meeting of May 11, 2010, decided to grant 1,519,862 free Rexel shares under the provisions of articles L.225-197-1 *et seq.* of the French Commercial Code.

On May 11, 2010, in the context of the authorization granted to the Management Board to carry out the allocation of free shares, the Supervisory Board decided that the members of the Management Board who are beneficiaries of an allocation of free shares shall retain 20% of such shares in registered form until the end of their term of office.

The table below summarizes the free share allocations carried out during the financial year ended December 31, 2010:

PLAN	LEADERSHIP REXEL 2+2	LEADERSHIP REXEL 4+0	MANAGERS REXEL 2+2	MANAGERS REXEL 4+0
Shareholders' Meeting	May 20, 2009			
Management Board	May 11, 2010			
Number of beneficiaries	27	47	74	151
Initial number of free shares allocated	391,306	544,262	160,836	423,458
Corporate officers				
– Jean-Charles Pauze	78,708	–	–	–
– Michel Favre [(1)]	35,581	–	–	–
– Pascal Martin	46,255	–	–	–
– Jean-Dominique Perret [(2)]	39,910	–	–	–
Top eleven employees [(3)]	309,933			
Date of irrevocable acquisition	May 11, 2012	May 11, 2014	May 11, 2012	May 11, 2014
Date of transferability of shares	May 12, 2014	May 12, 2014	May 12, 2014	May 12, 2014
Number of free shares allocated and valid at December 31, 2011	372,692	495,526	140,119	363,258
Number of free shares allocated cancelled or expired, of which [(4)]	–	7,208	4,300	14,122
– Number of shares expired pursuant to the condition of presence	–	–	–	–
– Number of shares expired pursuant to the condition of performance	–	–	–	–
Number of shares vested at December 31, 2012	372,692	–	135,819	–
Number of free shares allocated and valid at December 31, 2012	–	488,318	–	349,136

(1) Since October 30, 2012, Michel Favre is no longer a member of the Management Board.
(2) Having reached the age of 65, Jean-Dominique Perret resigned from his functions on November 29, 2012.
(3) Considering the number of shares allocated to employees, the first eleven allocations were selected.
(4) Condition of presence not met or condition of performance not achieved.

The valuation of the free shares corresponds to the value recorded in connection with the implementation of IFRS 2, prior to the impact of the spreading of the expense over the acquisition period (see note 16 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2012).

During the financial year ended December 31, 2012, the following shares vested in favor of the corporate officers and top twelve employees :

BENEFICIARIES	NUMBER OF VESTED SHARES LEADERSHIP REXEL 2+2 (1)
CORPORATE OFFICERS	
Rudy Provoost	–
Michel Favre	34,980
Pascal Martin	45,472
Jean-Dominique Perret	39,235
TOP TWELVE EMPLOYEES	
Patrick Bérard	34,980
Jeremy de Brabant	20,300
Olivier Baldassari	11,236
Benoît Dutour	11,236
Garrett Mock	7,843
Jérôme Baniol	7,492
Laurent Delabarre	7,492
Franck Guyomard	7,492
Marie-Pierre Marchand	7,492
Grégoire Bertrand	7,208
Jean-François Deiss	7,208
José Prétot	7,208

(1) Terms of acquisition of shares under the Leadership Rexel 2+2 Plan: 2-year presence condition and following performance conditions:
- the acquisition of 50% of the number of shares depends on the EBITDA margin variation between 2009 and 2011;
- the acquisition of 25% of the number of shares depends on the 2010 EBITDA level;
- the acquisition of 25% of the number of shares depends on the 2010 Net Debt / 2010 EBITDA ratio.

Free shares granted in the financial year ended December 31, 2011

Free share plan created on May 12, 2011

Pursuant to the authorizations granted by the Ordinary and Extraordinary Shareholders' Meeting held on May 20, 2010 and by the Supervisory Board on May 11, 2011, the Management Board, during its meeting of May 12, 2011, decided to grant 2,082,748 free Rexel shares under five plans.

On May 11, 2011, in the context of the authorization granted to the Management Board to carry out the allocation of free shares, the Supervisory Board decided that the members of the Management Board who are beneficiaries of an allocation of free shares shall retain 20% of such shares in registered form until the end of their term of office.

The table below summarizes the free share allocations carried out on May 12, 2011:

PLAN	LEADERSHIP REXEL 2+2	MANAGERS REXEL 2+2	LEADERSHIP REXEL 4+0	MANAGERS REXEL 4+0	OPERATING MANAGERS 2+2	OPERATING MANAGERS 4+0
Shareholders' Meeting	May 20, 2010					
Management Board	May 12, 2011	May 12, 2011	May 12, 2011	May 12, 2011	May 12, 2011	May 12, 2011
Number of beneficiaries	29	83	39	170	113	423
Initial number of free shares allocated	429,203	177,931	507,879	484,110	96,375	387,250
Corporate officers						
– Jean-Charles Pauze	78,708	–	–	–	–	–
– Michel Favre (1)	35,581	–	–	–	–	–
– Pascal Martin	39,910	–	–	–	–	–
– Jean-Dominique Perret (2)	35,581	–	–	–	–	–
First ten employees	303,224					
Date of irrevocable acquisition	May 12, 2013	May 12, 2013	May 12, 2015	May 12, 2015	May 12, 2013	May 12, 2015
Date of transferability of shares	May 13, 2015	May 13, 2015	May 13, 2015	May 13, 2015	May 13, 2015	May 13, 2015
Number of free shares allocated and valid at December 31, 2011	384,643	160,248	426,674	425,793	86,625	375,750
Number of free shares allocated and cancelled or expired, of which	202,428	72,101	236,321	191,253	3,625	24,625
– Number of shares expired pursuant to the presence condition	15,873	8,918	41,441	23,110	3,625	24,625
– Number of shares expired pursuant to the performance condition	186,555	63,183	194,880	168,143	–	–
Number of free shares allocated and valid at December 31, 2012	182,215	88,147	190,353	234,540	83,000	351,125

(1) Since October 30, 2012, Michel Favre is not longer a member of the Management Board.
(2) Having reached the age of 65, Jean-Dominique Perret resigned from his functions on November 29, 2012.

The valuation of the free shares corresponds to the value recorded in connection with the implementation of IFRS 2, prior to the impact of the spreading of the expense over the acquisition period (see note 16 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2012).

During the financial year ended on December 31, 2012, no shares vested in favor of the corporate officers or the top ten employees.

Free share plan created on October 11, 2011

Pursuant to the authorizations granted by the Ordinary and Extraordinary Shareholders' Meeting held on May 19, 2011 and by the Supervisory Board on October 6, 2011, the Management Board, at its meeting of October 11, 2011, decided:

- to grant 281,701 Rexel shares to the corporate officers and employees of Rexel under four plans: "Leadership Rexel 4+0", "Leadership Rexel 2+2", "MANAGERS Rexel 4+0" and "MANAGERS Rexel 2+2";
- to grant 59,018 Rexel shares to Rudy Provoost under the "Ordinary" plan. The criteria and conditions for granting the free shares decided by the Management board included a two-year presence condition but no performance condition; and
- to allocate 1.343,310 free Rexel shares to the members of the Executive Committee, including the managing corporate officers and certain key contributors under two plans: "Exceptionnel 5+0" and "Exceptionnel 3+2".

The table below summarizes the free share allocations carried out on October 11, 2011:

PLAN	EXCEPTIONAL 3+2	EXCEPTIONAL 5+0	ORDINARY 2+2	LEADERSHIP REXEL 2+2	MANAGERS REXEL 2+2	LEADERSHIP REXEL 4+0	MANAGERS REXEL 4+0
Shareholders' Meeting	May 19, 2011						
Management Board	October 11, 2011	October 11, 2011	October 11, 2011	October 11, 2011	October 11, 2011	October 11, 2011	October 11, 2011
Number of beneficiaries	7	8	1	1	6	1	11
Initial number of free shares allocated	840,334	502,976	59,018	236,532	10,929	8,381	25,859
Corporate officers							
– Rudy Provoost	430,155	–	59,018	236,532	–	–	–
– Michel Favre [1]	90,419	–	–	–	–	–	–
– Pascal Martin	90,419	–	–	–	–	–	–
– Jean-Dominique Perret [2]	57,485	–	–	–	–	–	–
– Jean-Charles Pauze	–	–	–	–	–	–	–
Top ten employees	640,900						
Date of irrevocable acquisition	October 11, 2014	October 11, 2016	October 11, 2013	October 11, 2013	October 11, 2013	October 11, 2015	October 11, 2015
Date of transferability of shares	October 12, 2016	October 12, 2016	October 12, 2015	October 12, 2015	October 12, 2015	October 12, 2015	October 12, 2015
Number of free shares allocated and valid at December 31, 2011	840,334	502,976	59,018	215,791	10,138	7,408	23,979
Number of free shares allocated and cancelled or expired, of which	–	56,387	–	109,169	4,232	3,629	12,603
– Number of shares expired pursuant to the presence condition	–	56,387	–	–	–	–	4,450
– Number of shares expired pursuant to the performance condition	–	–	–	109,169	4,232	3,629	8,153
Number of free shares allocated and valid at December 31, 2012	840,334	446,589	59,018	106,622	5,906	3,779	11,376

(1) On October 30, 2012, Michel Favre ceased to be a member of the Management Board.
(2) Having reached the age of 65, Jean-Dominique Perret resigned from his functions on November 29, 2012.

The valuation of the free shares corresponds to the value recorded in connection with the implementation of IFRS 2, prior to the impact of the spreading of the expense over the acquisition period (see note 16 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2012).

During the financial year ended on December 31, 2012, no shares vested in favor of the corporate officers or the top ten employees.

Free shares granted in the financial year ended December 31, 2012

Free share plan created on May 2, 2012

Pursuant to the authorizations granted by Rexel's Ordinary and Extraordinary Shareholders' Meeting held on May 19, 2011 and by the Supervisory Board on May 2, 2012, the Management Board, at its meeting of May 2, 2012, decided to grant 2,019,324 free Rexel shares under two plans.

On May 2, 2012, further to the authorization granted to the Management Board to proceed with free share allocations, the Supervisory Board decided that the members of the Management Board benefitting from a free share allocation would be required to hold 20% of the free shares allocated to them in registered form until the expiry of their functions.

Free share plan created on July 26, 2012

Pursuant to the authorizations granted by Rexel's Ordinary and Extraordinary Shareholders' Meeting held on May 16, 2012 and by the Supervisory Board on July 26, 2012, the Management Board, at its meeting of July 26, 2012, decided to grant 243,080 free Rexel shares under two plans.

The table below summarizes the free share allocations carried out during the financial year ended on December 31, 2012:

PLAN	REXEL 2+2	REXEL 4+0	REXEL 2+2	REXEL 4+0
Shareholders' Meeting	May 19, 2011		May 16, 2012	
Management Board	May 2, 2012		July 26, 2012	
Number of beneficiaries				
Initial number of free shares allocated	737,024	1,282,300	59,243	183,837
Corporate officers				
– Rudy Provoost	90,816	–	–	–
– Pascal Martin	46,050	–	–	–
– Jean-Dominique Perret (1)	41,055	–	–	–
– Michel Favre (2)	41,055	–	–	–
Top ten employees	400,103			
Date of irrevocable acquisition	May 2, 2014	May 2, 2016	July 26, 2014	July 26, 2016
Date of transferability of shares	May 3, 2016	May 3, 2016	July 27, 2016	July 27, 2016
Number of free shares allocated, cancelled or expired, of which	110,215	202,858	7,934	24,620
– Number of shares expired pursuant to the presence condition	13,478	36,267	–	–
– Number of shares expired pursuant to the performance condition	96,737	166,591	7,934	24,620
Number of free shares allocated and valid at December 31, 2012	626,809	1,079,442	51,309	159,217

(1) Having reached the age of 65, Jean-Dominique Perret resigned from his functions on November 29, 2012.
(2) Since October 30, 2012, Michel Favre is no longer a member of the Management Board.

The valuation of the free shares corresponds to the value recorded in connection with the implementation of IFRS 2, prior to the impact of the spreading of the expense over the acquisition period (see note 16 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2012).

In the financial year ended December 31, 2012, the Management Board granted free shares to the corporate officers and to the top 10 employees of the Rexel Group as follows:

BENEFICIARY	NAME AND DATE OF THE PLAN	NUMBER OF SHARES	VALUATION OF SHARES ALLOCATED	DATE OF ACQUISITION	DATE OF TRANSFERABILITY	CONDITIONS (1)
CORPORATE OFFICERS						
Rudy Provoost	Rexel 2+2 May 2, 2012	90,816	1,314,108	May 2, 2014	May 3, 2016	Rexel 2+2
Pascal Martin	Rexel 2+2 May 2, 2012	46,050	666,343	May 2, 2014	May 3, 2016	Rexel 2+2
Michel Favre	Rexel 2+2 May 2, 2012	41,055	594,066	May 2, 2014	May 3, 2016	Rexel 2+2
Jean-Dominique Perret	Rexel 2+2 May 2, 2012	41,055	594,066	May 2, 2014	May 3, 2016	Rexel 2+2
TOP TEN EMPLOYEES						
Chris Hartmann	Rexel 4+0 May 2, 2012	64,500	847,530	May 2, 2016	May 3, 2016	Rexel 4+0
Mitch Williams	Rexel 4+0 May 2, 2012	55,260	726,116	May 2, 2016	May 3, 2016	Rexel 4+0
Peter Hakanson	Rexel 2+2 July 26, 2012	55,163	653,682	July 26, 2014	July 27, 2016	Rexel 2+2
Jeff Baker	Rexel 4+0 July 26, 2012	48,375	506,003	July 26, 2016	July 27, 2016	Rexel 4+0
Patrick Bérard	Rexel 2+2 May 2, 2012	41,055	594,066	May 2, 2014	May 3, 2016	Rexel 2+2
Henri-Paul Laschkar	Rexel 4+0 May 2, 2012	41,055	539,463	May 2, 2016	May 3, 2016	Rexel 4+0
Jeremy de Brabant	Rexel 2+2 May 2, 2012	23,825	344,748	May 2, 2014	May 3, 2016	Rexel 2+2
Jeff Hall	Rexel 4+0 May 2, 2012	23,825	313,061	May 2, 2016	May 3, 2016	Rexel 4+0
Michel Klein	Rexel 4+0 May 2, 2012	23,825	313,061	May 2, 2016	May 3, 2016	Rexel 4+0
Kerry Warren	Rexel 4+0 May 2, 2012	23,220	305,111	May 2, 2016	May 3, 2016	Rexel 4+0

(1) 2-year presence condition and following performance conditions:
- the acquisition of 50% of the free shares depends on the EBITA margin variation between 2011 and 2013;
- the acquisition of 15% of the free shares depends on the 2012 EBITA level;
- the acquisition of 25% of the free shares depends on the average free cash flow before interest and taxes / EBITDA ratio between 2012 and 2013;
- the acquisition of 10% of the free shares depends on the level of free cash flow before interest and taxes in 2012.

8.1.2.7 Issuance and granting of warrants to subscribe for Rexel shares

Under the employee shareholder plan set up in 2007, in order to take into account the constraints relating to local regulation, the Management Board had decided that the subscription price of the shares reserved for the beneficiaries in Germany (the **“German Beneficiaries”**), within the context of the leverage formula, would correspond to 100% of the offer price, *i.e.* €16.50 (after the division of the par value of the Rexel share which occurred in 2007), the German Beneficiaries receiving, in lieu of the 20% discount, a warrant to subscribe for shares of Rexel (a **“Warrant”**) for each share subscribed for through the compartment “Rexel Germany Levier 2012” of the “Rexel Actionnariat International” Employee Investment Fund.

The Warrants were exercisable at any time by the holder of the Warrants until April 30, 2012, inclusive. At April 30, 2012, no Warrants had been exercised. The Warrants lapsed on April 30, 2012.

8.1.3 Shareholders' voting rights

Each share of Rexel entitles the holder to one vote. Consequently, as of the date of this *Document de Référence,* the Rexel's shareholders hold the same number of voting rights as the number of shares they own.

8.1.4 Control structure

Rexel is currently controlled directly by Ray Investment, a *société à responsabilité limitée* (limited liability company) governed by the laws of Luxembourg, which owned 58.22% of Rexel as at December 31, 2012 (it being noted that Ray Investment was holding approximately 43.3% of the share capital and voting rights of Rexel following the sale of 40 million of Rexel shares on February 14, 2013). Ray Investment is owned, directly or indirectly, by Clayton, Dubilier & Rice, Inc., Eurazeo S.A., BAMLCP and Caisse de Dépôt et Placement du Québec. The remainder of Rexel's share capital is held by the principal Rexel Group senior managers and executives and the public.

The two-tier management structure (Management Board and Supervisory Board), the creation of committees of the Supervisory Board, the appointment of independent members at the Supervisory Board and at the committees of the Supervisory Board, the performance of reviews of the operation and work of the Supervisory Board and of its committees, within the conditions described in chapter 7 "Corporate Governance" of this *Document de Référence,* will notably enable Rexel to avoid being controlled in an "abusive manner" within the meaning of European Council Regulation N° 809/2004 dated April 29, 2004.

8.1.5 Agreements potentially leading to a change of control

CD&R, Eurazeo, BAMLCP, Caisse de Dépôt et Placement du Québec and Ray Investment (either directly or through their respective investment vehicles) entered into several agreements in order to structure their relationship as direct and indirect shareholders of Rexel. These agreements and the amendments thereto are described below.

Ray Investment Shareholders' Agreement

On April 4, 2007, Ray Investment, CD&R, Eurazeo, BAMLCP and Caisse de Dépôt et Placement du Québec amended the existing Ray Investment shareholders agreement entered into on March 26, 2005 (the **"Ray Investment Shareholders' Agreement"**). The Ray Investment Shareholders' Agreement aims at structuring the relationships between the shareholders of Ray Investment.

The Ray Investment Shareholders' Agreement notably provides that decisions to be taken by Ray Investment as a shareholder of Rexel, as well as certain decisions with respect to Ray Investment should be previously approved by the members of the Consortium or of Ray Investment partners, in accordance with particular majority requirements.

With the exception of transfers to affiliates, interests held in Ray Investment are not transferable to third-parties without the prior written consent of CD&R, Eurazeo, BAMLCP and the Caisse de Dépôt et Placement du Québec.

However, the parties to the Ray Investment Shareholders' Agreement have the option to exchange their shares in Ray Investment against the corresponding proportion of Rexel shares held by Ray Investment, in accordance with certain conditions.

The Ray Investment Shareholders' Agreement entered into force upon the admission of Rexel's shares to trading on the regulated market of NYSE Euronext in Paris and will remain in effect for 10 years from the date of this admission. However, the Ray Investment Shareholders' Agreement will cease to apply to a given party at such time as such party no longer holds any interest in Ray Investment.

Rexel Shareholders' Agreement

On April 4, 2007, CD&R, Eurazeo and BAMLCP entered into a shareholders' agreement, which was amended on February 29, 2012 in order to organize the corporate governance of Rexel (the **"Rexel Shareholders' Agreement"**).

The Rexel Shareholders' Agreement provides that Rexel's Supervisory Board comprises three members appointed from a list proposed by CD&R, three members appointed from a list proposed by Eurazeo, two members appointed from a list proposed by BAMLCP and three independent members, one of whom may be appointed from a list proposed by BAMLCP, so long as such person meets independence criteria and BAMLCP's direct or indirect participation in Rexel's capital remains equal to at least 5%. The number of Supervisory Board members that may be nominated by CD&R, Eurazeo and BAMLCP may be reduced if their direct or indirect ownership of Rexel is reduced below certain thresholds.

CD&R has the right to nominate the first chairman of the Supervisory Board. Subsequently, if Eurazeo or BAMLCP's shareholdings are greater by 50% than CD&R's, Eurazeo or BAMLCP, as the case may be, will be entitled to nominate the chairman of the Supervisory Board.

The Rexel Shareholders' Agreement also provides that the Supervisory Board has the following four committees: an Audit Committee, a Compensation Committee, an Appointment Committee and a Strategic Committee.

The Rexel Shareholders' Agreement will expire on April 4, 2017. In addition, the Rexel Shareholders' Agreement will terminate on the date on which CD&R, Eurazeo and BAMLCP cease to collectively hold, directly or indirectly, at least 40% of Rexel's capital or if such shareholders cease to control Rexel within the meaning of article L.233-3 of the French Commercial Code. Finally, the provision of the Rexel Shareholder's Agreement will cease to apply to any party whose direct or indirect shareholding in Rexel becomes less than 5%.

The Rexel Shareholder's Agreement also provides that it will automatically become void if any of the shareholders (acting alone or through one of its subsidiaries) launches a tender offer to purchase all of Rexel's existing shares.

Liquidity Agreement

On April 4, 2007, Ray Investment, CD&R, Eurazeo, BAMLCP and Caisse de Dépôt et Placement du Québec entered into an agreement relating to the acquisition and disposal of Rexel's shares. CD&R, Eurazeo, BAMLCP and Caisse de Dépôt et Placement du Québec have restated and simplified this agreement through an agreement dated February 29, 2012, amended in 2013, (the **"Liquidity Agreement"**) and have extended its term.

CD&R, Eurazeo, BAMLCP and Caisse de Dépôt et de Placement du Québec may, under certain conditions:

- Sell, or have Ray Investment sell, Rexel shares into the market subject to a maximum of €25 million per 30-day period, subject to prior notice to the other shareholders of Ray Investment on the day preceeding the contemplated sale at the latest; and
- Initiate, or have Ray Investment initiate, (i) the sale of Rexel's shares through a block trade with reasonably estimated gross proceeds of at least €75 million, or (ii) an underwritten secondary public offering of Rexel's shares with reasonably estimated gross proceeds of at least €150 million (it being clarified that such an offering may not be initiated within six months of the completion of a similar offering without the prior approval of CD&R, Eurazeo and BAMLCP). The other parties to the Liquidity Agreement will have the right to participate in such block trades or offerings, pro rata to their respective shareholdings.

The transfer of Rexel's shares between affiliates of the parties to the Liquidity Agreement are authorized, subject to the transferee affiliate agreeing to adhere to the provisions of the Liquidity Agreement. In addition, the Liquidity Agreement will not apply to market transactions or asset management transactions effected by any bank or asset management company affiliated with CD&R, Eurazeo or BAMLCP.

The Liquidity Agreement also provides that any sale of Rexel shares to a competitor of the Rexel Group be subject to the prior approval of CD&R, Eurazeo and BAMLCP (with the exception of sales made in the context of a public offering covering 100% of the shares of Rexel).

The Liquidity Agreement will remain in effect until the later of (i) April 4, 2015 and (ii) the date on which CD&R, Eurazeo and BAMLCP cease to collectively hold, directly or indirectly, at least 25% of Rexel's capital. Furthermore, the provision of the Liquidity Agreement will cease to apply to any party whose direct or indirect shareholding in Rexel becomes less than 5%.

Public Offering Rights Agreement

On February 13, 2007, Ray Investment, CD&R, Eurazeo, BAMLCP and Caisse de Dépôt et de Placement du Québec entered into an agreement in order to structure their relationship in the context of the proposed initial public offering (the **"Public Offering Rights Agreement"**).

Each of the partners of Ray Investment is able to request that, starting January 1, 2008, Ray Investment proceeds with the repurchase of all of such partner's current interests in Ray Investment in exchange for the corresponding amount of Rexel' shares held by Ray Investment.

In addition, in the event that Ray Investment effects a capital decrease through the repurchase of ownership interests using proceeds from the sale of shares in the proposed initial public offering of Rexel, each of the partners of Ray Investment will be entitled to participate in this capital decrease, pro rata to their interest in Ray Investment Payment for such interests will be made through cash or shares of Rexel held by Ray Investment. This foregoing will remain true, even if such a capital decrease occurs before January 1, 2008.

Cooperation Agreement

On April 4, 2007, Rexel and Ray Investment and its partners entered into an agreement, which was amended on July 2, 2012, in order to structure their relationships in case of a sale of Rexel's shares by Ray Investment or its partners (the **"Cooperation Agreement"**).

The Cooperation Agreement applies to sales carried out pursuant to (i) a public offering or a private placement and to the extent that the proceeds of such offering would total €100 million or more (except for any public offer outside of France that would require the filing of a prospectus by a market authority) or (ii) an accelerated book-building process, to the extent the proceeds of such transaction would total €75 million or more.

The Cooperation Agreement specifies the terms and conditions of the parties' participation in the preparation of the offering documents, the memoranda to underwriters and institutional buyers, access to information, as well as the due diligences to be conducted in the context of these transactions.

Rexel will not be required to take part in any disposal transaction carried out within the six months following any capital increase or disposal of shares, if the proceeds of the latter total €100 million or more, or within a period of three months following any sale transaction pursuant to an accelerated book-building process, the proceeds of which would total €75 million or more. Furthermore, Rexel has no obligation to assist Ray Investment or its partners in the context of any sale transaction as long as Rexel's Supervisory Board considers that taking part in the latter would go against Rexel's corporate purpose.

