

REXEL

Alain Redheuil

*Chairman of the Management Board
of Rexel*

**PINAULT
PRINTEMPS-REDOUTE**

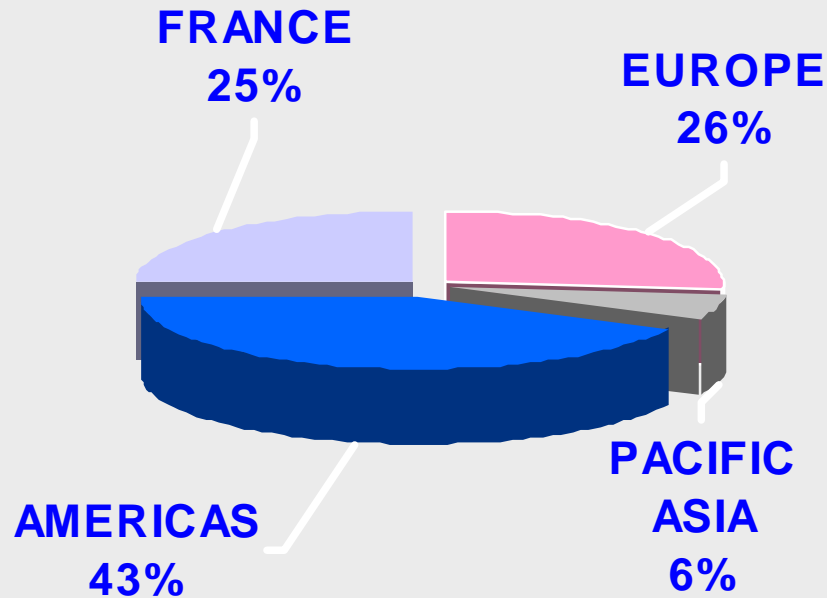
1. Rexel at a glance
2. Environment and positioning
3. Strategy
4. Focus on the Western region of France
5. Pinault-Printemps-Redoute: adding value to Rexel
6. Conclusion

Rexel at a glance

- The world-wide leader in the distribution of electrical parts and supplies
- Serving 3 markets
 - Construction 60%
 - Industry 25%
 - Services 15%
- €8.0 bn of sales in 