The Cooperation Agreement will expire on April 4, 2017.

8.1.6 Dividend policy

After the prior authorization of the Supervisory Board, the Management Board may propose a dividend distribution to the shareholders' meeting. Dividends that have not been claimed within five years after they have been declared are transferred to the French State.

Under the senior credit agreement dated December 17, 2009, Rexel undertook not to declare, distribute or pay any dividend, expenses, fee or any other distribution (or interest in respect of any unpaid dividend, expenses, fee or any other distribution) in cash or in kind, in respect of its share capital, for the financial years ended December 31, 2009 and December 31, 2010, and, thereafter, for as long as the Indebtedness Ratio is above or equal to 4.00.

Rexel has distributed the following dividends in respect of the last three financial years:

YEAR	TOTAL DIVIDEND	DIVIDEND PER SHARE
2010	€105,188,813	€0.40
2011	€173,456,613.20	€0.65
2012	€202,223,021.25*	€0.75*

* Amount submitted to the approval of the Shareholders' Meeting.

Rexel offered its shareholders the opportunity to opt for a payment in shares or in cash of the dividend paid in respect of the financial year ended December 31, 2011. The option was open from May 24, 2012 until June 12, 2012. For the payment in shares, the issue price of the new Rexel shares had been set at €13.39 per share. Upon expiry of the exercise period, 47,393,145 coupons had been exercised in favour of a payment in shares. The option for a dividend payment in shares resulted in the creation of 2,273,474 new shares, representing 0.85% of the share capital and voting rights of Rexel, on the basis of the outstanding shares as at June 21, 2012, *i.e.* 268,903,438 shares.

In accordance with the provisions of law n° 2011-894 of July 28, 2011, Rexel, in relation to the dividend paid in 2012 in respect of 2011, paid a profit-sharing bonus in a maximum gross amount of €150 to the eligible employees within the Rexel Group. In parallel, eligible employees have been offered the ability to pay €150 in the Rexel Group savings plan *(Plan d'Épargne Groupe)* in a portfolio invested in Rexel securities and to benefit, by making this payment, from a gross contribution *(abondement)* paid by their respective employers in a gross amount of €250.

8.2 SHARE CAPITAL

8.2.1 Subscribed share capital and authorized but unissued share capital

As of December 31, 2012, Rexel's share capital amounted to €1,359,616,145, divided into 271,923,229 shares with a par value of €5 per share, all of the same class, and all of them fully paid-up and subscribed.

As of December 31, 2011, Rexel's share capital amounted to €1,344,098,795, divided into 268,819,759 shares with a par value of €5 per share, all of the same class, and all of them fully paid-up and subscribed.

The ordinary and extraordinary shareholders' meeting held on May 16, 2012 granted various authorizations to the Management Board, which used such powers and authorizations as described below. In addition, at its meeting held on February 5, 2013, the Management Board decided to submit to the approval of the Shareholders' Meeting the following projects of delegations and authorizations:

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF MAY 22, 2013		
NATURE OF THE AUTHORIZATION	DATE OF THE SHAREHOLDERS' MEETING (RESOLUTION N°)	DURATION (EXPIRY DATE)	MAXIMUM AUTHORIZED AMOUNT	UTILIZATION	RESOLUTION N°	DURATION	MAXIMUM AMOUNT
SHARE CAPITAL INCREASE							
Issuance with upholding of preferential subscription rights	May 16, 2012 (resolution 26)	26 months (July 15, 2012)	Shares: €800,000,000 (*i.e.* 160,000,000 shares) Debt securities: €800,000,000 Joint maximum amount applicable to all resolutions relating to the issuance of Shares and/or Debt securities	Deduction of: – allocation of free shares of July 26, 2012: 243,080 shares; – allocation of free shares of November 23, 2012 (Opportunity 12): 145,634 shares; – share capital increase of November 23, 2012 (Opportunity 12): 337,465 shares, *i.e.* €1,687,325; – share capital increase reserved to categories of beneficiaries (launch decision taken on May 16, 2012 and September 3, 2012) : up to 814,657 shares representing a total maximum amount of €4,073,285 (1) Balance: €796,369,105 (2)	–	–	–

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF MAY 22, 2013		
NATURE OF THE AUTHORIZATION	DATE OF THE SHAREHOLDERS' MEETING (RESOLUTION N°)	DURATION (EXPIRY DATE)	MAXIMUM AUTHORIZED AMOUNT	UTILIZATION	RESOLUTION N°	DURATION	MAXIMUM AMOUNT
Issuance by way of public offering with cancellation of the preferential subscription right	May 16, 2012 (resolution 27)	26 months (July 15, 2014)	Shares: €400,000,000 (*i.e.* 80,000,000 shares) Debt securities: €500,000,000 These maximum amounts are deductible from the maximum amounts provided under resolution 26	Not applicable	–	–	–
Issuance by way of offering referred to in section II of article L.411-2 of the French monetary and financial code, with cancellation of the preferential subscription right	May 16, 2012 (resolution 28)	26 months (July 15, 2014)	Shares: € 400,000,000 (*i.e.* 80,000,000 shares) Debt securities: €500,000,000 These maximum amounts are deductible from the maximum amounts provided under resolution 26	Not applicable	–	–	–
Authorization to increase the amount of the initial issuance, in the event of a share issue for which shareholders' preferential subscription rights are maintained or cancelled	May 16, 2012 (resolution 29)	26 months (July 15, 2014)	15% of initial issuance This maximum amount is deductible from the maximum amount applicable for the initial issuance and from the maximum amount provided under resolution 26	Not applicable	–	–	–
Determination of price of issuances carried out by way of public offering or offering referred to in section II of article L.411-2 of the French monetary and financial code, with cancellation of preferential subscription rights of shareholders, up to a maximum of 10% of the share capital per year	May 16, 2012 (resolution 30)	26 months (July 15, 2014)	10% of the share capital on the date of the decision of the Management Board determining the offering price per 10-month period This maximum amount is deductible from the maximum amount applicable for the initial issuance and from the maximum amount provided under resolution 26	Not applicable	–	–	–
Issuance of up to 10% of the share capital in consideration for contributions in kind	May 16, 2012 (resolution 35)	26 months (July 15, 2014)	10% of Rexel's share capital on the date of the decision of the Management Board approving the issuance This maximum amount is deductible from the maximum amount provided under resolution 26	Not applicable	–	–	–

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF MAY 22, 2013		
NATURE OF THE AUTHORIZATION	DATE OF THE SHAREHOLDERS' MEETING (RESOLUTION N°)	DURATION (EXPIRY DATE)	MAXIMUM AUTHORIZED AMOUNT	UTILIZATION	RESOLUTION N°	DURATION	MAXIMUM AMOUNT
Issuance in consideration for shares contributed under a public exchange offering.	May 16, 2012 (resolution 36)	26 months (July 15, 2014)	€250,000,000 (*i.e.* 50,000,000 shares) This maximum amount is deductible from the maximum amount provided under resolution 26	Not applicable	–	–	–
Capital increase by capitalization of share premiums, reserves, profits or other items that may be capitalized	May 16, 2012 (resolution 37)	26 months (July 15, 2014)	€200,000,000 (*i.e.* 40,000,000 shares) This maximum amount is not deductible from the maximum amount provided under resolution 26	Not applicable	–	–	–
DECREASE IN THE SHARE CAPITAL BY CANCELLING SHARES							
Decrease in the share capital by cancelling shares	May 16, 2012 (resolution 25)	18 months (November 15, 2013)	10% of the share capital on the date of cancellation by 24-month period	Not applicable	14	18 months	10% of the share capital on the date of cancellation by 24-month period
STOCK-OPTIONS, FREE SHARE ALLOCATIONS AND EMPLOYEE SAVINGS PLAN							
Issuance with cancellation of preferential subscription rights to the benefit of the members of a share savings plan	May 16, 2012 (resolution 33)	26 months (July 15, 2014)	2% of the share capital on the date of the decision of the Management Board This maximum amount is deductible from the maximum amount provided under resolution 26 Issuances carried out on the basis of resolution 34 should be deducted from this maximum amount	Share capital increase of November 23, 2012 (Opportunity 12): 337,465 shares, *i.e.* €1,687,325 *i.e.* 0.12% of the share capital at December 31, 2012	16	26 months	2% of the share capital on the date of the decision of the Management Board This maximum amount is deductible from the maximum amount provided under resolution 26 of the shareholders' meeting of May 16, 2012 Issuances carried out on the basis of resolution 17 should be deducted from this maximum amount
Issuances reserved to certain categories of beneficiaries in order to implement employee shareholding transactions	May 16, 2012 (resolution 34)	18 months (November 15, 2013)	1% of the share capital on the date of the decision of the Management Board This maximum amount shall be deducted from the 2% maximum amount of resolution 33 on company savings and from the maximum amount provided under resolution 26	Share capital increase reserved to categories of beneficiaries (launch decision taken on May 16, 2012 and September 3, 2012) : up to 814,657 shares representing a total maximum amount of €4,073,285 (1)	17	18 months	1% of the share capital on the date of the decision of the Management Board This maximum amount shall be deducted from the 2% maximum amount of resolution 16 on company savings and from the maximum amount provided under resolution 26 of the shareholders' meeting of May 16, 2012

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF MAY 22, 2013		
NATURE OF THE AUTHORIZATION	DATE OF THE SHAREHOLDERS' MEETING (RESOLUTION N°)	DURATION (EXPIRY DATE)	MAXIMUM AUTHORIZED AMOUNT	UTILIZATION	RESOLUTION N°	DURATION	MAXIMUM AMOUNT
Free share allocations	May 16, 2012 (resolution 31)	26 months (July 15, 2014)	2.5% of the share capital on the date of the decision of the Management Board This maximum amount is common to resolution 32 and should be deducted from the maximum amount provided under resolution 26	Utilization on July 26, 2012: 243,080 shares Utilization on November 23, 2012 (Opportunity 12): 145,634 shares *i.e.* 0.14% of the share capital at December 31, 2012	15	26 months	2.5% of the share capital on the date of the decision of the Management Board This maximum amount should be deducted from the maximum amount provided under resolution 26 of the shareholders' meeting of May 16, 2012
Issuance of share subscription or purchase options	May 16, 2012 (resolution 32)	26 months (July 15, 2014)	2.5% of the share capital on the date of the decision of the Management Board This maximum amount is common to resolution 31 and should be deducted from the maximum amount provided under resolution 26	Not applicable	–	–	–
BUY-BACK BY REXEL OF ITS OWN SHARES							
Shares repurchases	May 16, 2012 (resolution 22)	18 months (November 15, 2013)	10% of the share capital on the completion date Aggregate maximum amount: €250,000,000 Maximum buy-back price: €22	Utilization: – under the Natixis liquidity contract for market-making purposes; – for the purpose of delivering free shares: 500,000 shares repurchased in June 2012.	12	18 months	10% of the share capital on the completion date Aggregate maximum amount: €250,000,000 Maximum buy-back price: €22

(1) The final amount of the share capital increase reserved to certain categories of beneficiaries in order to implement employee shareholding transactions as decided by the Management Board on May 16, 2012 and September 3, 2012 will only be known upon completion, ie in 2013.

(2) Once determined, the final amount of the share capital increase reserved to certain categories of beneficiaries in order to implement employee shareholding transactions will have to be deducted from the balance.

8.2.2 Securities not representative of share capital

As of the date of this *Document de Référence,* Rexel has not issued any securities not representing share capital.

8.2.3 Treasury shares and purchase by Rexel of its own shares

Information on the share repurchase plan approved by the shareholders' meeting of May 16, 2012

Characteristics of the share repurchase plan

The ordinary and extraordinary shareholders' meeting of May 16, 2012 authorized the Management Board, in accordance with the provisions of articles L.225-209 *et seq.* of the French Commercial Code and in accordance with articles 241-1 to 241-6 of the French financial markets authority *(AMF)* general rules, and Regulation n° 2273/2003, dated December 22, 2003, of the European Commission, to purchase or have purchased a maximum number of shares of Rexel representing up to 10 % of Rexel's share capital.

The characteristics of this repurchase plan are as follows:

RELEVANT SECURITIES	SHARES
Maximum percentage of share capital that may be repurchased	10% (being specified that the number of shares acquired by Rexel with a view to being retained and subsequently delivered as payment or exchange consideration in connection with a merger, demerger or contribution may not exceed 5% of Rexel's share capital)
Maximum number of securities that may be purchased	27,192,322 shares (*i.e.* 10% of the share capital at December 31, 2012)
Aggregate maximum amount of the plan	€250 million
Maximum price per share	€22
Duration of the plan	18 months, *i.e.* until November 15, 2013

The objectives of the plan, in order of highest to lowest priority, are the following:

- ensuring liquidity and activity in the market for the shares through an investment services provider, acting independently under a liquidity agreement in compliance with the AMF market ethics charter ;
- setting up any stock-option plan for Rexel in accordance with articles L.225-117 of the French Commercial Code, any allocations of free shares in connection with Group or company employee saving plans *(plans d'épargne d'entreprise ou groupe)* made in accordance with articles L.3332-1 *et seq.* of the French Labor Code, any allocations of free shares in connection with the provisions of articles L.225-197-1 *et seq.* of the French Commercial Code and any allocations, allotments or sales of shares, particularly in connection with profit sharing plans or employee shareholding plans in favour of group employees other than under a savings plan, in particular for the purpose of a "Share Incentive Plan" in the United Kingdom, as well as establishing hedging operations relating to such transactions, in each case, being made in accordance with the conditions set forth by the market authorities and at such times that the Management Board or person acting upon the authority of the Management Board implements such actions;
- retaining shares and delivering shares further to an exchange or as a consideration in the context of external growth transactions and within the limit of 5% of the share capital of Rexel;
- granting shares in connection with the exercise of rights attached to securities conferring access by any means, immediately or in the future, to Rexel shares;
- cancelling all or part of the shares so repurchased;
- any other action that is or will become permitted by French law or the AMF or any purpose that may comply with the regulations in force.

The acquisition, sale or transfer of the shares may be carried out by any means, on the market or over the counter, including through transactions involving blocks of securities or takeover bids, option mechanisms, derivatives, purchase of options or of securities in conformity with the applicable regulatory conditions.

In the event of a public tender offer on Rexel shares paid for in full in cash, Rexel may pursue the implementation of its share repurchase plan, in compliance with the applicable legal and regulatory provisions.

Share repurchases carried out by Rexel during the financial year ended December 31, 2012

Overview

During the financial year ended December 31, 2011, Rexel purchased 5,077,298 shares at an average price of €14.8693 and for a total cost of €75,495,867.15, representing 1.87% of Rexel's share capital. Of these shares, 4,577,298 were acquired for market-making purposes under liquidity contracts (described below) and 500,000 shares were acquired with a view to their delivery to the beneficiaries of free share allocations.

Transactions carried out by Rexel on its own shares for the year ended December 31, 2012 mainly consisted of:

Number of shares cancelled during the last 24 months	NA
Number of shares held by Rexel as treasury shares as of December 31, 2012	2,292,534
Percentage of capital directly or indirectly held by Rexel as of December 31, 2012	0.84%
Book value of the treasury shares	€29,481,536.22
Market value of the treasury shares as of December 31, 2012	€35,396,724.96

Rexel did not hold open buy or sell positions on derivative instruments as of December 31, 2012.

Breakdown by objective

The Management Board decided to implement the share repurchase plan with a view to serving two objectives.

Liquidity contract

Until September 11, 2011, Rexel implemented the share repurchase plan approved by Rexel's shareholders' meeting of May 16, 2012 under a liquidity contract entered into with Natixis that complies with the AMF ethics charter.

During the financial year ended December 31, 2012, 4,577,298 shares of Rexel were acquired by Natixis pursuant to the liquidity contract, at an average price of €14.9684, and 4,915,814 shares of Rexel were sold by Natixis pursuant to the liquidity contract, at an average price of €15.0525.

As of December 31, 2012, Rexel held 277,257 treasury shares, with a par value of €5 each, acquired at an average price of €14.9125, representing an aggregate purchase value of €4,134,595.01, representing 0.1% of the share capital of Rexel.

The trading costs borne by Rexel in connection with these purchases amount to €53,820 (including taxes) in 2012.

Free share allocation

Additionally, on May 31, 2012, Rexel implemented the share repurchase plan for the purpose of delivering existing shares in connection with the free share allocation plans set up by the Management Board (see paragraph 8.1.2.6 "Allotment of free share" of this *Document de Référence*).

During the financial year ended December 31, 2012, 500,000 Rexel shares were purchased by Rexel for an average price of €13.962.

At December 31, 2011, Rexel held 2,015,277 treasury shares with a par value of €5 each, purchased at an average price per share of €12.4155, *i.e.* an aggregate purchase value of €25,020,671.59, representing 0.74% of Rexel's share capital.

The trading costs borne by Rexel in connection with these purchases amount to €8,349 (including taxes) in 2012.

Information on the share repurchase plan submitted to the approval of the shareholders' meeting

At its meeting of February 5, 2013, the Management decided to submit a resolution to the shareholders' meeting authorizing it, in accordance with the provisions of articles L.225-209 *et seq.* of the French Commercial Code, of articles 241-1 to 241-6 of the General Regulation of the *Autorité des marchés financiers* and of Regulation n° 2273/2003 of the European Commission of December 22, 2003, to purchase or cause to be purchased a maximum number of Rexel shares, representing up to 10% of Rexel's share capital.

Objectives of the share repurchase plan

The objectives of the plan, in order of highest to lowest priority, would be the following:

- ensuring liquidity and activity in the market for the shares through an investment services provider, acting independently under a liquidity agreement in compliance with the AMF market ethics charter;
- setting up any stock option plan for Rexel in accordance with articles L.225-117 of the French Commercial Code, any allocations of free shares in connection with Group or company employee saving plans *(plans d'épargne d'entreprise ou groupe)* made in accordance with articles L.3332-1 *et seq.* of the French Labor Code, any allocations of free shares in connection with the provisions of articles L.225-197-1 *et seq.* of the French Commercial Code and any granting, allocation or transfer of shares in particular in connection with profit sharing plans or in connection with a shareholding plan to the benefit of the group employees set up outside of an employee savings plan, in particular for the needs of a "Share Incentive Plan" in the United Kingdom, as well as establishing hedging operations relating to such transactions, in each case, being made in accordance with the conditions set forth by the market authorities and at such times that the Management Board or person acting upon the authority of the Management Board implements such actions;
- retaining shares and delivering shares further to an exchange or as a consideration in the context of external growth transactions and within the limit of 5% of the share capital of Rexel;

– granting shares in connection with the exercise of rights attached to securities conferring access by any means, immediately or in the future, to Rexel shares;
– cancelling all or part of the shares so repurchased;
– any other action that is or will become permitted or accepted by French law or the AMF or any purpose that may comply with the regulations in force.

Terms of the share repurchase plan

Maximum portion of share capital subject to purchase authorization

The Management Board would be authorized to purchase or cause to be purchased a maximum number of Rexel shares representing up to 10% of Rexel's share capital.

Furthermore, the number of shares acquired by Rexel with a view to being retained and subsequently delivered as payment or exchange consideration in connection with a merger, demerger or contribution transaction could not exceed 5% of Rexel's share capital.

In accordance with article L.225-209 paragraph 2 of the French Commercial Code, where the shares are repurchased in order to encourage liquidity under the conditions defined by the General Regulation of the *Autorité des marchés financiers,* the number of shares taken into consideration for the calculation of the 10% limitation provided under the first paragraph of article L.225-209 shall be equal to the number of shares purchased, less the number of shares subsequently sold back during the authorization period.

In accordance with article L.225-210 of the French Commercial Code, the number of shares held by Rexel on any given may not exceed 10% of the shares comprised in the share capital of Rexel on the given date.

Considering that, as at December 31, 2012, Rexel was holding 2,292,534 of its shares representing 0.84% of Rexel's share capital, the maximum number of Rexel shares capable of being repurchased represents, as at December 31, 2012, 9.16% of Rexel's share capital, *i.e.*, 24,899,788 Rexel shares.

Maximum purchase price

The maximum purchase price per share would be set at €22, it being specified that in the event of a share capital transaction, including by way of a capitalization of reserves and free share allocation, share split or reverse share split, such price would be adjusted accordingly.

Maximum amount

The maximum amount allotted to the implementation of the share repurchase plan would amount to €250,000,000.

Terms of purchase and sale

The acquisition, sale or transfer of shares could be effected or paid for by all means, on the market or over the counter, including by means of block trade transactions or public offers, optional mechanisms, derivative instruments, purchases of options or securities, in compliance with applicable regulations.

In the event of a public offer for Rexel's securities fully paid for in cash, Rexel could pursue the implementation of its share repurchase plan, in compliance applicable laws and regulations.

Duration of the share repurchase plan

The repurchase plan would have a duration of 18 months as from the shareholders' meeting, *i.e.* until November 22, 2014.

8.2.4 Other securities conferring access to the share capital

8.2.4.1 Subscription or purchase options for Rexel shares

Rexel has issued options to subscribe for shares under the terms and conditions described in paragraph 8.1.2.5 "Subscription or purchase options for Rexel shares" of this *Document de Référence.*

8.2.4.2 Allocation of free shares

Rexel has granted free shares to certain employees and officers of the Rexel Group in accordance with the terms set forth in paragraph 8.1.2.6 "Allotment of free shares" of this *Document de Référence.*

8.2.4.3 Warrants *(bons de souscription d'actions)*

Rexel has issued warrants *(bons de souscription d'actions)* in accordance with the terms set forth in paragraph 8.1.2.7 "Issuance and granting of warrants to subscribe for Rexel shares" of this *Document de Référence.*

8.2.5 Terms governing any right of acquisition and/or any obligation attached to the capital subscribed but not paid-up

Not applicable.

8.2.6 Share capital of Rexel Group companies subject to an option or in respect of which an agreement has been made that provides for placing such share capital subject to an option

Not applicable.

8.2.7 Changes in share capital

The table below shows changes in the share capital of Rexel from December 16, 2004, the date on which Rexel was created, until December 31, 2012.

TRANSACTION SETTLEMENT DATE	TRANSACTION	NUMBER OF SHARES ISSUED	NOMINAL AMOUNT OF CAPITAL INCREASE (€)	SHARE/MERGER PREMIUM (€)	CUMULATIVE NOMINAL AMOUNT OF SHARE CAPITAL (€)	CUMULATIVE NUMBER OF SHARES	NOMINAL VALUE PER SHARE (€)
December 16, 2004	Incorporation	8,500	–	NA	85,000	8,500	10
March 9, 2005	Share capital increase in cash	5,490,000	54,900,000	NA	54,985,000	5,498,500	10
March 21, 2005	Share capital increase in cash	56,980,869	569,808,690	NA	624,793,690	62,479,369	10
June 30, 2005	Share capital increase in cash to the benefit of Rexdir S.A.S. by the issue of shares with share subscription warrants (ABSA)	304,404	3,044,040	NA	627,837,730	62,783,773	10
October 28, 2005	Share capital increase to the benefit of Rexop S.A.S.	262,001	2,620,010	NA	630,457,740	63,045,774	10
April 4, 2007	Exercise by Rexdir S.A.S. and Rexop S.A.S. of share subscription warrants (BSA) issued by Rexel	1,518,854	15,188,540	NA	645,646,280	64,564,628	10
April 4, 2007	Absorption of Rexdir S.A.S. and Rexop S.A.S. by Rexel	2,085,259	20,852,590	0	666,498,870	66,649,887	10
April 4, 2007	Cancellation of treasury shares in the context of the merger	2,085,259 shares cancelled	20,852,590 (amount of share capital increase cancelled)	NA	Share capital decrease of 645,646,280	Cumulative number of shares reduced to 64,564,628	10
April 4, 2007	Division of the nominal value of shares	64,564,628	NA	NA	645,646,280	129,129,256	5
April 4, 2007	Share capital increase reserved for Ray Investment	63,813,323	319,066,615	733,853,214.5	964,712,895	192,942,579	5
April 11, 2007	Share capital increase in cash by public offering	60,606,060	303,030,300	696,969,690	1,267,743,195	253,548,639	5
April 18, 2007	Share capital increase reserved for employees	1,436,874	7,184,370	12,082,078	1,274,927,565	254,985,513	5
April 18, 2007	Share capital increase reserved for BNP Paribas Arbitrage SNC	1,008,314	5,041,570	8,268,174,8	1,279,969,135	255,993,827	5

TRANSACTION SETTLEMENT DATE	TRANSACTION	NUMBER OF SHARES ISSUED	NOMINAL AMOUNT OF CAPITAL INCREASE (€)	SHARE/MERGER PREMIUM (€)	CUMULATIVE NOMINAL AMOUNT OF SHARE CAPITAL (€)	CUMULATIVE NUMBER OF SHARES	NOMINAL VALUE PER SHARE (€)
April 14, 2009	Share capital increase following the definitive acquisition of free shares	2,151,817	10,759,085	NA	1,290,728,220	258,145,644	5
October 30, 2009	Share capital increase following the definitive acquisition of free shares	7,474	37,370	NA	1,290,765,590	258,153,118	5
Exercise of share subscription options in 2009 (acknowledged by a decision of the Management Board of January 8, 2010)	Share capital increase further to the exercise of share subscription options	66,900	334,500	NA	1,291,100,090	258,220,018	5
Exercise of share subscription options in January and February 2010 (acknowledged by a decision of the Management Board of March 16, 2010)	Share capital increase further to the exercise of share subscription options	1,215,658	6,078,290	NA	1,297,178,380	259,435,676	5
Exercise of options between March 1, 2010 and April 30, 2010 (acknowledged by a decision of the Management Board of May 20, 2010)	Share capital increase further to the exercise of share subscription options	38,666	193,330	NA	1,297,371,710	259,474,342	5
Exercise of options between May 1, 2010 and May 31, 2010 (acknowledged by a decision of the Management Board of June 24, 2010)	Share capital increase further to the exercise of share subscription options	5,001	25,005	NA	1,297,396,715	259,479,343	5
June 24, 2010	Share capital increase further to the final acquisition of free shares	146,031	730,155	NA	1,298,126,870	259,625,374	5
Exercise of options between June 1, 2010 and August 30, 2010 (acknowledged by a decision of the Management Board of August 31, 2010)	Share capital increase further to the exercise of share subscription options	46,083	230,415	33,600	1,298,357,285	259,671,457	5
October 4, 2010	Share capital increase further to the final acquisition of free shares	1,732	8,660	NA	1,298,365,945	259,673,189	5

TRANSACTION SETTLEMENT DATE	TRANSACTION	NUMBER OF SHARES ISSUED	NOMINAL AMOUNT OF CAPITAL INCREASE (€)	SHARE/MERGER PREMIUM (€)	CUMULATIVE NOMINAL AMOUNT OF SHARE CAPITAL (€)	CUMULATIVE NUMBER OF SHARES	NOMINAL VALUE PER SHARE (€)
November 17, 2010	Share capital increase reserved for employees	356,123	1,780,615	1,747,137.80	1,300,146,560	260,029,312	5
Exercise of options between August 31, 2010 and December 31, 2010 (acknowledged by a decision of the Management Board of February 1, 2011)	Share capital increase further to the exercise of share subscription options	183,684	918,420	222,966	1,301,064,980	260,212,996	5
April 21, 2011	Share capital increase further to the final acquisition of free shares	2,590,621	12,953,105	NA	1,314,018,085	262,803,617	5
May 12, 2011	Share capital increase further to the final acquisition of free shares	268,416	1,342,080	NA	1,315,360,165	263,072,033	5
June 30, 2011	Share capital increase further to the scrip dividend distribution voted by Rexel's shareholders' meeting May 19, 2011	5,376,107	26,880,535	59,137,177	1,342,240,700	268,448,140	5
Exercise of options between January 1, 2011 and June 30, 2011 (acknowledged by a decision of the Management Board of July 21, 2011)	Share capital increase further to the exercise of share subscription options	327,652	1,638,260	1,215,684	1,343,878,960	268,775,792	5
October 31, 2011	Share capital increase further to the final acquisition of free shares	24,467	122,335	NA	1,344,001,295	268,800,259	5
February 2, 2012	Share capital increase further to the exercise of share subscription options	19,500	97,500	2,100	1,344,098,795	268,819,759	5
April 12, 2012	Share capital increase further to the final acquisition of free shares	55	275	NA	1,344,099,070	268,819,814	5
May 14, 2012	Share capital increase further to the final acquisition of free shares	48,788	243,940	NA	1,344,343,010	268,868,602	5
June 25, 2012	Share capital increase further to the final acquisition of free shares	364,440	1,822,200	NA	1,346,165,210	269,233,042	5

TRANSACTION SETTLEMENT DATE	TRANSACTION	NUMBER OF SHARES ISSUED	NOMINAL AMOUNT OF CAPITAL INCREASE (€)	SHARE/MERGER PREMIUM (€)	CUMULATIVE NOMINAL AMOUNT OF SHARE CAPITAL (€)	CUMULATIVE NUMBER OF SHARES	NOMINAL VALUE PER SHARE (€)
June 25, 2012	Share capital increase further to the scrip dividend distribution voted by Rexel's shareholders' meeting of May 16, 2012	2,273,474	11,367,370	19,074,446.86	1,357,532,580	271,506,516	5
July 19, 2012	Share capital increase further to the exercise of share subscription options	36,336	181,680	10,350	1,357,714,260	271,542,852	5
October 2, 2012	Share capital increase further to the final acquisition of free shares	13,226	66,130	NA	1,357,780,390	271,556,078	5
November 23, 2012	Share capital increase reserved for employees	337,465	1,687,325	NA	1,359,467,715	271,893,543	5

8.2.8 Pledges, guarantees and security interests

As of the date of this *Document de Référence* and to Rexel's knowledge, no Rexel shares have been pledged or are subject to a guarantee or security interest.

8.3 BY-LAWS *(STATUTS)*

The by-laws *(statuts)* have been drawn up in accordance with the provisions applicable to a French *société anonyme* with a Management Board and a Supervisory Board. The main stipulations described below are drawn from the by-laws of Rexel as updated following the decisions of the Management Board of February 5, 2013.

8.3.1 Corporate purpose (article 3 of the by-laws)

Rexel's main purpose is to engage in the following business activities, directly or indirectly, in France and abroad:

– to acquire, hold, manage and, if applicable, sell or assign shares, any other tradable securities and any other equity interests in any French or foreign company or group, whether publicly traded or privately held;

– to provide services to such companies or groups by detaching personnel or otherwise, in particular to provide all advice and assistance in their respective organization, investments and financing, and to coordinate their policies in the areas of development, product range, procurement and distribution;

– to acquire, hold, manage and, if applicable, sell or assign any industrial or intellectual property rights and all processes directly or indirectly related to the aforesaid purposes, and to secure or grant licenses for such rights; and

more generally, to carry out any transactions, in particular industrial, business, financial, stock market, civil, real property and other property transactions that are directly or indirectly related to the purposes of Rexel described above or to purposes that are similar or connected or likely to facilitate such purposes, in particular by way of lending or borrowing or granting guarantees and security interests covering its obligations or those of affiliated companies.

8.3.2 Management and supervisory bodies (articles 14 to 25 of the by-laws)

8.3.2.1 Management Board (articles 14 to 18 of the by-laws)

Appointment (article 14 of the by-laws)

Rexel is managed by a Management Board made up of a minimum of two members and a maximum of five members who are appointed by the Supervisory Board.

Management Board members are not required to be shareholders. They must be individuals.

No member of the Supervisory Board may sit on the Management Board. If a member of the Supervisory Board is appointed to the Management Board, his/her term of office on the Supervisory Board ends as soon as he/she assumes his/her duties on the Management Board. No person may be appointed as member of the Management Board unless he/she complies with the rules on holding multiple offices, conflicts of interest or disqualification or prohibitions as provided by law.

Management Board members are appointed for a term of four years by the Supervisory Board, which is responsible for filling any vacancies, in accordance with the law.

Management Board members may be re-elected.

No member of the Management Board may be over the age of 65. A Management Board member is deemed to have resigned automatically at the end of the last meeting of the Supervisory Board in the financial year during which he/she reaches this age.

Management Board members are not required to own shares of Rexel.

Any member of the Management Board may be linked to Rexel by an employment agreement, which will remain effective throughout his/her term of office and after the expiration thereof.

Dismissal (article 14 of the by-laws)

Any member of the Management Board may be dismissed by a shareholders' meeting or by the Supervisory Board. If such dismissal is without due cause, it may result in the payment of damages.

Dismissal of a Management Board member shall not result in termination of any employment agreement between such member and Rexel or one of its subsidiaries.

Chairman of the Management Board – General management (article 15 of the by-laws)

The Supervisory Board appoints a member of the Management Board to serve as Chairman.

The Chairman serves in this capacity throughout his term of office as Management Board member.

The Chairman of the Management Board represents Rexel in its relationships with third parties.

The Supervisory Board may grant the same powers of representation to one or more Management Board members, who then have the title of managing directors *(directeurs généraux)*.

The Supervisory Board may dismiss the Chairman and cancel any powers of representation granted to any Management Board member.

Powers and responsibilities of the Management Board (article 16 of the by-laws)

The Management Board is vested with the most extensive powers to act in all circumstances on behalf of Rexel, within the scope of the corporate purpose and subject to those powers expressly assigned by law and by the by-laws to shareholders' meetings and to the Supervisory Board.

In its relationships with third parties, Rexel is responsible for all actions of the Management Board, including those that do not fall within the corporate purpose, unless it can demonstrate that the third party was aware that the action went beyond the scope of such purpose or that it could not be unaware of this under the circumstances, it being specified that publication of the by-laws does not in itself constitute such proof.

Management Board members may, with the Supervisory Board's authorization, divide management responsibilities among themselves. However, such allocation shall not in any event deprive the Management Board of its status as a collegiate body that is responsible for the management of Rexel.

The Management Board may assign special missions to one or more of its members or to any person who is not a member, on a permanent or temporary basis, to achieve one or more specified goals, with or without the ability further to delegate such powers as it deems appropriate.

The Management Board submits to the Supervisory Board a report summarizing the main actions or events that have occurred concerning the management of Rexel at least once each quarter. The Supervisory Board may at any time request that the Management Board submit a report on its management and on ongoing operations. This report may, at the Supervisory Board's request, be supplemented by an interim financial position of Rexel.

Within three months as from the end of each financial year, the Management Board approves and submits to the Supervisory Board, for purposes of verification and control, the year-end financial statements and, if any, the consolidated financial statements together with the report submitted to the annual shareholders' meeting. It proposes the allocation of income from the previous financial year to the Supervisory Board.

The Management Board reviews the half-yearly financial statements and submits them to the Supervisory Board.

The Management Board convenes shareholders' meetings, sets the agenda of the meetings and carries out the shareholders' decisions.

Management Board members are liable to Rexel or to third parties, for violations of the provisions of the legal provisions governing sociétés anonymes, for violations of the by-laws, or for negligence in their management, under the conditions and subject to the penalties provided by law.

Deliberations of the Management Board (article 17 of the by-laws)

The Management Board's meetings are convened by its Chairman, whenever the best interests of Rexel so require, at the registered office or at any other location specified in the meeting notice. The agenda may be set at the time of the meeting if all members are present. Notices of meeting may be given in any way, including verbally.

The meetings are chaired by the Chairman of the Management Board or, in his absence, by a member selected by the Management Board at the beginning of the meeting. The Management Board appoints a secretary who is not required to be a Board member.

In order for resolutions to be valid, there must be a quorum of at least half of Management Board members in attendance.

Resolutions are adopted by a simple majority of Management Board members present and represented. Each Management Board member may represent one other Management Board member at each Management Board meeting. In the event of a tie, the Chairman of the meeting has a casting vote.

Deliberations are recorded in minutes that are entered in a special register and are signed by the Chairman of the meeting.

The Management Board members may draw up Rules of Procedure to govern all issues in relation to the operations of the Management Board that are not covered by the by-laws. These Management Board Rules of Procedure may, in particular, set out the conditions for participating and voting in Management Board meetings held by videoconferencing or other means of telecommunication. In this case, Management Board members who participate in Management Board meetings by videoconferencing or any other form of telecommunications shall be considered to be present for purposes of calculating the quorum and majority, in accordance with the Rules of Procedure.

Compensation of Management Board members (article 18 of the by-laws)

The Supervisory Board determines the method and amount of compensation paid to each Management Board member. Such remuneration may be fixed or proportionate, or both fixed and proportionate.

8.3.2.2 Supervisory Board (articles 19 to 25 of the by-laws)

Members (article 19 of the by-laws)

The Supervisory Board is made up of a minimum of five members and a maximum of fifteen members, subject to the exceptions provided for by law in the event of a merger.

During the company's lifetime, Supervisory Board members are appointed or reappointed by the ordinary shareholders' meeting.

They are appointed for a maximum term of four years. As an exception, the duties of current members of the Supervisory Board, the term of office of whom has been set to 5 years, shall run until their initial expiry date.

The term of office of a Supervisory Board member expires at the end of the ordinary shareholders' meeting convened to approve the financial statements for the previous financial year and held during the year in which the term of office of such member expires.

The Supervisory Board shall be renewed in quarters, rounded to the higher whole number every year so that it is fully renewed every four years. The order of early termination of the terms of office shall be determined by the unanimous decision of the members of the Supervisory Board present or represented or, if unanimity is unable to be reached, by drawing lots. The mandate of the persons so designated will end by sunset on the date fixed by the unanimous decision of the Supervisory Board or on the date fixed by the Chairman before the draw. The renewal of Supervisory Board members shall then be carried out in the order of length of service.

Supervisory Board members may be re-elected.

They may be dismissed at any time by the ordinary shareholders' meeting.

No individual exceeding the age of 70 may be appointed as member of the Supervisory Board if such appointment raises the number of Supervisory Board members who are over this age to more than one-third.

8

Supervisory Board members may be individuals or legal entities. Any legal entities must, at the time of their appointment, appoint a Permanent Representative who is subject to the same conditions and obligations and who incurs the same liability as if he/she were a Supervisory Board member in his/her own name, without prejudice to the joint and several liability of the legal entity he/she represents. This office of Permanent Representative is concurrent with the term of office of the legal entity that he/she represents. It must be renewed each time the term of office of the legal entity comes up for renewal.

Should the legal entity dismiss its representative, it must notify Rexel thereof without delay, by registered mail, and of the identity of its new Permanent Representative. The same shall also apply in the event of the death, resignation or disability of the Permanent Representative.

Should one or more seats on the Supervisory Board become vacant between two shareholders' meetings, as a result of the death or resignation of members, the Supervisory Board may co-opt one or more persons to serve as interim members.

Any co-opted Supervisory Board members appointed by the Supervisory Board are subject to ratification by the shareholders at the next ordinary shareholders' meeting.

If the appointment of co-opted members is not ratified, the resolutions adopted and actions carried out previously shall be nonetheless valid.

Should the number of Supervisory Board members fall to less than three, the Management Board shall immediately convene an ordinary shareholders' meeting to bring the number of Supervisory Board members up to the required minimum.

A Supervisory Board member who is appointed to replace another Board member shall remain in office only for the remainder of his predecessor's term.

No person may be appointed as member of the Supervisory Board unless he complies with the rules on combining offices, conflicts of interests or disqualification or prohibitions as provided by law.

The number of Supervisory Board members who are linked to Rexel by an employment agreement may not exceed one third of the Supervisory Board members in office.

Shares held by Supervisory Board members (article 20 of the by-laws)

Supervisory Board members shall not be required to own any share in Rexel.

Officers of the Supervisory Board (article 21 of the by-laws)

The Supervisory Board shall elect from among its members who are individuals a Chairman and a Deputy Chairman who shall serve in this capacity for the duration of their term of office as Supervisory Board members, unless the Supervisory Board decides to appoint a new Chairman or Deputy Chairman.

The Chairman of the Supervisory Board convenes meetings of the Supervisory Board and oversees its deliberations.

In the absence of the Chairman, the Deputy Chairman serves as Chairman and enjoys the same prerogatives.

The Supervisory Board also appoints a secretary who is not required to be a Supervisory Board member and who serves as an officer of the Board, alongside the Chairman and Deputy Chairman.

Failing this, the Supervisory Board appoints one of its members to chair the meeting.

The Chairman, Deputy Chairman and Secretary may be re-elected.

Deliberations of the Supervisory Board (article 22 of the by-laws)

The Supervisory Board meets whenever the best interests of Rexel so require, and at least once every quarter, at meetings convened by its Chairman or Deputy Chairman.

Unless otherwise agreed by all members of the Supervisory Board, meeting notices must be given in writing, including by fax or e-mail, at least three (3) days before the date of the meeting, together with the agenda of the meeting and all documents that have been prepared for submission to the Supervisory Board. However, when all Supervisory Board members are present or represented at a meeting (including if they are participating or represented during a telephone or videoconference), the meeting may be held without prior notice and without observing such three (3) day notice period.

Meetings are held at the registered office or at any other place specified in the notice of meeting.

However, the Chairman of the Supervisory Board is required to convene a meeting of the Supervisory Board to be held no later than fifteen days after the date of receipt of a detailed request from at least one member of the Management Board or at least two Supervisory Board members. If such request is not followed by action, the persons requesting the meeting may convene the meeting on their own and set the agenda of the meeting. Other than in this case, the agenda is determined by the Chairman and must be mentioned in the meeting notice.

The Supervisory Board is duly convened only if a quorum consisting of at least half of its members is in attendance.

Decisions are approved by a majority of votes of the members present or represented; each Supervisory Board member has one vote and may not represent more than one of his colleagues.

In accordance with the applicable regulations, the Supervisory Board will draw up Rules of Procedure defining the methods of participating and voting at Supervisory Board meetings held by videoconference or any other forms of telecommunication.

Provided that the Supervisory Board Rules of Procedure so allow, Supervisory Board members who attend Supervisory Board meetings by videoconference or any other forms of telecommunication shall be deemed to be present for purposes of calculating the quorum and majority, in accordance with the Rules of Procedure.

In the event of a tie, the Chairman of the meeting shall have a casting vote, if and only if the Supervisory Board consists of an even number of Supervisory Board members in office and only during meetings chaired by the Chairman of the Supervisory Board.

An attendance register is maintained and signed by the Supervisory Board members who attended the Supervisory Board meeting; it must show the name of any Supervisory Board Members who attended the meeting by videoconference or other forms of telecommunication.

The deliberations of the Supervisory Board are recorded in minutes, which are drawn up in accordance with applicable law and signed by the Chairman of the meeting and by at least one Supervisory Board member or, in the event the Chairman is unavailable, by two Supervisory Board members.

Copies or excerpts of these minutes are certified by the Chairman of Supervisory Board, the Deputy Chairman, a Board member or an authorized representative.

Powers of the Supervisory Board (article 23 of the by-laws)

The Supervisory Board exercises ongoing control over the Management Board's management of Rexel. It carries out such verifications and controls as it deems appropriate and receives all documents that it deems necessary for the performance of its duties.

In accordance with legal requirements, the Supervisory Board gives the Management Board prior authorization to grant sureties, endorsements and other guarantees, to sell real property, to dispose of equity interests, in whole or in part, and to grant security interests.

The following decisions are subject to prior authorization by the Supervisory Board:

- adoption of the annual budget;
- adoption of the strategic plan;
- appointment and dismissal or redundancy of Executive Committee members and determination of their compensation (including benefits in kind and special pension arrangements);
- proposed resolutions to be submitted to the shareholders' meeting in relation to any distribution of dividends or reserves to the shareholders;
- proposed resolutions to be submitted to the shareholders' meeting in relation to replacement of the statutory auditors;
- approval of significant changes in accounting methods;
- acceptance of and resignation from any duties as a member of a board of directors or equivalent body by Rexel and appointment and dismissal of the appointment of Rexel permanent representatives to such board of directors or equivalent body;
- proposed resolutions to be submitted to the shareholders' meeting and use of authorizations or powers granted by the shareholders' meeting in relation to the issuance of shares or tradable securities granting immediate or future access to the share capital of Rexel, of a company that directly or indirectly owns more than half of its share capital or of a company in which it directly or indirectly owns half of the capital, or tradable securities granting rights to the award of debt securities;
- proposed resolutions to be submitted to the shareholders' meeting in relation to any share repurchase plan;
- the acquisition and disposal of any business segments, equity interests in any company, any assets and undertaking any investment, in each case, with an enterprise value exceeding a threshold determined by the Supervisory Board (by exception, this applies to the disposal of part or all of equity interests, regardless of the amount);
- the creation of any business division or subsidiary, on investments in any business division or on the acquisition of any equity interest in a country in which Rexel does not operate;
- borrowing (including by issuing bonds) or assumption of liabilities in an amount exceeding a threshold determined by the Supervisory Board in each case;
- awarding options to subscribe for or to purchase shares, awarding free shares or other plans involving equity securities of Rexel at the benefit of the employees of Rexel or its subsidiaries;
- entering into merger, spin-off or asset transfer agreements;
- admission to trading of securities issued by Rexel or one of its subsidiaries on a regulated market;
- any transaction entailing a significant change in the scope of the business of Rexel and its subsidiaries;
- any transaction or settlement in connection with any litigation in an amount exceeding a threshold determined by the Supervisory Board.

The Supervisory Board submits to the ordinary shareholders' meeting its comments on the Management Board's report and on the annual financial statements.

The Supervisory Board may appoint, from amongst its members, one or more special committees, for which it determines the members and responsibilities, and which operate under its responsibility; however, such responsibilities shall not result in delegating to a committee any powers vested in the Supervisory Board by law or by the by-laws, nor shall they reduce or limit the powers of the Management Board.

The rules of operation of such committees are determined by the Supervisory Board Rules of Procedure and set out in the Rules of Procedure, if any, drawn up by each committee and approved by the Supervisory Board.

Compensation of the Chairman, the Deputy Chairman, members and officers of the Supervisory Board (article 24 of the by-laws)

The ordinary shareholders' meeting may allocate attendance fees to the Supervisory Board members; the amount of such fees is included in the operating expenses of Rexel and remains in effect until the shareholders' meeting decides otherwise.

The Supervisory Board allocates this remuneration among its members as it deems appropriate.

The compensation of the Chairman and of the Deputy Chairman of the Supervisory Board are determined by the Supervisory Board. Such compensation may be fixed or proportionate, or both fixed and proportionate.

The Supervisory Board may allot exceptional compensation for special missions or duties assigned to Supervisory Board members; any such compensation is recorded as operating expenses and is subject to approval by the ordinary shareholders' meeting.

The Supervisory Board may authorize the reimbursement of travel and other expenses incurred by its members in the best interest of Rexel.

No compensation other than that provided herein, whether permanent or temporary, may be allocated to Supervisory Board members, unless they are linked to Rexel by an employment agreement under the conditions authorized by law.

Liability (article 25 of the by-laws)

Supervisory Board members are liable for any personal negligence in the performance of their duties. They do not incur any liability as a result of management actions and the results thereof.

8.3.3 Rights and obligations attached to shares (articles 8, 9, 11, 12 and 13 of the by-laws)

Shares subscribed for in cash are issued and paid-up under the terms and conditions provided for by law.

The Rexel shares may be in registered or bearer form, at the shareholder's discretion, notwithstanding certain legal or regulatory provisions that may in certain cases require that the shares be in registered form.

The Rexel shares are registered on a securities account under the terms and conditions provided for by law.

The shares are freely tradable, notwithstanding any legal or regulatory provisions to the contrary. They are transferred between accounts under the terms and conditions provided for by law.

Each share grants rights to a share of ownership in the corporate assets and in the distribution of profits, which is proportional to the percentage of the share capital that it represents.

Each share also gives its holder the right to vote and to be represented at shareholders' meetings under the terms and conditions provided for by law and by the by-laws.

Shareholders are responsible for the company's liabilities only up to the amount of their contributions.

The rights and obligations attached to the shares remain attached thereto irrespective of the transferee.

Owners of shares are automatically bound by the by-laws and by any decisions of the shareholders' meetings.

Whenever more than one share is required to exercise a particular right, in the event of a share exchange, consolidation or allotment, or as a result of an increase or reduction in share capital, or in the event of a merger or other transaction involving the share capital, shareholders who own only one share or who do not own the minimum number of shares required may at their own initiative consolidate their shares for the purpose of exercising said right, or buy or sell the requisite number of shares.

The shares are indivisible with regard to Rexel.

The co-owners of split shares must be represented vis-à-vis Rexel by only one of the co-owners or by a single representative. If no agreement can be reached concerning the appointment of a representative, such representative shall be appointed by order of the President of the commercial court acting at the request of the first owner to take the initiative to refer the matter to such court.

Voting rights attached to shares belong to the beneficial owner *(usufrutier)* at ordinary meetings and to the legal owner *(nu-propriétaire)* at extraordinary meetings.

8.3.4 Changes to shareholders' rights

Insofar as the by-laws contain no specific provisions covering changes to shareholders' rights attached to shares, such changes are subject to the provisions of the law.

8.3.5 Shareholders' meetings (articles 27 to 35 of the by-laws)

Shareholders' decisions are made at shareholders' meetings, which are either ordinary, extraordinary or special meetings depending on the type of decision on which the shareholders are requested to vote.

Any duly convened shareholders' meeting represents all the shareholders.

Decisions made in shareholders' meetings are binding upon all shareholders, including those who are absent, incapacitated or dissenting.

8.3.5.1 Notices of meetings (article 28 of the by-laws)

Shareholders' meetings are convened by the Management Board, within the time periods and under the conditions set forth by law. They may also be convened by the Supervisory Board, or by any person authorized for this purpose by law.

Shareholders' meetings are held at the company's registered office or at any other location indicated in the meeting notice.

8.3.5.2 Agenda (article 29 of the by-laws)

The agenda of shareholders' meetings is set by the party that convened the meeting.

Shareholders, at a shareholders' meeting, may not deliberate on a matter that is not referred to in the agenda, which cannot be amended upon serving a second notice. They may, however, under any circumstances, dismiss one or more Supervisory Board members and appoint their replacements.

8.3.5.3 Access to shareholders' meetings (article 30 of the by-laws)

The right to participate in shareholders' meetings is subject to the following conditions:

- for holders of registered shares, the shares must be registered in the shareholder's name in Rexel's books at least three (3) business days before the date of the shareholders' meeting;
- for holders of bearer shares, a certificate of attendance from an authorized intermediary must be filed under the conditions provided for by law, within three (3) business days before the date of the shareholders' meeting.

A shareholder may be represented by another shareholder, by his or her spouse or by his or her civil solidarity pact (PACS) partner. Furthermore, a shareholder may be represented by any other legal entity of individual of his / her choice:

(i) where the Rexel shares are admitted to trading on a regulated market;

(ii) where the Rexel shares are admitted to trading on a multilateral trading facility that complies with the legal and regulatory provisions aiming at protecting investors against insider trading, price manipulation and the dissemination of false information in accordance with the conditions laid down in the General Regulation of the *Autorité des marchés financiers,* appearing on a list drawn up by the AMF in accordance with the terms of its General Regulation.

The proxy, as well as the withdrawal of the proxy, if applicable, must be in writing and notified to the Company, in accordance with the provisions laid down by law.

Any shareholder may vote by mail, by sending a ballot to Rexel under the conditions provided for by law.

This form may be on the same document as the proxy form; in this case, the single document must contain the statements and information provided for by the regulations. In order for mail ballots to be counted, Rexel must receive the ballots three (3) days before the date of the meeting. The electronic signature may take the form of a procedure compliant with the first sentence of the second subparagraph of article 1316-4 of the French civil code.

If the Management Board so decides when it convenes the meeting, shareholders may also participate and vote in the meeting by electronic or another form of telecommunication that enables them to be identified under the conditions provided for by law.

Shareholders who participate in a meeting by videoconference or other forms of telecommunication that enable them to be identified under the conditions provided for by law are deemed to be present for purposes of calculating the quorum and majority.

8.3.5.4 Attendance sheet – officers of the meeting – minutes of meetings (article 31 of the by-laws)

An attendance sheet containing the information required by law is kept for each meeting.

This attendance sheet, which is duly initialled by shareholders present and by any proxies, and to which any proxy forms and postal ballots are attached, is certified as true and accurate by the officers of the meeting.

Shareholders' meetings are chaired by the Chairman of the Supervisory Board or, in his absence, by the Deputy Chairman of the Board, or by a Supervisory Board member specially authorized for this purpose.

If the shareholders' meeting is convened by the statutory auditor or auditors, by a representative of the court or by the receivers, the meeting is chaired by one of them.

In any event, in the absence of the person who is authorized or appointed to chair the meeting, the shareholders shall elect a chairman of the meeting.

Ballots are counted by the two shareholders in attendance who hold the largest number of shares, either personally or by proxy, and who agree to perform this task (they shall be known as officers of the meeting).

The officers of the meeting appoint a secretary who is not required to be a shareholder.

The duties of the officers of the meeting are to verify, certify and sign the attendance sheet; to ascertain that the deliberations are duly carried out; to settle any incidents arising at the meeting; to count the votes cast and to ascertain that they are valid; and to draw up the minutes of the meeting and to sign them.

Minutes of the meetings are drawn up and copies or excerpts thereof are delivered and certified in accordance with the law.

8.3.5.5 Quorum – Voting – Number of votes (article 32 of the by-laws)

The quorum for ordinary and extraordinary shareholders' meetings is calculated on the basis of the total number of shares comprising the share capital, less any shares disqualified from voting pursuant to the provisions of the law.

In the case of votes submitted by mail, only those ballots received by Rexel prior to the meeting within the time period and under the conditions set forth by law will count towards the quorum.

At ordinary and extraordinary shareholders' meetings, each shareholder shall have as many votes as shares he owns or represents, in his own name or by proxy, with no limitations of any kind.

Voting takes place and the votes are cast, as decided by the officers of the meeting, by a show of hands, by electronic means or by any form of telecommunication that enables the shareholders to be identified in accordance with the applicable regulations.

8.3.5.6 Ordinary shareholders' meetings (article 33 of the by-laws)

Ordinary shareholder's meetings are held to make all decisions that do not amend the by-laws.

Ordinary shareholders' meetings are held at least once each year, within the times specified by the applicable laws and regulations, to resolve on the financial statements and, if applicable, on the consolidated financial statements for the past financial year.

While voting in accordance with the quorum and majority requirements applicable to ordinary meetings, the ordinary shareholders' meeting exercises the powers assigned thereto by law.

8.3.5.7 Extraordinary shareholders' meetings (article 34 of the by-laws)

Only the extraordinary shareholders' meeting is authorized to amend any provision of the by-laws. However, it may not increase the obligations of shareholders, subject to transactions resulting from an exchange or consolidation of shares duly approved and carried out.

While voting in accordance with the applicable quorum and majority requirements, the extraordinary shareholders' meeting exercises the powers assigned thereto by law.

8.3.5.8 Shareholders' right to information (article 35 of the by-laws)

The shareholders have a right to receive the documents they need to take an informed decision on the management and operation of Rexel and to vote accordingly.

The type of such documents and the conditions under which they are sent or made available to shareholders are determined by law.

8.3.6 Provisions likely to have an impact on the control of Rexel

To Rexel's knowledge, there exists no provision in the by-laws that would result in delaying, deferring or preventing a change of control of Rexel.

Agreements entered into by Rexel's shareholders are described in paragraph 8.1.5 "Agreements potentially leading to a change of control" of this *Document de Référence.* Furthermore, provisions of the senior credit agreement and of the bonds likely to have an impact in case of change of control of Rexel are described in note 20.1 of the Notes to the consolidated financial statements of the company for the financial year ended December 31, 2012, set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence.*

8.3.7 Ownership threshold disclosures and identification of shareholders (articles 10 and 11 of the by-laws)

8.3.7.1 Ownership threshold disclosures (article 11 of the by-laws)

In addition to the legal obligation to notify Rexel whenever the ownership thresholds provided by law are crossed, any individual or legal entity, acting alone or in concert, coming into possession, directly or indirectly within the meaning of the law (and in particular, of article L.233-9 of the French Commercial Code), of a number of shares representing 2.5% of the share capital or voting rights, is required to disclose to Rexel the total number of shares and voting rights it owns by sending a notice by registered mail with acknowledgement of receipt to the registered office or, for shareholders who are not French residents, by any equivalent means, within 5 trading days from the date it has crossed one of these thresholds, stating the total number of securities held giving future access to the share capital and the number of voting rights attached thereto. This declaration of crossing of threshold shall also state whether the shares or voting rights attached thereto are held on behalf of or in concert with other individual or legal entities and shall also indicate the date on which the threshold was crossed. Such disclosure must be made for any additional multiple of 2.5% of the share capital or voting rights without any limitation, including when it exceeds 5%.

Failure to duly make such disclosure under the conditions specified above shall result in the disqualification for voting purposes of the shares that should have been disclosed under the conditions provided for by law, if so requested by one or more shareholders separately or together owning at least 2.5% of the share capital or voting rights and duly recorded in the minutes of the shareholders' meeting.

Any shareholder whose ownership interest and/or voting rights in Rexel falls below one of the aforesaid thresholds, for any reason whatsoever, is also required to disclose this fact to Rexel, under the same conditions and within the same periods of time specified above.

In calculating the aforesaid thresholds, the denominator must take into account the total number of shares making up the share capital and to which voting rights are attached, including shares that are disqualified for voting purposes, as published by Rexel as required by law (Rexel must publish the total number of shares with voting rights and the number of such shares that have been disqualified for voting purposes).

8.3.7.2 Identification of shareholders (article 10 of the by-laws)

Rexel stays informed about the composition of its shareholder base in accordance with applicable laws. In this respect, Rexel may avail itself of all legal provisions, for identification of the holders of securities conferring immediate or future voting rights at Rexel's shareholders' meetings.

Rexel may, at any time, in accordance with the applicable laws and regulations, request that the central custodian in charge of the administration of its share issue account, in exchange for consideration paid by Rexel, identify the owners of securities giving immediate or future voting rights at shareholders' meetings, as well as the number of securities held by each such owner and any restrictions that may apply to such securities.

After following the procedure described in the previous paragraph and in the light of the list transmitted by the central custodian, Rexel may also request, either through such custodian or directly from the persons registered on this list and whom Rexel believes may be registered on behalf of third parties, information regarding the owners of the securities as provided in the preceding paragraph.

If the shares are in registered form, the intermediary registered as provided by law is required to disclose the identity of the owners of such shares and the number of shares held by each owner at the request of Rexel or its authorized representative, in accordance with the applicable laws and regulations, and such request may be presented at any time.

As long as Rexel believes that certain holders of shares whose identity has been disclosed hold such shares as nominees for third parties, it has the right to ask the nominees to reveal the identity of the owners of such shares.

Upon completion of the identification procedures, and without prejudice to the disclosure of material holdings as required by law, Rexel may ask any legal entity that owns its shares and holds interests exceeding one-fortieth of the share capital or voting rights to disclose the identity of any persons that directly or indirectly control more than one third of the share capital or voting rights of such legal entity.

Failure by the holders of shares or by the intermediaries to fulfil their obligation to disclose the aforesaid information may, as provided for by law, lead to suspension or even disqualification from voting and dividend rights attached to the shares.

8.3.8 Special provisions governing changes to share capital (article 7 of the by-laws)

Rexel's share capital may be increased or reduced in all ways and by all manners authorized by law. The extraordinary shareholders' meeting may also decide to carry out stock splits or reverse splits.

8.4 OTHER ELEMENTS THAT MAY HAVE AN IMPACT IN CASE OF TENDER OFFER

8.4.1 Control mechanisms in relation to employee shareholding

In the scope of the share capital increase reserved for employees, the employees' investments are carried out in certain jurisdiction through mutual funds *(fonds commun de placement)*. The "Rexel Actionnariat Classique France" and the "Rexel Actionnariat Classique International" funds have been created in this context.

Each of these funds has a supervisory board, the main powers of which are as follows:

- it reviews the management report and financial statements of the fund, the financial, administrative and accounting management and adopts its annual report;
- it exercises the voting rights attached to the shares issued by Rexel and decides on the contribution of shares, and, in this respects, appoints one or several representatives of the fund at the Rexel shareholders' meetings;
- it may submit resolutions at Rexel shareholders' meetings;
- it grants its prior agreement to certain amendments to the rules of the fund: change of management company, dissolution, merger/demerger, change in the orientations of management and classification;
- it may take legal action to defend or enforce the rights or interests of its shareholders.

Decisions of the supervisory board of the fund are approved by a majority of votes of the members present or represented. In the event of a tie, the Chairman of the meeting has a casting vote.

The means available for the supervisory board to support its decisions and carry out its duties are as follows: organization of telephone conferences, if applicable, beyond the formal scope of the meetings, various information provided by Rexel, in order to assess the economic and financial position of the Rexel Group and its outlook; information provided by the management company.

The representatives of the holders of shares at the supervisory board of the French and International funds have been fully informed of the release of the assets subscribed as part of the 2007 shareholding plan and the launch of the 2012 shareholding plan.

8.4.2 Agreements entered into by Rexel to be amended or terminated in case of change of control

The agreements entered into by Rexel or which may need to be amended or terminated in case of change of control are, in particular, the following:

- the Senior Credit Agreement (see note 20.1.2 of the Notes to the consolidated financial statements of the company for the financial year ended December 31, 2012, set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*);
- the 2009 and 2010 senior Bonds (see note 20.1.1 of the Notes to the consolidated financial statements of the company for the financial year ended December 31, 2012, set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*); and
- the 2011 senior Bonds (see note 20.1.1 of the Notes to the consolidated financial statements of the company for the financial year ended December 31, 2012, set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*);
- the 2012 senior Bonds (see note 20.1.1 of the Notes to the consolidated financial statements of the company for the financial year ended December 31, 2012, set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*).

8.5 MATERIAL AGREEMENTS

During the last two years, the Rexel Group's companies have been parties to the following material agreements: the various financings obtained by the Rexel Group companies (see note 20.1 of the Notes to the consolidated financial statements of the company for the financial year ended December 31, 2012, set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*).

8.6 DOCUMENTS AVAILABLE TO THE PUBLIC

8.6.1 Legal documents

During the period of validity of this *Document de Référence,* the following documents, or a copy thereof, may be consulted:

- Rexel's by-laws;
- all reports, correspondence and other documents, historical financial information, assessments and statements made by an expert at the request of Rexel, any part of which is included or referred to in this *Document de Référence;* and
- the historical financial information of Rexel and its subsidiaries for each of the three financial years prior to publication of this *Document de Référence.*

All of the above legal and financial documents in relation to Rexel and that must be made available to the shareholders in accordance with the applicable regulations may be consulted at the registered office of Rexel.

8.6.2 2012 annual financial report

A correlation table between the annual financial report and this *Document de Référence* is set out in chapter 10 "Correlation Tables" of this *Document de Référence.*

8

8.6.3 The annual document

The list of information published or made public by Rexel in the course of the last 12 months established according to article 222-7 of the General rules of the *Autorité des marchés financiers* is as follows:

DATE	TITLE
PRESS RELEASES (AVAILABLE ON www.rexel.com)	
January 11, 2012	Nominations
February 1, 2012	Rexel reinforces its presence in Canada through the acquisition of Liteco
February 6, 2012	Rexel becomes a leader in the Brazilian market through two new acquisitions
February 9, 2012	Rudy Provoost succeeds Jean-Charles Pauze as Rexel's Chairman of the Management Board
February 10, 2012	Fourth Quarter & full-year 2011 results
February 14, 2012	Rexel enters into a partnership with Ashoka and adheres to the Global Compact
February 27, 2012	Rexel strengthens its presence in the United Kingdom through the acquisition of the assets of Wilts Wholesale Electrical
March 1, 2012	Rexel strengthens its presence in Belgium with the acquisition of La Grange
March 16, 2012	Rexel launches $300 Million note offering
March 16, 2012	2011 *Document de Référence* made availbale
March 19, 2012	Rexel enters the ASPI Eurozone® index
March 22, 2012	Rexel places USD400 million of notes
March 30, 2012	Rexel awarded the gold trophy "Corporate Finance Department – Industry Sector"
April 3, 2012	Appointments within Rexel's Executive Committee
April 10, 2012	Terms and condition for the payment of the dividend in shares or in cash
March 12, 2012	Rexel acquires the assets of Société Commerciale Toutelectric in Southwest France
March 17, 2012	Additional issuance of notes in an amount of USD100 million
March 27, 2012	Ordinary and Extraordinary Shareholders'meeting of May 16, 2012
May 3, 2012	First-quarter 2012 results (unaudited)
May 16, 2012	Rexel's 2012 Annual General Meeting
May 16, 2012	Rexel expands its presence in the USA with the strategic acquisition of Platt Electric Supply
May 29, 2012	Investor Day: Rexel unveils its Energy in Motion company plan
June 1, 2012	Rexel enters the MSCI Global Standard indice
June 25, 2012	Results of the option for the payment of the dividend in shares
July 19, 2012	Etienne Bertin joins Rexel as Chief Information Officer
July 27, 2012	Second-quarter & half-year 2012 results (unaudited)
September 3, 2012	Rexel launches a new employee share purchase plan in 16 countries
October 1, 2012	Pierre Allard-Couluon has joined Rexel as Vice-President Rexel IPG
October 31, 2012	Rexel acquires Munro Distributing Company in the USA
October 31, 2012	Michel Favre to step down as group CFO in the coming months
October 31, 2012	Third-quarter & 9-month 2012 results
December 11, 2012	Rexel strengthens its organisational structure in line with the strategic priorities of the "Energy in Motion" company plan
December 17, 2012	Renewable Energy brand "Natural Sparx" wins prestigious construction marketing award
PUBLICATIONS IN THE *BULLETIN DES ANNONCES LÉGALES OBLIGATOIRES* (AVAILABLE ON www.journal-officiel.gouv.fr)	
April 9, 2012	Convening of shareholders' meeting
April 27, 2012	Convening of shareholders' meeting
June 13, 2012	Periodical publications – commercial and industrial companies (annual financial statements)

DATE	TITLE
DOCUMENTS FILED WITH THE CLERK OF THE COMMERCIAL COURT (AVAILABLE FROM THE CLERK OF THE COMMERCIAL COURT OF PARIS)	
March 12, 2012	Extract of minutes: Change in the Chairman of the Management Board
May 10, 2012	Updated by-laws
May 10, 2012	Extract of minutes: Share capital increase, Amendments of by-laws
June 8, 2012	Updated by-laws
June 8, 2012	Extract of minutes: Share capital increase, Amendments of by-laws
June 8, 2012	Extract of minutes: Decision to increase the share capital
June 27, 2012	Extract of minutes: renewal of Supervisory Board members, appointment of Supervisory Board members, Decision to reduce the share capital, Authorization to increase the share capital, Change in principal and deputy statutory auditors
July 6, 2012	Updated by-laws
July 6, 2012	Extract of minutes: Share capital increase, Amendments of by-laws
July 6, 2012	Extract of minutes: Authorization to increase the share capital
August 24, 2012	Updated by-laws
August 24, 2012	Extract of minutes: Share capital increase, Amendments of by-laws
October 9, 2012	Updated by-laws
October 9, 2012	Extract of minutes: Share capital increase, Amendments of by-laws
December 4, 2012	Updated by-laws
December 4, 2012	Certificate – bank certificate
December 4, 2012	Extract of minutes – Share capital increase, Amendments of by-laws

8.7 PERSON RESPONSIBLE FOR THE *DOCUMENT DE RÉFÉRENCE*

8.7.1 Person responsible for the *Document de Référence*

Rudy Provoost, Chairman of the Management Board of Rexel.

8.7.2 Responsibility statement

I hereby certify, having taken all reasonable steps to confirm it, that the information contained in this *Document de Référence* reflects, to my knowledge, the reality and that no omissions have been made that are likely to have a bearing thereon.

I certify that, to my knowledge, the financial statements have been prepared in accordance with applicable accounting standards, and give a true view of the assets, financial condition and results of operations of the company and of all of the companies included in the scope of consolidation and that the management report, comprising the chapters referred to in paragraph 9.1.1 of this *Document de Référence* provides an accurate description of the business trends, results of operations and financial condition of the company and all of the companies included in the scope of consolidation, as well as a description of the main risks and uncertainties that are faced by the latter.

I have obtained from the statutory auditors a letter in which they indicate that they have verified the information concerning the financial condition and financial statements presented in this document and read the entire document.

The consolidated financial statements for the year ended December 31, 2012, set forth in this *Document de Référence* have been the subject of a report of the auditors, set forth in section 5.2 of this *Document de Référence*, which contains the following note:

"Without qualifying our opinion, we draw your attention to note 2.2.1 to the consolidated financial statements which sets out the change in accounting Policy related to the early adoption of the amendment to IAS 19 "Employee Benefits"."

Rudy Provoost
Chairman of the Management Board of Rexel
Paris, March 13, 2013

8.7.3 Person responsible for financial communication

Marc Maillet
Vice President, Investors Relations

Address: 189-193, boulevard Malesherbes, 75017 Paris
Telephone: +33 (0)1,42,85,85,00
Fax: +33 (0)1,42,85,92,05

8.7.4 Indicative financial information timetable

Financial information reported to the public by Rexel will be available on the Rexel website (www.rexel.com).

For indicative purposes only, Rexel's financial information timetable up to December 31, 2013, should be as follows:

Q1, 2013 results	May 2, 2013
Shareholders' meeting	May 22, 2013
H1, 2013 results	July 26, 2013
Q3, 2013 results	October 31, 2013

8.8 STATUTORY AUDITORS

8.8.1 Principal Statutory Auditors

Ernst & Young Audit
Represented by Pierre Bourgeois

Tour Ernst & Young
Faubourg de l'Arche
92037 Paris la Défense Cedex

Ernst & Young Audit was appointed principal statutory auditor on the date of incorporation of Rexel on December 16, 2004. Its duties were renewed by Rexel's shareholders' meeting of May 20, 2010 for a term of six years expiring at the end of the shareholder's meeting which is to approve the financial statements for the financial year ending December 31, 2015.

Ernst & Young is a member of the regional body of statutory auditors of Versailles *("Compagnie Régionale des Commissaires aux Comptes de Versailles")*.

PricewaterhouseCoopers Audit
Represented by Christian Perrier

63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

PricewaterhouseCoopers Audit was appointed principal statutory auditor at the shareholders' meeting of Rexel held on May 16, 2012, for a term of six financial years, in replacement of KPMG. Its appointment shall therefore expire at the end of the shareholders' meeting convened to resolve on the financial statements for the year ending December 31, 2017.

PricewaterhouseCoopers Audit is a member of the regional body of statutory auditors in Versailles *("Compagnie Régionale des Commissaires aux Comptes de Versailles")*.

8.8.2 Deputy Statutory Auditors

Auditex
11, allée de l'Arche
92400 Courbevoie

Auditex was appointed deputy statutory auditor by the shareholders' meeting of Rexel of May 20, 2010 for a term of six years which is to expire at the end of the shareholders' meeting convened to resolve on the financial statements for the financial year ending December 31, 2015.

Anik Chaumartin
63, rue de Villiers
92208 Neuilly-sur-Seine cedex

Anik Chaumartin was appointed deputy statutory auditor at the shareholders' meeting of Rexel held on May 16, 2012, for a term of six financial years. Her appointment shall therefore expire at the end of the shareholders' meeting convened to vote upon the financial statements for the year ending on December 31, 2017.

8.8.3 Fees paid to Statutory Auditors

The table below sets forth the fees paid to Ernst & Young Audit and KPMG Audit for services performed during 2011 and to PricewaterhouseCoopers Audit and Ernst & Young Audit during 2012:

(in millions of euros)	KPMG AUDIT				PRICEWATERHOUSECOOPERS AUDIT				ERNST & YOUNG AUDIT			
	AMOUNT		%		AMOUNT		%		AMOUNT		%	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
AUDIT SERVICES												
Auditor fees and fees for other Audit work (1)												
Issuer	–	0.5	–	15.6%	0.5	–	17.9%	–	0.5	0.5	14.1%	11.4%
Consolidated entities	–	2.1	–	62.0%	1.9	–	67.9%	–	2.6	2.5	70.7%	57.5%
Sub-total (1)	**–**	**2.6**	**–**	**77.7%**	**2.4**	**–**	**85.8%**	**–**	**3.1**	**3.0**	**84.9%**	**82.9%**
Other work and services directly related to Audit work (2)												
Issuer	–	0.1	–	3.0%	–	–	–	–	0.2	0.2	6.0%	3.7%
Consolidated entities	–	0.5	–	15.2%	0.2	–	7.1%	–	0.3	1.0	6.8%	24.0%
Sub-total (2)	**–**	**0.6**	**–**	**18.2%**	**0.2**	**–**	**7.1%**	**–**	**0.5**	**1.2**	**12.8%**	**27.7%**
Sub-total	**–**	**3.2**	**–**	**95.9%**	**2.6**	**–**	**92.9%**	**–**	**3.6**	**4.1**	**97.7%**	**96.6%**
OTHER SERVICES (3)												
Legal, tax, social	–	0.1	–	2.3%	0.2	–	7.1%	–	0.1	0.1	2.3%	3.4%
Other	–	0.1	–	1.8%	–	–	–	–	–	–	–	–
Sub-total (3)	**–**	**0.1**	**–**	**4.1%**	**0.2**	**–**	**7.1%**	**–**	**0.1**	**0.1**	**2.3%**	**3.4%**
TOTAL	**–**	**3.4**	**–**	**100.0%**	**2.8**	**–**	**100.0%**	**–**	**3.7**	**4.3**	**100.0%**	**100.0%**

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9
ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 22, 2013

9.1 REPORTS OF THE MANAGEMENT BOARD 296

9.1.1 Management Report of the Management Board 296
9.1.2 Report of the Management Board on the share subscription or purchase options 296
9.1.3 Report of the Management Board on the free shares allocations 296

9.2 REPORT OF THE SUPERVISORY BOARD TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 22, 2013 296

9.3 REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD ON THE OPERATION OF THE SUPERVISORY BOARD AND ON INTERNAL CONTROL 298

9.3.1 Report of the Chairman of the Supervisory Board on the operation of the Supervisory Board and on internal control for the financial year 2012 298
9.3.2 Report of the Statutory Auditors 298

9.4 RESOLUTIONS SUBMITTED TO THE SHAREHOLDERS' MEETING OF MAY 22, 2013 300

9.4.1 Report of the Management Board 300
9.4.2 Text of the draft resolutions to be submitted to the Ordinary and Extraordinary Shareholders' Meeting of May 22, 2013 312

9.1 REPORTS OF THE MANAGEMENT BOARD

9.1.1 Management Report of the Management Board

The management report of the Management Board for the financial year ended December 31, 2012, is set out in chapter 1 "Overview of the Rexel Group", 2 "Risk Factors", 3 "Corporate Responsibility", 4 "Results of Operations and Financial Position of the Rexel Group", 7 "Corporate Governance" and 8 "Additional Information" of this *Document de Référence*.

9.1.2 Report of the Management Board on the share subscription or purchase options

The report of the Management Board on transactions carried out pursuant to the provisions of articles L.225-177 *et seq.* of the French Commercial Code, by Rexel and companies and groups related to Rexel, drawn up in accordance with article L.225-184 of the French Commercial Code, is comprised in paragraph 8.1.2.5 "Subscription or purchase options for Rexel shares" of this *Document de Référence*.

9.1.3 Report of the Management Board on the free shares allocations

The report of the Management Board on the transactions carried out by Rexel pursuant to the provisions of articles L.225-197-1 *et seq.* of the French Commercial Code, drawn up in accordance with article L.225-197-4 of the French Commercial Code, is comprised in paragraph 8.1.2.6 "Allotment of free shares" of this *Document de Référence*.

9.2 REPORT OF THE SUPERVISORY BOARD TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 22, 2013

Report of the Supervisory Board at the Ordinary and Extraordinary Shareholders' Meeting of May 22, 2013

Ladies, Gentlemen,

In accordance with the provisions of article L.225-68 of the French Commercial Code, we have examined the annual and consolidated financial statements of Rexel (the **"Company"** or **"Rexel"**) for the financial year ended December 31, 2012 as presented by the Management Board as well as the management report of the Management Board relating to the business activity of the Company and the group, of which the Company is the holding company (the **"Rexel Group"**) for the financial year ended December 31, 2012. We also reviewed the conclusions of the Audit Committee and of those of the statutory auditors regarding the said financial statements and the said report.

The Company's annual financial statements for the financial year ended December 31, 2012 show a net profit of €633,586.78. The total balance sheet as at December 31, 2012 amounts to €5,095.6 million. The Company's consolidated financial statements for the financial year ended December 31, 2012 show a turnover of €13,449.2 million, a gross margin of €3,315.0 million, an operating income of €647.4 million and a net income of €318.6 million. The total consolidated balance sheet as at December 31, 2012 amounts to €10,316.1 million.

The annual financial statements and the consolidated financial statements of the Company for the financial year ended December 31, 2012 and the management report of the Management Board do not give rise to any particular comments on our part.

During the financial year 2012, we have kept abreast on a regular basis of the general conduct of business and of the activity of the Company and of the Rexel Group, and we have carried out, as part of our supervisory role, the verifications and controls that we deemed necessary, in compliance with the applicable legal and statutory provisions.

As part of these duties, the Supervisory Board and the Audit Committee, the Appointment Committee, the Compensation Committee and the Strategic Committee have continued to work closely with the Management Board.

In 2012, the Rexel Group recorded a consolidated turnover of €13,449.2 million, in progression of 5.8% in published data. In comparable data and based on a constant number of days, the sales for the financial year 2012 marked a decrease of 1.8%.

In addition, during the financial year ended December 31, 2012, the activity of the Rexel Group was marked in particular by the following events:

- The Rexel Group pursued its strategy aiming to develop its market shares by acquiring the control of Liteco (Canada), Delamano and Etil (Brazil), La Grange (Belgium), Platt Electric Supply and Munro Distributing Company (United State of America) as well as the assets of Wilts Wholesale Electrical (United Kingdom) and the business of Société Commerciale Toutelectric (France); and
- In March and April 2012, Rexel issued senior bonds bearing interest at a rate of 6.125% and coming to a term in 2019 for an amount of USD 500 million.

Furthermore, we have reviewed the draft resolutions which are submitted to your approval at the Ordinary and Extraordinary Shareholders' Meeting of May 22, 2013. It is proposed, *inter alia*:

- to approve the annual and consolidated financial statements for the financial year ended December 31, 2012 and the allocation of profit for said financial year and to provide an option for the payment of dividend in new shares;
- to authorize the related-party agreements referred to in articles L.225-86 *et seq.* of the French Commercial Code, concluded during the financial year ended December 31, 2012;
- to approve the related-party agreement referred to in article L.225-90 of the French Commercial Code, concluded during the financial year ended December 31, 2012;
- to acknowledge the end of the term of office as member of the Supervisory Board of Eurazeo, Manfred Kindle and Thomas Farrell and to renew their respective mandate for a term of four years;
- to approve the co-option of Vivianne Akriche as member of the Supervisory Board;
- to authorize the Management Board to carry out transactions on the Company's shares and to reduce the share capital of the Company by cancellation of the shares acquired pursuant to any share repurchase plan;
- to grant new delegations and authorizations to the Management Board with respect to financial matters, in particular:
  - (i) an authorization to grant free shares to the employees and to the corporate officers of the Company and its subsidiaries,
  - (ii) an authorization to increase the share capital through the issuance of shares and/or securities conferring access to the capital of the Company, with cancellation of the shareholders' preferential right for the benefit of members of a company savings plan,
  - (iii) a delegation of authority to increase the share capital, without preferential subscription rights, through a capital increase reserved to certain categories of beneficiaries in order to implement employee shareholding transactions,
- to amend article 23 of the by-laws of the Company relating to the decisions requiring the prior approval of the Supervisory Board.

These draft resolutions do not give rise to any particular comments on our part.

Signed in Paris
on March 6, 2013
The Supervisory Board

9.3 REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD ON THE OPERATION OF THE SUPERVISORY BOARD AND ON INTERNAL CONTROL

9.3.1 Report of the Chairman of the Supervisory Board on the operation of the Supervisory Board and on internal control for the financial year 2012

The report of the Chairman of the Supervisory Board on the operation of the Supervisory Board and on internal control for the financial year 2012 was drawn up pursuant to article L.225-68 of the French Commercial Code, in order to report on the conditions in which the work of the Supervisory Board is prepared and organized, and on internal control procedures implemented by Rexel within the group of which it is the holding company.

This report has been drawn up by the Chairman of the Supervisory Board in collaboration with the Group's Accounting Department, the Internal Control Department, the Internal Audit Department and the Legal Department based on the work carried out by the Rexel Group in 2012 in terms of internal control and risk management. This report was reviewed by the Audit Committee in its meeting of February 6, 2013, in presence of the representatives of the statutory auditors of Rexel, then approved by the Supervisory Board in its meeting of February 11, 2013, in presence of the representatives of the statutory auditors of Rexel.

This report is presented to you as part of the Ordinary and Extraordinary Shareholders' Meeting of Rexel to be held on May 22, 2013.

This report is comprised of this paragraph, as well as paragraph 2.3 "Internal control and risk management procedures", chapter 7 "Corporate governance", paragraph 8.1.2.5 "Subscription or purchase options for Rexel shares", paragraph 8.1.2.6 "Allotment of free shares", paragraph 8.3 "By-laws" and paragraph 8.4 "Other elements that may have an impact in case of tender offer" of this *Document de Référence.*

Signed in Paris
on February 11, 2013
Roberto Quarta
Chairman of the Supervisory Board

9.3.2 Report of the Statutory Auditors

This is a free translation into English of the Statutory Auditors' report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Commissaire aux comptes
Membre de la compagnie régionale de Versailles

Ernst & Young Audit
1/2, place des Saisons
92400 Courbevoie – Paris La Défense 1
S.A.S. à capital variable

Commissaire aux comptes
Membre de la compagnie régionale de Versailles

Statutory auditors' report, prepared in accordance with article L.225-235 of the French Commercial Code *(Code de commerce)* on the report prepared by the Chairman of the Supervisory Board of Rexel

To the Shareholders,

Rexel
189 – 193, bd Malesherbes
75017 Paris

In our capacity as Statutory Auditors of Rexel, and in accordance with article L.225 235 of the French Commercial Code *(Code de commerce)*, we hereby report to you on the report prepared by the Chairman of your company in accordance with article L.225-68 of the French Commercial Code *(Code de commerce)* for the year ended December 31, 2012.

It is the Chairman's responsibility to prepare, and submit to for the Supervisory Board for approval, a report describing the internal control and risk management procedures implemented by the company and providing the other information required by article L.225-68 of the French Commercial Code *(Code de commerce)* in particular relating to corporate governance measures.

It is our responsibility:

– to report to you our observations on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, and

– to attest that the report sets out the other information required by article L.225-68 of the French Commercial Code *(Code de commerce)*, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report.

These procedures mainly consisted of:

– obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;

– obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;

– determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Supervisory Board's report, prepared in accordance with article L.225-68 of the French Commercial Code *(Code de commerce)*.

Other information

We attest that the Chairman's report sets out the other information required by article L.225-68 of the French Commercial Code.

Neuilly-sur-Seine and Paris La Défense, March 11, 2013

The statutory auditors'

French original signed by

PricewaterhouseCoopers Audit	Ernst & Young Audit
Christian Perrier	Pierre Bourgeois

9.4 RESOLUTIONS SUBMITTED TO THE SHAREHOLDERS' MEETING OF MAY 22, 2013

9.4.1 Report of the Management Board

Report of the Management Board to the Ordinary and Extraordinary Shareholders' Meeting of May 22, 2013

To the Shareholders,

An ordinary and extraordinary meeting of the shareholders of Rexel, a French *société anonyme* with a Management Board and a Supervisory Board with share capital of €1,359,616,145, having its registered office at 189-193, boulevard Malesherbes – 75017 Paris (**"Rexel"** or the **"Company"**) has been convened by the Management Board on May 22, 2013 at 10h30 at the Auditorium Paris Centre Marceau, 12, avenue Marceau, 75008 Paris, in order to resolve upon the draft resolutions presented hereinafter (the **"Shareholders' Meeting"**).

In this report, we present you with the motives behind each of the resolutions being put to a vote at the Shareholders' Meeting.

1. COURSE OF BUSINESS

The course of business and the financial condition of the Company during the financial year ended December 31, 2012 are described in the *Document de Référence* of the Company.

2. RESOLUTIONS TO BE SUBMITTED TO THE ORDINARY SHAREHOLDERS' MEETING

2.1 Approval of the annual and consolidated financial statements (first and second resolutions)

In the first and second resolutions, we submit for your approval the annual and consolidated financial statements of the Company for the financial year ended December 31, 2012 as approved by the Management Board.

The annual financial statements show a profit of €633,586.78.

The consolidated financial statements show a profit of €318.6 million.

There were no costs and expenses referred to in article 39-4 of the French General Tax Code for the financial year ended December 31, 2012. Furthermore, Rexel has not incurred any expenses referred to in article 223 quinquies of the French General Tax Code.

We suggest that you approve these resolutions.

2.2. Allocation of income – option for the payment of the dividend in new shares (third and fourth resolutions)

Subject to the annual and consolidated financial statements as presented by the Management Board being approved by the shareholders, we submit for your approval in the third resolution the following allocation of income for the financial year ended December 31, 2012:

Origin of the income to be allocated	
– profits from the financial year	€633,586.78
– prior carry forward	€235,251,330.23
Total	**€235,884,917.01**
Allocation of profit	
– 5% to the statutory reserve	€31,679.34
– dividend	€202,223,021.25
– the balance, to the carry forward account	€33,630,216.42
Total	**€235,884,917.01**

The "carry forward" account would therefore amount to €33,630,216.42.

Each of the shares making up the share capital and conferring rights to dividends, would be paid a dividend of €0.75.

Dividend detachment from the share on the regulated market of NYSE Euronext in Paris would take place on May 31, 2013. The dividend payment would take place on July 2, 2013.

The dividends and income per share in respect of the last three financial years have been as follows:

	2011	2010	2009
Dividend per share (in euros)	€0.65 (1)	€0.40 (1)	Not applicable
Number of shares eligible	266,856,328	262,972,033	Not applicable
Total dividend (in euros)	€173,456,613.20 (1)	€105,188,813 (1)	Not applicable

(1) Amount(s) eligible for the 40% tax rebate that individuals residing in France for tax purposes benefit from, in accordance with article 158-3-2°of the French General Tax Code.

Furthermore, in accordance with articles L.232-18 *et seq.* of the French Commercial Code and article 39 of the by-laws of the Company, the fourth resolution submits to the approval of shareholders the possibility for each shareholder to opt either for payment in cash or in new shares of the Company for all of the dividend paid in respect of the shares owned.

In the event of exercise of the option and in accordance with the provisions of article L.232-19 of the French Commercial Code, the new shares will be issued at a price equal to 90% of the average opening share price on the regulated market of NYSE Euronext in Paris within the twenty trading days prior to the date of the decision of the Shareholders' Meeting, less the net amount of the dividend. This price will be acknowledged by the Management Board prior to the Shareholders' Meeting.

The request shall be sent between May 31, 2013 (inclusive) and June 21, 2013 (inclusive) to the relevant financial intermediaries. Further to June 21, 2013, the dividend may only be paid in cash. Delivery of the shares shall take place concomitantly to the dividend payment in cash, *i.e.*, on July 2, 2013.

If the amount of dividend does not match a whole number of shares, the shareholder may obtain the whole number of shares immediately below, together with a cash adjustment *(soulte)* paid by the Company.

The new shares will be fully fungible with existing shares, will be submitted to all legal and statutory provisions, and will bear dividend rights as from January 1, 2013.

We suggest that you approve these resolutions.

2.3. Related-party agreements (fifth to seventh resolutions)

The fifth and sixth resolutions regard the shareholders' approval of related-party agreements as defined in articles L.225-86 *et seq.* of the French Commercial Code, meaning the "related party" agreements that were authorized by the Supervisory Board prior to their conclusion in the course of the financial year ended December 31, 2012.

In accordance with the provisions of article L.225-88 of the French Commercial Code, the agreements described below were the subject of a report by the statutory auditors of the Company and must be submitted for approval at the Ordinary Shareholders' Meeting of the Company:

- Two re-invoicing agreements entered into on March 14 and March 15, 2012 between Rexel and Rexel Développement SAS and Rexel France. These agreements have been entered into in connection with the implementation of the 2011 share buy back programme, which has been authorized by the Shareholders' Meeting of May 19, 2011. These agreements aim at re-invoicing Rexel Développement SAS and Rexel France for the costs incurred by Rexel in connection with the repurchase of shares to be delivered as existing shares to the employees of these two entities who benefit from the free shares plans that have implemented by the Management Board on May 11, 2010, May 12, 2011 and October 11, 2011. These agreements were authorized by the Supervisory Board during its February 8, 2012 meeting;
- A Purchase Agreement entered into on March 21, 2012, between Rexel, on the one hand, and Barclays Capital Inc., Merrill Lynch, Pierce, Fenner and Smith Incorporated, RBS Securities Inc., BNP Paribas Securities Corp. and Crédit Agricole Corporate and Investment Bank (the **"Banks"**), on the other hand. Rexel Développement SAS, Rexel France, Hagemeyer Deutschland GmbH & Co KG, Rexel Belgium NV, Elektro-Material A.G., Rexel Nederland B.V. (formerly Hagemeyer Nederland B.V.), Elektroskandia Norge AS, Elektroskandia Suomi Oy, Svenska Elgrossist AB Selga, Rexel Holdings USA Corp., Rexel, Inc., General Supply & Services Inc. and Rexel North America Inc. acceded to this agreement through accession letters dated March 28, 2012. This agreement was concluded in the context of an issuance by Rexel of bonds in an aggregate principal amount of USD400 million represented by unsecured senior notes bearing interest at a rate of 6.125%, maturing on December 15, 2019 (the **"2012 Bond Issuance"**). The agreement provides for the terms under which Rexel undertook to issue the bonds, and the Banks undertook to underwrite the said bonds. This agreement was authorized by the Supervisory Board during its March 14, 2012 meeting;
- An Indenture Agreement, entered into on March 28, 2012 between Rexel, Rexel Développement SAS, Rexel France, Hagemeyer Deutschland GmbH & Co KG, Rexel Belgium NV, Elektro-Material A.G., Rexel Nederland B.V. (formerly Hagemeyer Nederland B.V.), Elektroskandia Norge AS, Elektroskandia Suomi Oy, Svenska Elgrossist AB Selga, Rexel Holdings USA Corp., Rexel, Inc., General Supply & Services Inc., Rexel North America Inc. and The Bank of New York Mellon. This agreement was concluded in the context of the 2012 Bond Issuance carried out by Rexel. It provides for the terms under which The Bank of New York Mellon undertook to act in the capacity of Trustee in the scope of the issuance of such bonds. This agreement was authorized by the Supervisory Board during its March 14, 2012 meeting;
- A new Purchase Agreement entered into on April 16, 2012, between Rexel, on the one hand, and the Banks, on the other hand. Rexel Développement SAS, Rexel France, Hagemeyer Deutschland GmbH & Co KG, Rexel Belgium NV, Elektro-Material A.G., Rexel Nederland B.V. (formerly Hagemeyer Nederland B.V.), Elektroskandia Norge AS, Elektroskandia Suomi Oy, Svenska Elgrossist AB Selga, Rexel Holdings USA Corp., Rexel, Inc., General Supply & Services Inc., Rexel North America Inc. acceded to this agreement through accession

letters dated April 23, 2012. Rexel wished to carry out an additional bond issuance for an amount of USD100 million in the context of the 2012 Bond Issuance, thus increasing the amount of the 2012 Bond Issuance to USD500 million. The new Purchase Agreement provides for the terms under which Rexel undertook to issue the additional bonds, and the Banks undertook to underwrite the said bonds. This agreement was authorized by the Supervisory Board during its April 12, 2012 meeting;

- Two re-invoicing agreements entered into on November 23 and November 27, 2012 between Rexel and Rexel Développement SAS and Rexel France. These agreements have been entered into in connection with the implementation of the 2012 share buy back programme, which has been authorized by the Shareholders' Meeting of May 16, 2012. These agreements aim at re-invoicing Rexel Développement SAS and Rexel France for the costs incurred by Rexel in connection with the repurchase of shares to be delivered as existing shares to the employees of these two entities who benefit from the free shares plans that have implemented by the Management Board on May 12, 2011, October 11, 2011, May 2, 2012 and July 26, 2012. These agreements were authorized by the Supervisory Board during its October 30, 2012 meeting.

The seventh resolution regards the approval by the Shareholders' Meeting of an agreement referred to in article L.225-90 of the French Commercial Code, meaning a related-party agreement that was not, prior to its conclusion, authorized by the Supervisory Board in the course of the financial year ended December 31, 2012. On July 2, 2012, Rexel entered into an agreement entitled "Amendment to the Secondary Offering Cooperation Agreement" and amending the Secondary Offering Cooperation Agreement (as such term is defined below) entered into on April 4, 2007.

On April 4, 2007, Rexel as well as Ray Investment and its shareholders (CD&R, Eurazeo, BAMLCP and the Caisse des Dépôts et Placement du Québec) entered into an agreement, amended on July 2, 2012, in order to organize their relationship in case of sale of shares of Rexel by Ray Investment or its shareholders (the **"Secondary Offering Cooperation Agreement"**). The main provisions of this agreement and its amendment are described in section 8.1.5 of the *Document de Référence* of the Company.

The timing constraints surrounding the signature of the said amendment did allow the Supervisory Board of the Company to decide on its prior authorization in accordance with the provisions of article L.225-86 *et seq.* of the French Commercial Code. However, the members of the Supervisory Board have been well informed of this amendment and of its signature.

In accordance with article L.225-90 of the French Commercial Code, this agreement described above has been the subject of a report from the auditors of the Company and must be submitted to the approval of the ordinary shareholders' meeting of the Company.

We suggest that you approve these agreements and the relevant resolutions.

2.4. Renewal of the term of office of Eurazeo as member of the Supervisory Board (eighth resolution)

In accordance with article 19 of the by-laws of the Company and the unanimous decision of the members of the Supervisory Board of February 11, 2013, the term of office as member of the Supervisory Board of Eurazeo will expire after the Shareholders' Meeting.

This early termination aims at allowing the Supervisory Board to be renewed in quarters each year and, thus, the terms of office of the members of the Supervisory Board to be fully renewed every four years.

Therefore, the eighth resolution submits to the approval of the shareholders the renewal of the term of office of Eurazeo as member of the Supervisory Board.

This renewal would be granted for a term of four years, *i.e.*, until the shareholders' meeting convened to approve the financial statements of the financial year ending December 31, 2016, to be held in 2017.

Eurazeo is a French *société anonyme*, which registered office is located 32, rue de Monceau 75008 Paris, France and registered to the trade and companies register under the number 692 030 992 RCS Paris. Eurazeo is a capital investment company.

Eurazeo has been a member of the Supervisory Board of Rexel since August 1, 2007. Eurazeo is represented by Marc Frappier, a French national born on May 28, 1973 in Toulon (France). Marc Frappier has served as permanent representative of Eurazeo, member of the Supervisory Board of Rexel since July 30, 2008. Marc Frappier is a Managing Director of Eurazeo. He was involved in the completion or the monitoring of the investments in Accor/Edenred, Apcoa, Elis, Foncia and Rexel. He began his carrier in 1996 as financial auditor within Deloitte & Touche. Between 1999 and 2006, he worked for The Boston Consulting Group (BCG) in Paris and Singapore, where he was in charge of various strategic and operational efficiency assignments within the industrial goods and services and energy sectors. He is a graduate of the *École des Mines de Paris* and holds the DECF *(Diplôme d'Études Comptables et Financières)*.

The detail of his functions and mandates is referred to at chapter 7 of Rexel's 2012 *Document de Référence*.

As at December 31, 2012, Eurazeo directly held no share of Rexel and held through its subsidiary Ray France Investment SAS a shareholding of approximately 32.04% in Ray Investment, which held 158,324,738 shares of Rexel.

Eurazeo has indicated that it accepts these duties by anticipation and that it meets the legal and regulatory conditions, as well as those laid down by the by-laws, for exercising such duties.

We suggest that you approve this resolution.

2.5. Renewal of the term of office of Manfred Kindle as member of the Supervisory Board (ninth resolution)

In accordance with article 19 of the by-laws of the Company and the unanimous decision of the members of the Supervisory Board of February 11, 2013, the term of office as member of the Supervisory Board of Manfred Kindle will expire after the Shareholders' Meeting.

This early termination aims at allowing the Supervisory Board to be renewed in quarters each year and, thus, the terms of office of the members of the Supervisory Board to be fully renewed every four years.

Therefore, the ninth resolution submits to the approval of the shareholders the renewal of the term of office of Manfred Kindle as member of the Supervisory Board.

This renewal would be granted for a term of four years, *i.e.*, until the shareholders' meeting convened to approve the financial statements of the financial year ending December 31, 2016, to be held in 2017.

Manfred Kindle was born on March 25, 1959, is a Swiss national and resides at 3, Neville Street, London SW7 3AR, United-Kingdom.

Manfred Kindle has been a member of the Supervisory Board of Rexel since December 2, 2009. Manfred Kindle graduated from the Swiss Federal Institute of Technology (ETH) in Zurich with a master's degree in engineering. He worked for Hilti AG in Liechtenstein from 1984 until 1986, and then enrolled at Northwestern University, Evanston, Illinois, where he earned an MBA. From 1988 until 1992 he was a consultant with McKinsey & Company in New York and Zurich. He then joined Sulzer AG in Switzerland where he held several senior management positions. In 1999 he was appointed CEO of Sulzer Inc. and in 2001 CEO of Sulzer AG, where he also served as a board member. After joining ABB in 2004, Manfred Kindle was appointed CEO of ABB Group, a position he held until February 2008. He was then appointed partner of Clayton, Dubilier & Rice, a private equity firm based in New York and London. As a partner of that firm Manfred Kindle serves as Chairman of Exova Ltd., Chairman of BCA Group and as a member of the Supervisory Board of Rexel SA. He also sits on the board of Zurich Financial Services, Vermögens Zentrum Holding AG and Stadler Rail AG.

The detail of his functions and mandates is referred to at chapter 7 of Rexel's 2012 *Document de Référence*.

As at December 31, 2012, Manfred Kindle held no share of Rexel.

Manfred Kindle has indicated that he accepts these duties by anticipation and that he meets the legal and regulatory conditions, as well as those laid down by the by-laws, for exercising such duties.

We suggest that you approve this resolution.

2.6. Renewal of the term of office of Thomas Farrell as member of the Supervisory Board (tenth resolution)

In accordance with article 19 of the by-laws of the Company and the unanimous decision of the members of the Supervisory Board of February 11, 2013, the term of office as member of the Supervisory Board of Thomas Farrell will expire after the Shareholders' Meeting.

This early termination aims at allowing the Supervisory Board to be renewed in quarters each year and, thus, the terms of office of the members of the Supervisory Board to be fully renewed every four years.

Therefore, the tenth resolution submits to the approval of the shareholders the renewal of the term of office of Thomas Farrell as member of the Supervisory Board.

This renewal would be granted for a term of four years, *i.e.*, until the shareholders' meeting convened to approve the financial statements of the financial year ending December 31, 2016, to be held in 2017.

Thomas Farrell was born on June 1, 1956, is an American national, and resides at 3, rue Paul Ollendorff, 92210 Saint Cloud, France.

Thomas Farrell has been a member of the Supervisory Board of Rexel since May 16, 2012. Thomas Farrell has been with Lafarge since 1990. Prior to joining Lafarge, Thomas Farrell was a corporate attorney with Shearman & Sterling, working at both their New York and Paris offices. After joining Lafarge, Thomas Farrell first worked at the Paris headquarters as Vice-President of Strategy for two years. From 1992 to 2002, he managed various Lafarge operating units in France, Canada and India. In June 2002, Thomas Farrell was appointed EVP of Lafarge North America. In September 2007, he was appointed Lafarge Group EVP, Co-President of the Aggregates & Concrete Division, and a member of the Executive Committee. In January 2012, he became Group EVP, Operations. Thomas Farrell is a graduate of Brown University (1978) and a doctor in law (PhD) from Georgetown University (1981).

The detail of his functions and mandates is referred to at chapter 7 of Rexel's 2012 *Document de Référence*.

As at December 31, 2012, Thomas Farrell held no share of Rexel.

Thomas Farrell has indicated that he accepts these duties by anticipation and that he meets the legal and regulatory conditions, as well as those laid down by the by-laws, for exercising such duties.

We suggest that you approve this resolution.

2.7. Approval of the co-option of Vivianne Akriche as member of the Supervisory Board (twelfth resolution)

Luis Marini-Portugal has resigned from his functions as member of the Supervisory Board with effect as from December 31, 2012. Consequently, on February 11, 2013, the Supervisory Board decided to co-opt Vivianne Akriche in order to replace Luis Marini-Portugal for the rest of the term of his term of office, *i.e.*, until the shareholders' meeting convened to approve the financial statements of the financial year ending December 31, 2014 to be held in 2015.

The eleventh resolution submits to the approval of the shareholders the approval of the co-option of Vivianne Akriche as a member of the Supervisory Board.

Vivianne Akriche was born on February 8, 1977, is a French national and resides at 56, rue Charlot, 75003 Paris, France.

Vivianne Akriche joined Eurazeo in 2004 where she participated in particular in the structuring or the oversight of the investments in Rexel, Moncler, OFI Private Equity, Intercos and Fonroche. From 2001 to 2004, Vivianne Akriche was part of the investment banking team of Goldman Sachs in Paris, where she advised clients on various mergers and acquisitions related topics, including investment funds and financial institutions. Vivianne Akriche is a graduate of Hautes Études Commerciales (HEC).

The detail of his functions and mandates is referred to at chapter 7 of Rexel's 2012 *Document de Référence*.

As at December 31, 2012, Vivianne Akriche held no share of Rexel.

We suggest that you approve this resolution.

2.8 Authorization to repurchase stock (twelfth resolution)

The ordinary and extraordinary shareholders' meeting of May 16, 2012 authorized the Management Board to carry out transactions on the Company's shares for a period of 18 months as of the date of said meeting.

This authorization was implemented by the Management Board in the conditions described in its annual report. This authorization expires in 2013.

Accordingly, the twelfth resolution proposes to the Shareholders' Meeting to authorize the Management Board to repurchase shares of the Company within the limits set by the shareholders of the Company and in accordance with the legal and regulatory provisions.

Particularly, the authorization that would be, if applicable, granted to the Management Board provides limitations regarding the maximum repurchase price (€22), the maximum amount for the implementation of the repurchase program (€250 million) and the amount of securities which may be repurchased (10% of the share capital of the Company on the date of the repurchases).

This authorization would be granted for a term of 18 months and would supersede the prior authorization granted to the Management Board in respect of the unused portion thereof.

We suggest that you approve this resolution.

2.9. Powers for legal formalities (thirteenth resolution)

The thirteenth resolution concerns the powers to be granted in order to carry out formalities subsequent to the Shareholders' Meeting, particularly publication and filing formalities.

We suggest that you approve this resolution.

3. RESOLUTIONS TO BE SUBMITTED TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

3.1. Authorization to be granted to the Management Board to carry out a share capital decrease by canceling shares (fourteenth resolution)

We suggest that you authorize the Management Board to reduce the share capital by cancellation of all or part of the Company's shares acquired pursuant to any share repurchase plans authorized by the Shareholders' Meeting of the Company providing for this objective.

The share capital decreases that the Management Board may carry out under this authorization would be limited to 10% of the Company's share capital as of the date of the cancellation for a period of 24 months.

This authorization would be granted for a term of 18 months.

We suggest that you approve this resolution.

3.2. Financial delegations and authorizations (fifteenth to seventeenth resolutions)

The shareholders' meeting regularly grants the Management Board with the authority or the powers necessary to proceed with the issuance of ordinary shares and/or securities, with upholding or cancellation of shareholders' preferential subscription right, in order to meet the financing needs of the Rexel Group.

As such, the extraordinary shareholders' meeting of May 16, 2012 granted the Management Board with the delegations of authority and authorizations as described in the table provided at **Schedule 1** attached to this report of the Management Board, it being specified that said table specifies the cases and conditions in which the Management Board used certain of these delegations and authorizations until the date of this report.

These delegations of authority and authorizations generally expire during the financial year 2014. Thus, the Management Board does not intend to propose to the shareholders of the Company to renew these delegations of authority and authorizations during the Shareholders' Meeting, subject however to the authorizations to be granted to the Management Board in order to freely allocate shares of the Company to the employees or to the corporate offices of the Company or the Rexel Group or to carry out share capital increases reserved to the employees of the Rexel Group.

In previous years, the Company attempted to associate its employees with the Rexel Group performance, especially by way of share capital increases reserved to employees, allocation of share subscription or purchase options or of allocation of free shares, as described in the annual report of the Company for the financial year ended December 31, 2012. In order to permit the Company to follow this annual participation and incentive policy for the benefit of its employees and corporate officers, the Management Board therefore proposes to the shareholders to authorize it to grant free shares of the Company, to carry out share capital increases reserved to the employees of the Rexel Group and to carry out share capital increases reserved to certain categories of beneficiaries in order to implement employee shareholding transactions.

In the event of an issuance of securities, the Company intends to give priority to transactions upholding the shareholders' preferential subscription right. Nevertheless, particular circumstances may justify the cancellation of the preferential subscription right of shareholders, in accordance with their interests. Accordingly, the Company may, through the use of the delegations submitted to your approval and described above, involve employees of the Rexel Group in its development, notably by way of a share capital increase reserved to said employees, or the allocation of free shares.

Thus, the draft resolutions being put to the vote of the shareholders' are relative to:

3.2.1 Allocation of free shares (fifteenth resolution)

In accordance with the provisions of articles L.225-129 *et seq.* and L.229-197-1 *et seq.* of the French Commercial Code, the fifteenth resolution relates to the authorization to be granted to the Management Board, subject to the prior authorization of the Supervisory Board in accordance with the provisions of the by-laws, to allocate free existing and/or newly-issued shares of the Company, in one or several occurrences, to the salaried personnel members and/or the corporate officers of the Company and/or the companies or groups that are, directly or indirectly, linked to it under the conditions set forth in article L.225-197-2 of the French Commercial Code.

The number of free shares that may be allocated could not exceed 2.5% of the Company's share capital, calculated at the moment when the Management Board makes its decision. This limit shall be subtracted from the limit set forth in the twenty-sixth resolution of the shareholders' meeting of May 16, 2012 or in any resolution of a same nature that would be substituted to this resolution.

The Management Board would determine the terms of the allocation and, as the case may be, the eligibility criteria for the allocation of the shares. The Management Board (i) shall subordinate to presence and collective performance criteria the allocation of shares to the corporate officers and executive staff of the Company and/or the companies or groups that are, directly or indirectly, linked to it and (ii) shall have the power to do so for the allocation to shares to the other salaried personnel members of the Company and/or the companies or groups that are, directly or indirectly, linked to it. In addition, allocations of free shares made under the fifteenth resolution to the benefit of salaried personnel members and/or corporate officers of the Company and/or the companies or groups that are linked to it under a shareholding plan implemented in particular in the context of a share capital increase reserved to their benefit carried out under the sixteenth resolution or the seventeenth resolution of the Shareholders' Meeting will be subject to a presence criteria determined by the Management Board, without any performance criteria.

The allocation of shares would become vested after a minimum acquisition period of 2 years and the beneficiaries will be required to retain such shares for an additional minimum period of 2 years as from the final allocation of the shares. In addition, and notwithstanding the above, when the allocation of said shares to their beneficiaries will be vested after a minimum vesting period of 4 years, the beneficiaries shall not be bound by any retention period.

Furthermore, the final allocation of the shares may take place prior to the end of the acquisition period in case of disability of the beneficiaries ranked in the 2nd and 3rd categories referred to in article L.341-4 of the French Social Security Code. The shares would then be immediately transferable.

This authorization would be granted for a term of 26 months and would supersede the prior authorization granted to the Management Board by the shareholders' meeting of May 16, 2012, in respect of the unused portion thereof.

The granting of this authorization would allow the Management Board to put in place free shares plans to the benefit of the managers and the employees of the Rexel Group, in France and abroad, and thus to pursue its policy which aims at associating its employees to its results and its development.

The limit of 2.5% of the share capital of the Company has been determined on the basis of the number of employees of the Rexel Group, the current organization and the strategic challenges.

In the context of its corporate project and its mid-term objectives which require an important involvement of the teams in order to successfully carry out the major evolutions that are necessary to the development of the Rexel Group, Rexel contemplates in particular allocating to its corporate officers and the executive staff of the Rexel Group, involved in the current and future projects, free shares which would be fully submitted to performance criteria determined on the basis of its strategy and to a presence criteria.

Thus, under the free share plans to be put in place in 2013 within the Rexel Group to the benefit of the corporate officers and the executive staff of the Rexet Group, vesting of free shares would be subject to the fulfillment of performance criteria based on the following criteria: 2013 EBITA, level of free cash flow before interest and taxes in 2013, EBITA margin variation between 2012 and 2014, average free cash flow before interest and taxes/EBITDA ratio between 2013 and 2014, and, finally, the TSR (Total Shareholder Return) performance.

Beyond the corporate officers and executive staff of the Rexel Group category, referred to above, free shares may be allocated to other employees of the Rexel Group depending on, in particular, their involvement in the various projects which are key to the Rexel Group. Depending on the nature of the plans and their objectives, these allocations may, as the case may be, be subject to performance criteria.

In addition, in order to pursue its employee shareholding policy, which benefits to more than 85% of the headcount of the Rexel Group, employees of the Rexel Group may be offered to subscribe to Rexel shares under preferential conditions, in particular through a contribution *(abondement)* taking the form of an allocation of free shares to the benefit of the employees of the foreign entities of the Rexel Group. Hence, in 2012, for each employee who became a shareholder of the Rexel Group in the context of the proposed international shareholding plan, 2 shares have been freely allocated for each of the first 15 shares subscribed and beyond 15 shares, as from the 16th share subscribed and up to an invested amount of €800, one share has been freely allocated for each share that has been subscribed. These shares are submitted to a 5 year presence criteria but no performance criteria is imposed.

We suggest that you approve this resolution.

3.2.2 Share capital increases reserved to employees (sixteenth resolution)

The sixteenth resolution aims at granting an authorization to the Management Board, subject to the prior authorization of the Supervisory Board in accordance with the provisions of the by-laws, to increase the share capital of the Company by the issuance of shares or securities conferring access, immediately or in the future, to the share capital of the Company with cancellation of the preferential subscription right, reserved for employees of the Rexel Group who are members of a company savings plan(s) *(plan d'épargne d'entreprise)* or group savings plan established by the Company and the French or foreign companies that are linked to the Company within the meaning of article L.225-180 of the French Commercial Code and of article L.3344-1 of the French Labor Code.

This authorization would be limited to 2% of the share capital of the Company and this limit would be deducted from the limit set forth in the twenty-sixth resolution of the shareholders' meeting of May 16, 2012. In addition, the amount of the issuances carried out under the seventeenth resolution should be deducted from this maximum amount.

The subscription price(s) would be determined by the Management Board pursuant to articles L.3332-19 *et seq.* of the French Labor Code. As a result, concerning the securities that are already traded on a regulated market, the subscription price could not be greater than the average share price for the twenty trading days prior to the date of the decision setting the subscription period opening date. In addition, the subscription price could not be inferior to more than 20% of this average.

In addition, pursuant to the provisions of article L.3332-21 of the French Labor Code, the Management Board may decide on the allocation of shares to be issued or existing, or of other securities giving access to the share capital of the Company, issued or to be issued, in respect of (i) the contribution *(abondement)* that may be paid pursuant to the regulations of the employee savings plan of the Company or of the Group and/or (ii) if applicable, the discount *(décote)*.

This authorization would be granted for a term of 26 months and would supersede the prior authorization granted to the Management Board by the shareholders' meeting of May 16, 2012, in respect of the unused portion thereof.

We suggest that you approve this resolution.

3.2.3 Issuance reserved to certain categories of beneficiaries in order to implement employee shareholding transactions (seventeenth resolution)

The seventeenth resolution aims at granting an authorization to the Management Board, subject to the prior authorization of the Supervisory Board in accordance with the provisions of the by-laws, to increase the share capital of the Company by the issuance of shares or securities conferring access, immediately or in the future, to the share capital of the Company with cancellation of the preferential subscription right, reserved for certain categories of beneficiaries listed in the resolution (employees of non-French companies of the Rexel group and certain intermediaries acting on their behalf) in order to allow the such employees to benefit from employee shareholding or savings formulae equivalent in terms of economic advantage to those from which the other Rexel employees would benefit under the sixteenth resolution, and would benefit, as the case maybe, from a more favorable tax and legal regime than the one proposed under the sixteenth resolution.

This authorization would be limited to 1% of the share capital of the Company and this limit would be deducted from the limits set forth in the sixteenth resolution and the twenty-sixth resolution of the shareholders' meeting of May 16, 2012.

The subscription price of the new shares shall be determined pursuant to the same conditions as set forth in article L.3332-19 of the French Labor Code. The discount shall be set at a maximum of 20% of the average of Company's share prices during the twenty trading days preceding the date of the decision setting the opening date of the subscription period. The Management Board may reduce or eliminate the discount hereby granted as it deems appropriate in order to take into account, in particular, the local legal, accounting, tax or social security considerations applicable in the countries of residence of members of a savings plan who are beneficiaries of the capital increase.

The subscription price may also, in accordance with the local regulations applicable to the Share Incentive Plan that may be proposed under UK legislation, be equal to the lower share price between (i) the share price on the regulated market of NYSE Euronext in Paris at the opening of the reference period of this plan, such period not to exceed 12 months, and (ii) the share price recorded following the close of such period within a given timeframe determined in accordance with said regulations. This price shall be set without a discount in relation to the share price retained.

This authorization would be granted for a term of 18 months and would supersede the prior authorization granted to the Management Board by the shareholders' meeting of May 16, 2012, in respect of the unused portion thereof.

We suggest that you approve this resolution.

3.3 Amendment of article 23 of the by-laws of the Company (eighteenth resolution)

Article 23 of the by-laws of the Company provides that the Management Board must obtain the prior authorization of the Supervisory Board before taking certain decisions.

It is envisaged to amend the by-laws of the Company relating to the prior authorization of the Supervisory Board in case of sale of assets. It is proposed to amend the by-laws in order to provide that this authorization in case of sale of assets would be necessary only above a certain threshold to be set by the Supervisory Board. The objective is to align the treatment of sales of assets with that of acquisitions of assets which currently require the prior authorization of the Supervisory Board only above a certain threshold set by the Supervisory Board.

As a consequence, the eighteenth resolution proposes to the shareholders to amend the by-laws of the Company and to replace the tenth paragraph of article 23 of these by-laws by the following text:

- *"the acquisition and disposal of any business segments, equity interests in any company, any assets and undertaking any investment, in each case, with an enterprise value exceeding a threshold determined by the Supervisory Board;"*

The rest of article 23 would remain unchanged.

We suggest that you approve this resolution.

3.4. Powers for legal formalities (nineteenth resolution)

The nineteenth resolution concerns the powers to be granted in order to carry out formalities subsequent to the Shareholders' Meeting, particularly publication and filing formalities.

We suggest that you approve this resolution.

Signed in Paris
on March 1, 2013
The Management Board

Schedule 1 Delegations and authorizations

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF MAY 22, 2013		
NATURE OF THE AUTHORIZATION	DATE OF THE SHAREHOLDERS' MEETING (RESOLUTION N°)	DURATION (EXPIRY DATE)	MAXIMUM AUTHORIZED AMOUNT	UTILIZATION	RESOLUTION N°	DURATION	MAXIMUM AMOUNT
SHARE CAPITAL INCREASE							
Issuance with upholding of preferential subscription rights	May 16, 2012 (resolution 26)	26 months (July 15, 2014)	Shares: €800,000,000 (*i.e.* 160,000,000 shares) Debt securities: €800,000,000 Joint maximum amount applicable to all resolutions relating to the issuance of Shares and/or Debt securities	Deduction of: – allocation of free shares of July 26, 2012: 243,080 shares; – allocation of free shares of November 23, 2012 (Opportunity 12): 145,634 shares; – share capital increase of November 23, 2012 (Opportunity 12): 337,465 shares, *i.e.* €1,687,325; – share capital increase reserved to categories of beneficiaries (launch decision taken on May 16, 2012 and September 3, 2012) : up to 814,657 shares representing a total maximum amount of €4,073,285 (1) Balance: €796,369,105 (2)	–	–	–
Issuance by way of public offering with cancellation of the preferential subscription right	May 16, 2012 (resolution 27)	26 months (July 15, 2014)	Shares: €400,000,000 (*i.e.* 80,000,000 shares) Debt securities: €500,000,000 These maximum amounts are deductible from the maximum amounts provided under resolution 26	Not applicable	–	–	–
Issuance by way of offering referred to in section II of article L.411-2 of the French monetary and financial code, with cancellation of the preferential subscription right	May 16, 2012 (resolution 28)	26 months (July 15, 2014)	Shares: €400,000,000 (*i.e.* 80,000,000 shares) Debt securities: €500,000,000 These maximum amounts are deductible from the maximum amounts provided under resolution 26	Not applicable	–	–	–

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF MAY 22, 2013		
NATURE OF THE AUTHORIZATION	DATE OF THE SHAREHOLDERS' MEETING (RESOLUTION N°)	DURATION (EXPIRY DATE)	MAXIMUM AUTHORIZED AMOUNT	UTILIZATION	RESOLUTION N°	DURATION	MAXIMUM AMOUNT
Authorization to increase the amount of the initial issuance, in the event of a share issue for which shareholders' preferential subscription rights are maintained or cancelled	May 16, 2012 (resolution 29)	26 months (July 15, 2014)	15% of initial issuance This maximum amount is deductible from the maximum amount applicable for the initial issuance and from the maximum amount provided under resolution 26	Not applicable	–	–	–
Determination of price of issuances carried out by way of public offering or offering referred to in section II of article L.411-2 of the French monetary and financial code, with cancellation of preferential subscription rights of shareholders, up to a maximum of 10% of the share capital per year	May 16, 2012 (resolution 30)	26 months (July 15, 2014)	10% of the share capital on the date of the decision of the Management Board determining the offering price per 10-month period This maximum amount is deductible from the maximum amount applicable for the initial issuance and from the maximum amount provided under resolution 26	Not applicable	–	–	–
Issuance of up to 10% of the share capital in consideration for contributions in kind	May 16, 2012 (resolution 35)	26 months (July 15, 2014)	10% of Rexel's share capital on the date of the decision of the Management Board approving the issuance This maximum amount is deductible from the maximum amount provided under resolution 26	Not applicable	–	–	–
Issuance in consideration for shares contributed under a public exchange offering.	May 16, 2012 (resolution 36)	26 months (July 15, 2014)	€250,000,000 (*i.e.* 50,000,000 shares) This maximum amount is deductible from the maximum amount provided under resolution 26	Not applicable	–	–	–
Capital increase by capitalization of share premiums, reserves, profits or other items that may be capitalized	May 16, 2012 (resolution 37)	26 months (July 15, 2014)	€200,000,000 (*i.e.* 40,000,000 shares) This maximum amount is not deductible from the maximum amount provided under resolution 26	Not applicable	–	–	–

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF MAY 22, 2013		
NATURE OF THE AUTHORIZATION	DATE OF THE SHAREHOLDERS' MEETING (RESOLUTION N°)	DURATION (EXPIRY DATE)	MAXIMUM AUTHORIZED AMOUNT	UTILIZATION	RESOLUTION N°	DURATION	MAXIMUM AMOUNT
DECREASE IN THE SHARE CAPITAL BY CANCELLING SHARES							
Decrease in the share capital by cancelling shares	May 16, 2012 (resolution 25)	18 months (November 15, 2013)	10% of the share capital on the date of cancellation by 24-month period	Not applicable	14	18 months	10% of the share capital on the date of cancellation by 24-month period
STOCK OPTIONS, FREE SHARE ALLOCATIONS AND EMPLOYEE SAVINGS PLAN							
Issuance with cancellation of preferential subscription rights to the benefit of the members of a share savings plan	May 16, 2012 (resolution 33)	26 months (July 15, 2014)	2% of the share capital on the date of the decision of the Management Board This maximum amount is deductible from the maximum amount provided under resolution 26 Issuances carried out on the basis of resolution 34 should be deducted from this maximum amount	Share capital increase of November 23, 2012 (Opportunity 12): 337,465 shares, *i.e.* €1,687,325 *i.e.* 0.12% of the share capital at December 31, 2012	16	26 months	2% of the share capital on the date of the decision of the Management Board This maximum amount is deductible from the maximum amount provided under resolution 26 of the shareholders' meeting of May 16, 2012 Issuances carried out on the basis of resolution 17 should be deducted from this maximum amount
Issuances reserved to certain categories of beneficiaries in order to implement employee shareholding transactions	May 16, 2012 (resolution 34)	18 months (November 15, 2013)	1% of the share capital on the date of the decision of the Management Board This maximum amount shall be deducted from the 2% maximum amount of resolution 33 on company savings and from the maximum amount provided under resolution 26	Share capital increase reserved to categories of beneficiaries (launch decision taken on May 16, 2012 and September 3, 2012) : up to 814,657 shares representing a total maximum amount of €4,073,285 (1)	17	18 months	1% of the share capital on the date of the decision of the Management Board This maximum amount shall be deducted from the 2% maximum amount of resolution 16 on company savings and from the maximum amount provided under resolution 26 of the shareholders' meeting of May 16, 2012

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF MAY 22, 2013		
NATURE OF THE AUTHORIZATION	DATE OF THE SHAREHOLDERS' MEETING (RESOLUTION N°)	DURATION (EXPIRY DATE)	MAXIMUM AUTHORIZED AMOUNT	UTILIZATION	RESOLUTION N°	DURATION	MAXIMUM AMOUNT
Free share allocations	May 16, 2012 (resolution 31)	26 months (July 15, 2014)	2.5% of the share capital on the date of the decision of the Management Board This maximum amount is common to resolution 32 and should be deducted from the maximum amount provided under resolution 26	Utilization on July 26, 2012: 243,080 shares Utilization on November 23, 2012 (Opportunity 12): 145,634 shares *i.e.* 0.14% of the share capital at December 31, 2012	15	26 months	2.5% of the share capital on the date of the decision of the Management Board This maximum amount should be deducted from the maximum amount provided under resolution 26 of the shareholders' meeting of May 16, 2012
Issuance of share subscription or purchase options	May 16, 2012 (resolution 32)	26 months (July 15, 2014)	2.5% of the share capital on the date of the decision of the Management Board This maximum amount is common to resolution 31 and should be deducted from the maximum amount provided under resolution 26	Not applicable	–	–	–
BUY-BACK BY REXEL OF ITS OWN SHARES							
Shares repurchases	May 16, 2012 (resolution 22)	18 months (November 15, 2013)	10% of the share capital on the completion date Aggregate maximum amount: €250,000,000 Maximum buy-back price: €22	Utilization: – under the Natixis liquidity contract for market-making purposes; – for the purpose of delivering free shares: 500,000 shares repurchased in June 2012.	12	18 months	10% of the share capital on the completion date Aggregate maximum amount: €250,000,000 Maximum buy-back price: €22

(1) The final amount of the share capital increase reserved to certain categories of beneficiaries in order to implement employee shareholding transactions as decided by the Management Board on May 16, 2012 and September 3, 2012 will only be known upon completion, *i.e.* in 2013.
(2) Once determined, the final amount of the share capital increase reserved to certain categories of beneficiaries in order to implement employee shareholding transactions will have to be deducted from the balance.

9.4.2 Text of the draft resolutions to be submitted to the Ordinary and Extraordinary Shareholders' Meeting of May 22, 2013

I. RESOLUTIONS TO BE SUBMITTED TO THE ORDINARY SHAREHOLDERS' MEETING

First resolution

(Approval of the annual financial statements for the financial year ended December 31, 2012)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the reports of the Management Board, of the Supervisory Board and of the statutory auditors on the financial statements for the financial year ended December 31, 2012,

Approved the annual financial statements, *i.e.*, the balance sheet, the income statement and the notes thereto, for the financial year ended December 31, 2012, as presented to it, as well as the transactions reflected in such financial statements and summarized in these reports.

The financial statements show a profit of €633,586.78.

Second resolution

(Approval of the consolidated financial statements for the financial year ended December 31, 2012)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the reports of the Management Board, of the Supervisory Board and of the statutory auditors on the company financial statements for the financial year ended December 31, 2012,

Approved the annual financial statements, *i.e.*, the balance sheet, the income statement and the notes thereto, for the financial year ended December 31, 2012, as presented to it, as well as the transactions reflected in such financial statements and summarized in these reports.

The financial statements show a profit of €318.6 million.

Third resolution

(Allocation of profit for the financial year ended December 31, 2012)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Management Board,

Decided to allocate the profits for the year ended December 31, 2012, which amounted to €633,586.78 as follows :

Origin of the income to be allocated	
– profits from the financial year	€633,586.78
– previous carry forward	€235,251,330.23
Total	**€235,884,917.01**

Allocation of profit	
– 5% to the statutory reserve	€31,679.34
– dividend	€202,223,021.25
– the balance, to the carry forward account	€33,630,216.42
Total	**€235,884,917.01**

The Shareholders' Meeting sets the dividend in respect of the year ended 31 December 2012 at €0.75 per share giving right to such dividend.

The detachment of the coupon shall occur on May 31, 2013. The payment of the dividend shall occur on July 2, 2013.

The aggregate amount of dividend of €202,223,021.25 was determined on the basis of a number of shares composing the share capital of 271,923,229 as at December 31, 2012 and a number of shares held by the Company of 2,292,534 shares.

The aggregate amount of the dividend and, consequently, the amount of the carry forward shall be adjusted in order to take into account the number of shares held by the Company at the date of payment of the dividend and, if applicable, the new shares granting right to dividends issued in accordance with the shares subscription options or in case of definitive attribution of free shares until the date of this Shareholders' Meeting.

The dividend is eligible to the 40% tax allowance benefiting to the natural persons which are residents in France for tax purposes, in accordance with article 158-3-2° of the French General Tax Code.

During the last three financial years, the Company has made the following net dividend payments per share:

	2011	2010	2009
Dividend per share (in euros)	€0.65 (1)	€0.40 (1)	none
Number of shares eligible	266,856,328	262,972,033	none
Total dividend (in euros)	€173,456,613.20 (1)	€105,188,813 (1)	none

(1) Amount(s) eligible to the 40% tax allowance benefiting to the natural persons which are residents in France for tax purposes, in accordance with article 158-3-2° of the French General Tax Code.

Fourth resolution

(Option for the payment of the dividend in new shares)

The Shareholders' meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Management Board, in accordance with articles L.232-18 *et seq.* of the French Commercial Code and article 39 of the Company's by-laws :

1. Decided to offer each shareholder the possibility to opt for the payment in new shares of the Company for the total amount of the dividend distributed and regarding the shares which they own. Each shareholder shall be able to exercise this option only for the total amount of the dividend for which it is offered;
2. Decided that the new shares, issued if the option referred to at paragraph 1 above is exercised; shall be issued at a price equal to 90% of the average of the opening prices listed on the 20 market days preceding the date of this shareholders' meeting, reduced by the net amount of the dividend;
3. Decided that the new shares, issued if the option referred to at paragraph 1 above is exercised, shall give enjoyment as of January 1, 2013;
4. Decided that the shareholders shall be entitled to exercise the option referred to at paragraph 1 of this resolution between May 31, 2013 (included) and June 21, 2013 (included) by request formulated to the concerned financial intermediaries and, in case of non-exercise of the option before June 21, 2013 (included), the dividend shall be paid entirely in cash. The delivery of the shares shall intervene concomitantly with the payment of the dividend in cash, *i.e.* on July 2, 2013;
5. Decided that if the amount of the dividends for which the option is exercised does not correspond to an integer number of shares, the shareholder shall be entitled to receive the immediately inferior number of shares, completed by an adjustment payment *(soulte)* in cash made by the Company and equal to the difference between the amount of the dividends for which the option is exercised and the subscription price of the immediately inferior number of shares; and
6. Decided that all powers are conferred to the Management Board, with the option to subdelegate such powers to any duly empowered person to the full extent permitted by law, in order to implement this resolution, to ensure the implementation of the payment of the dividend in new shares, to specify its modalities and execution, acknowledge the number of shares issued pursuant to this resolution and modify accordingly the provisions of article 6 of the Company's by-laws regarding the share capital and the number of shares composing the share capital.

Fifth resolution

(Authorization of related-party agreements referred to in articles L.225-86 et seq. of the French Commercial Code)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Management Board and the statutory auditors' special report on related-party transactions governed by articles L.225-86 *et seq.* of the French Commercial Code,

Approved the following agreements entered into during the financial year ended December 31, 2012, which have been authorized by the Supervisory Board of the Company:

- Two re-invoicing agreements entered into on March 14 and March 15, 2012 between Rexel and Rexel Développement SAS and Rexel France. These agreements were authorized by the Supervisory Board during its February 8, 2012 meeting; and
- Two re-invoicing agreements entered into on November 23 and November 27, 2012 between Rexel and Rexel Développement SAS and Rexel France. These agreements were authorized by the Supervisory Board during its October 30, 2012 meeting.

Sixth resolution

(Authorization of related-party agreements referred to in articles L.225-86 et seq. of the French Commercial Code)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings, Having reviewed the report of the Management Board and the statutory auditors' special report on related-party transactions governed by articles L.225-86 *et seq.* of the French Commercial Code,

Approved the following agreements entered into during the financial year ended December 31, 2012 in connection with the financing of Rexel, which have been authorized by the Supervisory Board of the Company:

- A Purchase Agreement entered into on March 21, 2012, between Rexel, on the one hand, and Barclays Capital Inc., Merrill Lynch, Pierce, Fenner and Smith Incorporated, RBS Securities Inc., BNP Paribas Securities Corp. and Crédit Agricole Corporate and Investment Bank, on the other hand. Rexel Développement SAS, Rexel France, Hagemeyer Deutschland GmbH & Co KG, Rexel Belgium NV, Elektro-Material A.G., Rexel Nederland B.V. (formerly Hagemeyer Nederland B.V.), Elektroskandia Norge AS, Elektroskandia Suomi Oy, Svenska Elgrossist AB Selga, Rexel Holdings USA Corp., Rexel, Inc., General Supply & Services Inc. and Rexel North America Inc. acceded to this agreement through accession letters dated March 28, 2012. This agreement was authorized by the Supervisory Board during its March 14, 2012 meeting;
- An Indenture Agreement, entered into on March 28, 2012 between Rexel, Rexel Développement SAS, Rexel France, Hagemeyer Deutschland GmbH & Co KG, Rexel Belgium NV, Elektro-Material A.G., Rexel Nederland B.V. (formerly Hagemeyer Nederland B.V.), Elektroskandia Norge AS, Elektroskandia Suomi Oy, Svenska Elgrossist AB Selga, Rexel Holdings USA Corp., Rexel, Inc., General Supply & Services Inc., Rexel North America Inc. and The Bank of New York Mellon. This agreement was authorized by the Supervisory Board during its March 14, 2012 meeting;
- A new Purchase Agreement entered into on April 16, 2012, between Rexel, on the one hand, and Barclays Capital Inc., Merrill Lynch, Pierce, Fenner and Smith Incorporated, RBS Securities Inc., BNP Paribas Securities Corp. and Crédit Agricole Corporate and Investment Bank, on the other hand. Rexel Développement SAS, Rexel France, Hagemeyer Deutschland GmbH & Co KG, Rexel Belgium NV, Elektro-Material A.G., Rexel Nederland B.V. (formerly Hagemeyer Nederland B.V.), Elektroskandia Norge AS, Elektroskandia Suomi Oy, Svenska Elgrossist AB Selga, Rexel Holdings USA Corp., Rexel, Inc., General Supply & Services Inc., Rexel North America Inc. acceded to this agreement through accession letters dated April 23, 2012. This agreement was authorized by the Supervisory Board during its April 12, 2012 meeting.

Seventh resolution

(Approval of a related-party agreement referred to in article L.225-90 of the French Commercial Code)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Management Board and the statutory auditors' special report on related-party transactions governed by article L.225-90 of the French Commercial Code.

Decided, in accordance with article L.225-90 of the French Commercial Code, to approve the following agreements entered into during the financial year ended December 31, 2012, which has not been authorized by the Supervisory Board of the Company:

- An agreement entitled "Amendment to the Secondary Offering Cooperation Agreement" dated July 2, 2012 and amending the Secondary Offering Cooperation Agreement entered into on April 4, 2007.

Eighth resolution

(Renewal of the term of office of Eurazeo as member of the Supervisory Board)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Management Board, in accordance with article L.225-75 of the French Commercial Code:

1. Acknowledged the end of the duties of Eurazeo as member of the Supervisory Board effective as of the end of the shareholders' meeting, in accordance with the stipulations of article 19.2 of the by-laws of the Company;
2. Resolved to renew the term of office as member of the Supervisory Board of Eurazeo, a French *société anonyme* having its registered office 32, rue de Monceau 75008 Paris, France and incorporated with the Paris trade and companies register under number 692 030 992, for a term of four years, which is to expire upon the end of the shareholders' meeting convened to resolve on the financial statements for the financial year ending December 31, 2016, to be held in 2017.

Ninth resolution

(Renewal of the term of office of Mr. Manfred Kindle as member of the Supervisory Board)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings, Having reviewed the report of the Management Board, in accordance with article L.225-75 of the French Commercial Code:

1. Acknowledged the end of the duties of Mr. Manfred Kindle as member of the Supervisory Board effective as of the end of the shareholders' meeting, in accordance with the stipulations of article 19.2 of the by-laws of the Company;
2. Resolved to renew the term of office as member of the Supervisory Board of Mr. Manfred Kindle, born on March 25, 1959, a Swiss national, residing at 3 Neville Street, London SW7 3AR, United Kingdom, for a term of four years, which is to expire upon the end of the shareholders' meeting convened to resolve on the financial statements for the financial year ending December 31, 2016, to be held in 2017.

Tenth resolution

(Renewal of the term of office of Mr. Thomas Farrell as member of the Supervisory Board)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Management Board, in accordance with article L.225-75 of the French Commercial Code:

1. Acknowledged the end of the duties of Mr. Thomas Farrell as member of the Supervisory Board effective as of the end of the shareholders' meeting, in accordance with the stipulations of article 19.2 of the by-laws of the Company;
2. Resolved to renew the term of office as member of the Supervisory Board of Mr. Thomas Farrell, born on June 1, 1956, an American national, residing 3, rue Paul Ollendorff, 92210 Saint Cloud, France, for a term of four years, which is to expire upon the end of the shareholders' meeting convened to resolve on the financial statements for the financial year ending December 31, 2016, to be held in 2017.

Eleventh resolution

(Approval of the co-option of Mrs. Vivianne Akriche as member of the Supervisory Board)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Management Board,

In accordance with article L.225-78 of the French Commercial Code, decided to confirm the co-option of Mrs. Vivianne Akriche as member of the Supervisory Board in replacement of Mr. Luis Marini-Portugal, for the remainder of the term of his predecessor, *i.e.*, until the shareholders' meeting called to approve the financial statements for the financial year ending December 31, 2014, to be held in 2015. This co-option was approved by the Supervisory Board on February 11, 2013.

Twelfth resolution

(Authorization to be granted to the Management Board to carry out transactions on the Company's shares)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Management Board,

Decided to authorize the Management Board, with the option to delegate such authorization, in accordance with the provisions of article L.225-209 of the French Commercial Code, of articles 241-1 to 241-6 of the General Regulations of the French financial markets authority (the **"AMF"**) and of Regulation N°2273/2003 of the European Commission of December 22, 2003, to purchase or cause to be purchased shares of the Company, in order of highest to lowest priority, with a view to:

– ensuring liquidity and activity in the market for the shares of the Company through an investment services provider, acting independently under a liquidity agreement in accordance with a market ethics charter acknowledged by the AMF;

– setting up any share purchase option plan with regard to the Companies' shares, in particular in accordance with articles L.225-177 *et seq.* of the French Commercial Code, any allocation of free shares, in particular in connection with Group or company employee saving plans *(plans d'épargne d'entreprise ou groupe)* made in accordance with articles L.3332-1 *et seq.* of the French Labor Code or in connection with the provisions of articles L.225-197-1 *et seq.* of the French Commercial Code and any granting, allocation or transfer of shares in connection with profit-sharing plans or in connection with a shareholding plan to the benefit of the group employees set up outside of an employee savings plan, in particular for the needs of a "Share Incentive Plan" in the United Kingdom, as well as establishing hedging operations relating to these transactions, in accordance with the conditions set forth by the market authorities and at such times that the Management Board or person acting upon the authority of the Management Board implements such actions;

– retaining shares and delivering shares further to an exchange or as a consideration in the context of external growth transactions, in accordance with acknowledged market practice and applicable regulations;

- granting shares in connection with the exercise of rights attached to securities conferring access by any means, immediately or in the future, to shares of the Company;
- canceling all or part of the shares so repurchased, in accordance with, and subject to the approval of, the fourteenth resolution of this Shareholders' Meeting;
- any other action that is or will become permitted by French law or the AMF or any purpose that may comply with the regulations in force.

The acquisition, sale or transfer of the shares shall be carried out or paid by any means, on the market or over the counter, including through transactions involving blocks of securities or takeover bids, option mechanisms, derivatives, purchase of options or of securities in conformity with the applicable regulatory conditions. The portion of the plan carried out through transactions involving blocks of shares may reach the total amount of the share repurchase plan.

This authorization shall be implemented pursuant to the following conditions:

- the maximum number of shares that the Company may purchase under this resolution shall not exceed 10% of the shares making up the share capital as at the date of completion of the repurchase of the shares of the Company;
- the number of shares acquired by the Company in view of holding them for subsequent payment or exchange in a merger, spin-off or contribution may not exceed 5% of the Company's share capital;
- the total maximum amount allocated to the repurchase of the shares of the Company shall not exceed €250 million;
- the maximum purchase price per share of the Company has been set at €22, it being specified that in the event of transactions on the share capital, in particular by way of incorporation of reserves and allocation of free shares, division or grouping of shares, this maximum purchase price shall be adjusted accordingly by using a multiplying factor equal to the ratio between the number of shares making up the share capital prior to the relevant transaction, and the number of shares further to such transaction.

The shares repurchased and retained by the Company will be deprived of voting rights and will not give right to the payment of dividends.

In the event of a public tender offer on the Company's shares paid for fully in cash, the Company will be able to pursue the implementation of its share repurchase program, in compliance with the applicable legal and regulatory provisions.

Full powers were granted to the Management Board, with the option to delegate such powers to any person so authorized in accordance with the legal provisions, to achieve this share repurchase plan of the Company's shares, and in particular to give any stock exchange orders, enter into any agreement for the keeping of the purchase and sale registers, make any disclosures to the AMF and any other agencies, prepare any documents, in particular information documentation, allocate and, as the case may be, reallocate, subject to the conditions provided by the law, the shares acquired for the various purposes envisaged, carry out any formalities and, more generally, do as necessary.

This authorization is granted for a term of 18 months as from the date of this Shareholders' Meeting.

This authorization shall cancel, to the extent of the unused portion, and supersede the authorization granted by the twenty-second resolution of the ordinary shareholders' meeting of the Company of May 16, 2012.

The Management Board will, every year, inform the shareholders' meeting of the operations carried out pursuant to this resolution, in compliance with article L.225-211 of the French Commercial Code.

Thirteenth resolution

(Powers to carry out legal formalities)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings, conferred full powers to bearers of originals, copies or extracts of these minutes in order to carry out publication, filing and other necessary formalities.

II. RESOLUTIONS TO BE SUBMITTED TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

Fourteenth resolution

(Authorization to be granted to the Management Board to carry out a share capital decrease by cancellation of shares)

The Shareholders' Meeting, deciding under the quorum and majority requirements for extraordinary shareholders' meetings,

Having reviewed the report of the Management Board and the statutory auditor's special report,

Authorized the Management Board to reduce the share capital, in one or several occurrences, in the proportions and at the times that it shall deem appropriate, by cancellation of all or part of the Company's shares acquired pursuant to any share repurchase plans authorized pursuant to the twelfth resolution or prior to the date of this Shareholders'

Meeting, within the limits of 10% of the share capital of the Company as at the date of the cancellation per period of 24 months, in accordance with the provisions of articles L.225-209 *et seq.* of the French Commercial Code.

This authorization is granted for a term of 18 months as from the date of this Shareholders' Meeting.

Full powers were granted to the Management Board, with the power to delegate such powers, in order to:

- reduce the share capital by cancellation of the shares;
- determine the final amount of the share capital decrease;
- determine the terms and conditions thereof and acknowledge its completion;
- deduct the difference between the book value of the cancelled shares and their nominal amount from any available reserve and premium accounts;
- and in general, do as necessary for the proper performance of this authorization, amend the by-laws accordingly and carry out any required formalities.

This authorization shall cancel and supersede any prior authorization with the same purpose, in particular the authorization granted by the twenty-fifth resolution of the extraordinary shareholders' meeting of the Company of May 16, 2012.

Fifteenth resolution

(Authorization to be granted to the Management Board to grant free shares to the employees and to the corporate officers of the Company and its subsidiaries)

The Shareholders' Meeting, deciding under the quorum and majority requirements for extraordinary shareholders' meetings,

Having reviewed the report of the Management Board and of the statutory auditors' special report, in accordance with the provisions of articles L.225-129 *et seq.* and L.225-197-1 *et seq.* of the French Commercial Code:

1. Authorized the Management to carry out, subject to the prior authorization of the Supervisory Board in accordance with the provisions of the by-laws, with the option to delegate such authorization to any duly empowered person in accordance with the law, in one or several occurrences, the allocation of free existing and/or newly-issued shares of the Company to employees and/or the corporate officers of the Company and/or the companies or groups that are, directly or indirectly, linked to it under the conditions set forth in articles L.225-197-1, II and L.225-197-2 of the French Commercial Code;
2. Decided that the Management Board will determine the beneficiaries of the allocations and the number of shares granted to each of them, the terms of the allocation and, as the case may be, the eligibility criteria for the allocation of the shares. The Management Board (i) shall subordinate to presence and collective performance criteria the allocation of shares to the corporate officers and executive staff of the Company and/or the companies or groups that are, directly or indirectly, linked to it and (ii) shall have the power to do so for the allocation to shares to the other salaried personnel members of the Company and/or the companies or groups that are, directly or indirectly, linked to it. In addition, allocations of free shares made under this resolution to the benefit of salaried personnel members and/or corporate officers of the Company and/or the companies or groups that are linked to it under a shareholding plan implemented in particular in the context of a share capital increase reserved to their benefit carried out under the sixteenth resolution or the seventeenth resolution of this Shareholders' Meeting will be subject to a presence criteria determined by the Management Board, without any performance criteria;
3. Decided that the number of shares that may be freely granted pursuant to this resolution may not exceed 2.5% of the share capital of the Company appraised as at the date of the decision by the Management Board, it being specified that:
   (i) this limit do not take into account the regulatory adjustments necessary to maintain the beneficiaries' rights, and
   (ii) this limit shall be deducted from the overall limit set by the twenty-sixth resolution of the shareholders' meeting held on May 16, 2012 or by any resolution of a same nature that would be substituted to this resolution;
4. Decided that the shares allocated to their beneficiaries will become vested after a minimum period of acquisition of 2 years and that the beneficiaries will be required to retain such shares for an additional minimum period of 2 years as from the final allocation of the shares. Notwithstanding the above, the Shareholders' Meeting authorized the Management Board to decide that, when the allocation of said shares to their beneficiaries will be vested after a minimum vesting period of 4 years, the beneficiaries shall then be bound by no retention period;
5. Decided that the shares may become vested before the term of the period of acquisition in the event that the beneficiaries become invalid and that such invalidity correspond to the second or third category set forth under article L.341-4 of the Social security Code and that the shares will immediately become freely transferable;

6. Authorized the Management Board to carry out, as the case may be, during the vesting period, adjustments relating to the numbers of free shares granted on the basis of the potential transactions affecting the share capital of the Company in order to maintain the rights of the beneficiaries;

7. In the event of free shares being issued, authorized the Management Board to carry out one or several increase(s) in the share capital by capitalization of reserves, profits or issuance premiums reserved for the beneficiaries of such free shares and acknowledged that this authorization includes the related waiver of the shareholders' preferential subscription rights with respect to such shares and to the portion of the reserves, profits and issuance premiums thus capitalized, to the benefit of the beneficiaries; the Management Board has been granted a delegation of authority in respect of this transaction in accordance with article L.225-129-2 of the French Commercial Code;

8. Decided that the Management Board will have full powers, with the option to delegate such powers to any duly empowered person to the full extent permitted by law, to perform this delegation of authority, *inter alia* for the purposes of:
   - determining whether the free shares shall be newly-issued shares or existing shares;
   - determining the beneficiaries and the number of free shares granted to each of them;
   - setting the dates on which free shares shall be allocated, in the conditions and limits of applicable law;
   - deciding upon the other terms and conditions of the allocation of shares, particularly the period of acquisition and the period of retention of the shares thus allocated, in rules for the allocation of free shares;
   - deciding upon the conditions under which the number of free shares to be allocated shall be adjusted, in accordance with applicable provisions of the law and the by-laws;
   - more generally, entering into any agreements, executing any documents, acknowledging the share capital increases resulting from definitive allocations, changing the by-laws accordingly, and carrying out any formality or declaration with any organization;

9. Decided that this authorization is granted for a term of 26 months as of the date of this Shareholders' Meeting.

10. Decided that this authorization shall cancel and supersede any previous authorizations having the same purpose, as regards the unused portion of these authorizations.

Sixteenth resolution

(Authorization to be granted to the Management Board to increase the share capital through the issuance of shares and/or securities conferring access to the capital of the Company with cancellation of the shareholders' preferential subscription right for the benefit of members of a company savings plan)

The Shareholders' Meeting, deciding under the quorum and majority requirements for extraordinary shareholders' meetings,

Having reviewed the report of the Management Board and the statutory auditor's special report and deciding in accordance with, on the one hand, the provisions of articles L.225-129-2, L.225-129-6, L.225-138 and L.225-138-1 of the French Commercial Code and, on the other hand, the provisions of articles L.3332-1 *et seq.* of the French Labor Code:

1. Authorized the Management Board to increase, subject to the prior authorization of the Supervisory Board in accordance with the provisions of the by-laws, with the option to delegate such authorization to any duly empowered person in accordance with the law, in one or several occurrences, at its sole option, at the times and under the terms that it shall determine, the share capital of the Company by the issuance of shares and/or securities conferring access to the share capital of the Company, reserved for members of one or several company savings plan(s) *(plan d'épargne entreprise)* or group savings plan(s) *(plan d'épargne de groupe)* established by the Company and the French or foreign companies that are linked to the Company within the meaning of article L.225-180 of the French Commercial Code and of article L.3344-1 of the French Labor Code;

2. Decided to cancel the shareholders' preferential subscription rights in respect of new shares to be issued pursuant to this authorization for the benefit of the beneficiaries referred to in the first paragraph above;

3. Decided that the issuance price(s) of the new shares or of the securities conferring access to the share capital shall be determined in accordance with the provisions of articles L.3332-19 *et seq.* of the French Labor Code and that the maximum discount shall amount to 20% of the average of the first trading prices during the 20 trading days preceding the date of the Management Board decision determining the opening date of the subscription period. However, the shareholders' meeting expressly authorize the Management Board to reduce the discount or to grant no discount, in particular in order to take into account the regulations applicable in the countries where the offer will be implemented;

4. Decided that the maximum nominal amount of the share capital increase(s) which may be carried out pursuant to this authorization may not exceed 2% of the share capital of the Company appraised as at the date of the decision of use of this authorization by the Management Board it being specified that:
   – the maximum nominal amount of the share capital increase(s) that may be carried out pursuant to this delegation, as well as under the seventeenth resolution, may not exceed this amount of 2% of the share capital of the Company;
   – the maximum nominal amount of any share capital increase(s) that may be carried out pursuant to this authorization shall be deducted from the overall limit set by the twenty-sixth resolution of the shareholders' meeting held on May 16, 2012 or by any resolution of a same nature that would be substituted to this resolution;
   – these amounts do not include the nominal amount of the additional ordinary shares to be issued in order to maintain the rights of the holders of securities conferring access to the share capital of the Company, in accordance with the law and with any applicable contractual provisions providing for other cases of adjustment;
5. Decided, pursuant to the provisions of article L.3332-21 of the French Labor Code, that the Management Board may decide on the allocation to the beneficiaries referred to in the first paragraph above, free of charge, of shares to be issued or existing, or of other securities conferring access to the share capital of the Company, issued or to be issued, in respect of (i) the contribution *(abondement)* that may be paid pursuant to the regulations of the employee savings plan of the Company or of the Group and/or (ii) if applicable, the discount;
6. Also decided that, should the beneficiaries referred to in the first paragraph above not subscribe the share capital increase in full within the allocated time period, such share capital increase would only be completed for the amount of subscribed shares; unsubscribed shares may be offered again to such beneficiaries in the context of a subsequent share capital increase;
7. Granted full powers to the Management Board, with the option to delegate or sub delegate such powers, in accordance with the legal and regulatory provisions, to carry out this authorization, and in particular, for the purposes of:
   – determining the eligibility criteria for companies whose employees may benefit from the share capital increases carried out pursuant to this authorization, establishing the list of such companies;
   – determining the terms and conditions of the transactions, the characteristics of the shares, and if applicable, of the other securities, determining the subscription price calculated in accordance with the method defined in this resolution, determine the dates of opening and of closing of the subscription and the dividend entitlement dates and determining the dates and terms and conditions of payment of the subscribed shares;
   – taking any necessary action for the admission to trading of the issued shares in any place where it shall deem appropriate;
   – deducting from the "issuance premiums" account the amount of the expenses relating to these share capital increases and charging, if it deems fit, on this account the necessary amounts to increase the legal reserve to one tenth of the new share capital after each issuance, amending the by-laws accordingly and, in general, carrying out directly or indirectly, any transactions and formalities related to the share capital increases carried out pursuant to this authorization;
8. Decided that the authorization granted to the Management Board pursuant to this resolution shall be effective for a term of 26 months as from the date of this Shareholders' Meeting;
9. Decided that this authorization shall cancel and supersede any previous authorizations having the same purpose, as regards the unused portion of these authorizations.

Seventeenth resolution

(Delegation of authority to the Management Board to increase the share capital, without preferential subscription rights, through a capital increase reserved to certain categories of beneficiaries in order to implement employee shareholding transactions)

The Shareholders' Meeting, deciding under the quorum and majority requirements for extraordinary shareholders' meetings,

Having reviewed the report of the Management Board and the special report of the statutory auditors, deciding in accordance with the provisions of articles L.225-129-2 *et seq.* and L.225-138 of the French Commercial Code:

1. Delegated to the Management Board, subject to the prior authorization of the Supervisory Board in accordance with the provisions of the by-laws, with the option to delegate such powers to any duly empowered person in accordance with the law, the powers necessary to increase, on one or more occasions, at such time or times and in the amounts that it shall decide, through the issue of shares or any other securities giving access either immediately or in the future to the Company's share capital, such an issue being reserved for persons meeting the criteria in the categories defined in paragraph 3. below;

2. Decided that the maximum nominal amount of the share capital increase(s) that may be carried out pursuant to this delegation shall not exceed 1% of the share capital of the Company appraised as at the date of the decision of use of this authorization by the Management Board, it being specified that:
   - the maximum nominal amount of any share capital increase(s) that may be carried out pursuant to this authorization shall be deducted from (i) the limit set by the sixteenth resolution of this shareholders' meeting and (ii) the overall limit set by the twenty-sixth resolution of the shareholders' meeting held on May 16, 2012 or by any resolution of a same nature that would be substituted to this resolution; and
   - these amounts do not include the nominal amount of the additional ordinary shares to be issued in order to maintain the rights of the holders of securities conferring access to the share capital of the Company, in accordance with the law and with any applicable contractual provisions providing for other cases of adjustment;
3. Decided to eliminate shareholders' preferential subscription rights to shares or securities, which may be issued pursuant to this resolution, and to reserve the right to subscribe to beneficiaries satisfying the following criteria:
   a) employees and directors and officers of foreign companies which are related to the Company within the meaning of article L.225-180 of the French Commercial Code and article L.3344-1 of the French Labor Code; and/or
   b) employee shareholding UCITS or other entities, with or without an independent legal existence, which are invested in securities of the Company, and whose unitholders or shareholders are comprised of the individuals described in (a) above; and/or
   c) any banking institution or subsidiary of such an institution involved in the company's request for the purposes of implementing a shareholding or savings plan for the benefit of the persons mentioned in (a) of this paragraph, insofar as recourse to the subscription of the person authorized in accordance with this resolution would allow the employees or directors and officers mentioned above to benefit from employee shareholding or savings formulae equivalent in terms of economic advantage to those from which the other Rexel employees would benefit in comparable situations; and/or
   d) one or several financial institutions mandated in connection with the Share Incentive Plan (SIP) established for the benefit of employee and directors and officers of companies which are related to the Company within the meaning of article L.225-180 of the French Commercial Code and article L.3344-1 of the French Labor Code whose registered offices are located in the United Kingdom;
4. Decided that the issue price of the new shares shall be determined in the following manner:
   a) the share price(s) may be determined pursuant to the same conditions as set forth in article L.3332-19 of the French Labor Code. The discount shall be set at a maximum of 20% of the average of Company's share prices during the twenty trading days preceding the date of the decision setting the opening date of the subscription period. The shareholders' meeting expressly authorized the Management Board to reduce or eliminate the discount hereby granted as it deems appropriate in order to take into account, in particular, the local legal, accounting, tax or social security considerations applicable in the countries of residence of members of a savings plan who are beneficiaries of the capital increase;
   b) in accordance with the local regulations applicable to the SIP, the subscription price may be equal to the lower share price between (i) the share price on the regulated market of NYSE Euronext in Paris at the opening of the reference period of this plan, such period shall not exceed 12 months, and (ii) the share price recorded following the close of such period within a given timeframe determined in accordance with said regulations. This price shall be set without a discount in relation to the retained share price;
5. Decided that the Management Board, with the option to delegate or sub delegate such powers, in accordance with the legal and regulatory provisions, shall have full powers in accordance with the law and restrictions set above, particularly in order to:
   - determine the list of beneficiary(ies), from among the categories above, in favor of whom the preferential subscription rights have been eliminated as well as the number of shares to be subscribed by each of them;
   - set the amounts of the issuances that will be carried out pursuant to this delegation of authority and to fix the issue price, the dates, the time limits, methods and terms and conditions of subscription, payment in full, delivery, entitlement to dividends, the rules in reducing the subscriptions in the event of an over-subscription as well as any other terms and conditions of the issuances, within the legal and regulatory limits in force;
   - to confirm the share capital increase up to the amount of the shares subscribed (after any potential reduction in the event of an over-subscription);
   - as applicable, charge the expenses related to the share capital increase to the premiums from this increase, and deduct from that amount the amounts necessary to bring the legal reserve to one-tenth of the new share capital after the share capital increase.
6. Decided that this delegation shall cancel and supersede any previous authorizations having the same purpose, as regards the unused portion of these authorizations.

This delegation to the Management Board is granted for a period of 18 months as from the date of this Shareholders' Meeting.

Eighteenth resolution

(Amendment of article 23 of the by-laws of the Company relating to the powers of the Supervisory Board)

The Shareholders' Meeting, deciding under the quorum and majority requirements for extraordinary shareholders' meetings,

Having reviewed the report of the Management Board, decided to amend the stipulations of the by-laws of the Company requiring the prior authorization of the Supervisory Board in case of sale of assets exceeding a certain threshold and to amend article 23 of the by-laws of the Company as follows:

- the tenth subparagraph of paragraph 3 of article 23 of the by-laws of the Company is replaced by the following paragraph:

"– the acquisition and disposal of any business segments, equity interests in any company, any assets and undertaking any investment, in each case, with an enterprise value exceeding a threshold determined by the Supervisory Board;"

- the rest of the article remains unchanged.

The Shareholders' Meeting granted full powers to the Management Board, with the option to delegate such powers to any duly empowered person to the full extent permitted by law, to proceed with the amendment of the by-laws, in particular to carry out any actions or formalities.

Nineteenth resolution

(Powers to carry out legal formalities)

The Shareholders' Meeting, deciding under the quorum and majority requirements for extraordinary shareholders' meetings, conferred full powers to bearers of an original, of copies or extracts of these minutes in order to carry out any publication, filing and other necessary formalities.

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10 CORRELATION TABLES

10.1 Correlation table with Regulation (EC) 809/2004

The following correlation table allows to identify, in this *Document de Référence*, the information required by Regulation (EC) 809/2004 of the European Commission dated April 29, 2004.

REGULATION (EC) 809/2004 OF THE EUROPEAN COMMISSION DATED APRIL 29, 2004 – ANNEX I		*DOCUMENT DE RÉFÉRENCE*	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
1.	PERSONS RESPONSIBLE	8.7	291 to 292
1.1	Persons responsible for the information contained in the registration document	8.7.1	291
1.2	Declaration of persons responsible for the information contained in the registration document	8.7.2	291 to 292
2.	STATUTORY AUDITORS	8.8	292 to 293
2.1	STATUTORY AUDITORS	8.8.1, 8.8.2	292 to 293
2.2	Statutory auditors having resigned, dismissed or not reappointed during the relevant period	8.8.1, 8.8.2	292 to 293
3.	SELECTED FINANCIAL DATA	1.1	8 to 9
3.1	Selected historical financial information	1.1	8 to 9
3.2	Selected financial information for interim periods	N/A	
4.	RISK FACTORS	2	35 to 50
5.	INFORMATION ABOUT THE ISSUER	1.2, 1.3, 1.7	10 to 11 and 32
5.1	History and development of the company	1.2	10
5.1.1	Corporate name and trade name	1.2.1	10
5.1.2	Place and name of incorporation	1.2.2	10
5.1.3	Date of incorporation and term	1.2.3	10
5.1.4	Registered office, legal form, jurisdiction, country of origin, address and phone number of registered office	1.2.4	10
5.1.5	Material events in business development	1.2.5	10
5.2	Investments	1.7	32
5.2.1	Completed investments	1.3, 1.7.1	11 and 32
5.2.2	Ongoing investments	1.3, 1.7.2	11 and 32
5.2.3	Future investments	1.3, 1.7.3	11 and 32
6.	BUSINESS OVERVIEW	1.4	11 to 27
6.1	Principal activities	1.4.2, 1.4.3, 1.4.4	15 to 27
6.1.1	Nature of the issuer's operations and its principal activities	1.4.2, 1.4.3, 1.4.4	15 to 27
6.1.2	New products and/or services	1.4.2, 1.4.3, 1.4.4	15 to 27
6.2	Principal Markets	1.4.1	12 to 15
6.3	Exceptional factors having influenced the information given pursuant to items 6.1 and 6.2	1.4, 4	11 to 27 and 79 to 96
6.4	Information regarding the extent to which the issuer is dependent, on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	1.4.6	27
6.5	Basis for any statements made by the issuer regarding its competitive position	General remarks	
7.	ORGANIZATIONAL STRUCTURE	1.5	28
7.1	Description of the group and the issuer's position within the Group	1.5.1	28
7.2	List of the issuer's significant subsidiaries	1.5.2	28 to 31

	REGULATION (EC) 809/2004 OF THE EUROPEAN COMMISSION DATED APRIL 29, 2004 – ANNEX I	*DOCUMENT DE RÉFÉRENCE*	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
8.	PROPERTY, PLANTS AND EQUIPMENT	1.6, 3.2, 3.3, 3.4	31 and 61 to 77
8.1	Existing or planned material tangible fixed assets	1.6	31
8.2	Environmental issues that may affect the issuer's utilization of the tangible fixed assets	3.2, 3.3, 3.4	61 to 77
9.	OPERATING AND FINANCIAL REVIEW	4	79 to 96
9.1	Issuer's financial condition, changes in financial condition and results of operations for each year and interim period, for which historical financial information is required	4.1, 4.2	80 to 91
9.2	Operating Results	4.1, 4.2	80 to 91
9.2.1	Important factors materially impacting the operating income	4.1, 4.2	80 to 91
9.2.2	Material changes in sales	4.1, 4.2	80 to 91
9.2.3	Government, economic, budget, currency or political strategy or factor	4.1, 4.2	80 to 91
10.	CAPITAL RESOURCES	4.3, 4.4	92 to 95
10.1	Information concerning the issuer's capital resources	4.3, 4.4	92 to 95
10.2	Sources and amounts of and narrative description of the issuer's cash flows	4.3	92 to 94
10.3	Information on the borrowing requirements and funding structure of the issuer	4.4	95
10.4	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations	4.4	95
10.5	Information regarding the anticipated sources of funds needed to fulfil commitments referred to in items 5.2.3. and 8.1	1.3, 1.7, 4.1, 4.4	11, 32, 80 to 82 and 95
11.	RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES	1.4.6	27
12.	TREND INFORMATION	1.4, 4	11 to 27 and 79 to 96
12.1	Most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the registration document	1.4, 4	11 to 27 and 79 to 96
12.2	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	4.5	96
13.	PROFIT FORECASTS OR ESTIMATES	N/A	
13.1	Statement setting out the principal assumptions upon which the issuer has based its forecast or estimate	N/A	
13.2	Report prepared by independent accountants or auditors	N/A	
13.3	Profit forecast or estimate prepared on a basis comparable with the historical financial information	N/A	
13.4	Statement setting out whether or not that forecast is still correct as of the time of the registration document, and an explanation of why such forecast is no longer valid if that is the case	N/A	
14.	ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT	7.1	186 to 215
14.1.	Information in relation to members of the administrative, management, and supervisory bodies	7.1.1 to 7.1.5	186 to 215
14.2.	Administrative, Management, and Supervisory bodies and Senior Management conflicts of interests	7.1.6, 7.4	215 and 232
15.	REMUNERATION AND BENEFITS	7.3	218 to 232
15.1.	Amount of remuneration paid and benefits in kind granted by the issuer and its subsidiaries	7.3.1 to 7.3.3	218 to 231
15.2.	Total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefit	7.3.4	231

	REGULATION (EC) 809/2004 OF THE EUROPEAN COMMISSION DATED APRIL 29, 2004 – ANNEX I	*DOCUMENT DE RÉFÉRENCE*	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
16.	BOARD PRACTICES	7.1	186 to 215
16.1	Date of expiration of the current term of office and period during which the person has served in that office	7.1.1, 7.1.2	186 to 210
16.2	Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate negative statement	7.1.7	215
16.3	Information about the issuer's audit committee and remuneration committee	7.1.3	210 to 214
16.4	Statement as to whether or not the issuer complies with its country's of incorporation corporate governance regime	7.2	216 to 218
17.	EMPLOYEES	3.1, 3.4	52 to 61 and 76 to 77
17.1	Number of employees at the end of the period or average for each financial year for the period covered by the historical financial information and breakdown of persons employed by main category of activity and geographic location	3.1, 3.4	52 to 61 and 76 to 77
17.2	Shareholdings and stock options	8.1.2.4 to 8.1.2.7	253 to 265
17.3	Arrangement for involving the employees in the capital of the issuer	3.1.5, 8.1.2.4	56 and 253 to 254
18.	PRINCIPAL SHAREHOLDERS	8.1	250 to 268
18.1	Name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest or, if there are no such persons, appropriate negative statement	8.1.1, 8.1.2	250 to 265
18.2	Different voting rights, or appropriate negative statement	8.1.3	266
18.3	Direct or indirect ownership or control of the issuer	8.1.4	266
18.4	Arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer	8.1.5	266 to 270
19.	RELATED PARTY TRANSACTIONS	7.5	233 to 244
20.	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	5, 6	97 to 184
20.1	Historical financial information	5, 6	97 to 184
20.2	Pro forma financial information	N/A	
20.3	Financial statements	5.1 and 6.1	98 to 160 and 164 to 183
20.4	Auditing of historical annual financial information	5.2 and 6.2	161 to 162 and 183 to 184
20.4.1	Statement that the historical financial information has been audited	5.2 and 6.2	161 to 162 and 183 to 184
20.4.2	Other information which has been audited by the auditors	3.4	76 to 77
20.4.3	Information not coming from audited financial information	N/A	
20.5	Date of latest financial information	5 and 6	97 to 184
20.6	Interim and other financial information	N/A	
20.6.1	Quarterly or half-year financial information	N/A	
20.6.2	Interim financial information for the first half of the new financial year	N/A	
20.7	Dividend policy	8.1.6	268
20.7.1	Amount of dividend per share	8.1.6	268
20.8	Legal proceedings and arbitration	2.1.2.1, 5.1 (note 25)	39 and 98 to 160
20.9	Significant changes in the issuer's financial or trading position	4.6	96

	REGULATION (EC) 809/2004 OF THE EUROPEAN COMMISSION DATED APRIL 29, 2004 – ANNEX I	*DOCUMENT DE RÉFÉRENCE*	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
21.	ADDITIONAL INFORMATION	8	249 to 293
21.1	Share capital	8.2	269 to 279
21.1.1	Amount of subscribed share capital	8.2.1	269 to 272
21.1.2	Shares not representative of share capital	8.2.2	272
21.1.3	Shares held by or on behalf of the issuer itself or by subsidiaries of the issuer	8.2.3	273 to 275
21.1.4	Convertible securities, exchangeable securities or securities with warrants	8.2.4	275
21.1.5	Right of acquisition and/or any obligation attached to the capital subscribed	8.2.5	275
21.1.6	Capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option	8.2.6	275
21.1.7	Share capital history	8.2.7	276 to 279
21.2	Memorandum of association and by-laws	8.3	279 to 287
21.2.1	Corporate purpose	8.3.1	279 to 280
21.2.2	Members of the administrative, management and supervisory bodies	8.3.2	280 to 284
21.2.3	Rights, preferences and restrictions attaching to each class of the existing shares	8.3.3	284
21.2.4	Changes to shareholders' rights	8.3.4	284
21.2.5	Shareholders' meetings	8.3.5	285 to 286
21.2.6	Provisions of the issuer's articles of association, statutes, charter or by-laws that would have an effect of delaying, deferring or preventing a change in control of the issuer	8.3.6	286
21.2.7	Provisions of the articles of association, statutes, charter or by-law provisions, if any, governing the ownership threshold above which shareholder ownership must be disclosed	8.3.7	286
21.2.8	Conditions imposed by the memorandum and articles of association statutes, charter or by-laws governing changes in the capital	8.3.8	287
22.	MATERIAL AGREEMENTS	8.5	289
23.	INFORMATION FROM THIRD PARTIES, STATEMENTS BY EXPERTS AND DECLARATIONS OF INTEREST	N/A	
23.1	Statement or report attributed to a person acting as expert	N/A	
23.2	Third-party information	N/A	
24.	DOCUMENTS AVAILABLE TO THE PUBLIC	8.6	289 to 291
25.	INFORMATION ON EQUITY INTERESTS	1.3, 1.5	11 and 28

10.2 Correlation table with the annual financial report

The following correlation table allows to identify, in this *Document de Référence*, the information that are comprised in the annual financial report to be published pursuant to the articles L.451-1-2 of the French monetary and financial code and 222-3 of the General rules of the French *Autorité des marchés financiers*.

	ANNUAL FINANCIAL REPORT	*DOCUMENT DE RÉFÉRENCE*	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
1.	Annual financial statements	6.1	164 to 183
2.	Consolidated financial statements	5.1	98 to 160
3.	Management report	1 to 4, 7 to 8	7 to 96 and 185 to 293
3.1	Information referred to in articles L.225-100 and L.225-100-2 of the French Commercial Code		
	Analysis of the evolution of the business	1.4, 4.2, 4.3, 4.4, 4.5, 4.6	11 to 27 and 83 to 96
	Analysis of the results	4.2	83 to 91

ANNUAL FINANCIAL REPORT		DOCUMENT DE RÉFÉRENCE	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
	Analysis of the financial situation	4.3, 4.4	92 to 95
	Main risks and uncertainties	2	35 to 50
	Table regarding current delegations and authorizations	8.2.1	265 to 268
3.2	Information referred to in article L.225-100-3 of the French Commercial Code		
	Elements that may have an impact in case of tender offer	7, 8.1 to 8.4	186 to 248 and 250 to 288
3.3	Information referred to in article L.225-211 §2 of the French Commercial Code		
	Share repurchase plan	8.2.3	273 to 275
4.	Declaration of persons responsible for the information contained in the registration document	8.7	291 to 292
5.	Report of the Statutory Auditors on the annual financial statements	6.2	183 to 184
6.	Report of the Statutory Auditors on the consolidated financial statements	5.2	161 to 162
7.	Statutory Auditors' fees	8.8.3	293
8.	Report of the Chairman of the Supervisory Board on the functioning of the Supervisory Board and on internal control	9.3.1	298
9.	Report of the Statutory Auditors on the report of the Chairman of the Supervisory Board	9.3.2	298 to 299
10.	List of information published by the company or made public over the past twelve months	8.6.3	290 to 291

10.3 Correlation table with the annual financial report

The following correlation table allows to identify, in this *Document de Référence*, the information that is comprised in the management report:

MANAGEMENT REPORT		DOCUMENT DE RÉFÉRENCE	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
1.	Activity and financial position	1.2, 1.3, 1.4, 4.1, 4.2, 4.3, 4.4	10 to 27 and 80 to 95
2.	Recent events, trends and prospects	4.2, 4.3, 4.4, 4.5, 4.6, 5.1 (note 26), 6.1 (note 5.7)	83 to 96, 98 to 160 and 164 to 183
3.	Research and development	1.4.6	27
4.	Description of main risks and uncertainties	2	35 to 50
5.	Use of financial instruments	2, 5.1 (notes 2.10, 10, 14, 21, 22), 6.1 (note 4)	35 to 50, 98 to 160 and 164 to 183
6.	Corporate and social responsibility (see paragraph 10.4)	3	51 to 77
7.	Subsidiaries and holdings	1.5, 5.1, 6.1	28, 98 to 160 and 164 to 183
8.	Corporate officers (list of corporate offices and functions, compensation, securities transactions)	7, 8.1.2.3	186 to 244 and 248 to 249
9.	Share capital, shareholding structure and employee shareholding	8.1	250 to 268
10.	Dividend distributions over the past three financial years	8.1.6	268
11.	Purchases and sales of own shares	8.2.3	273 to 275
12.	Items likely to have an impact in the event of a public offer	7, 8.1.5, 8.4	186 to 244, 266 and 288
13.	Other information (payment periods, etc.)	5.1 (note 21), 6.1 (note 4)	98 to 160 and 164 to 183
SCHEDULES			
14.	Summary table of current delegations	8.2.1	269 to 272
15.	Table of the company's results for the past five financial years	6.1	167
16.	Report of the Chairman of the Supervisory Board	9.3.1	298

10.4 Correlation table with the information on corporate and environmental responsibility

The following correlation table allows to identify, in this *Document de Référence*, the information on corporate and environmental responsibility:

	SOCIAL AND ENVIRONMENTAL RESPONSIBILITY	*DOCUMENT DE RÉFÉRENCE*	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
1.	**Social information**	**3.1**	**52 to 61**
	a) Employment	3.1.1, 3.1.2, 3.1.3, 3.1.5	52 to 55 and 56
	b) Work organisation	3.1.4	55 to 56
	c) Social relationships	3.1.6	56 to 57
	d) Health and safety	3.1.7	57 to 58
	e) Training	3.1.8	58 to 59
	f) Equal treatment	3.1.9, 3.1.10	59 to 60
	g) Promotion of and compliance with the provisions of the core conventions of the International Labour Organization	3	51 to 77
2.	**Environmental information**	**3.3**	**64 to 75**
	a) General environmental policy	3.3.1, 3.3.2, 3.3.4, 3.3.5	64 to 67 and 72 to 75
	b) Pollution and waste management	3.3.3.2, 3.3.5	70 to 71 and 72 to 75
	c) Sustainable use of ressources	3.3.3.1, 3.3.5	67 to 70 and 72 to 75
	d) Climate change	3.3.3.3, 3.3.5	71 to 72 and 72 to 75
	e) Protection of biodiversity	3.3.3.2, 3.3.5	70 to 71 and 72 to 75
3.	**Information on corporate commitments in favour of sustainable development**	**3.2**	**61 to 63**
	a) Territorial, economic and social impact of the company's business	3.2.2, 3.2.3	62 to 63
	b) Relationships with the persons or organisations having an interest in the company's business, particularly associations promoting integration, education institutions, associations for the defence of the environment, consumer associations and neighbouring populations	3.2.1, 3.2.3	61 to 62 and 63
	c) Sub-contracting and suppliers	3.2.1	61 to 62
	d) Fair practices	3, 3.2.1	51 to 77 and 61 to 62
	e) Other actions in favour of human rights	3	51 to 77

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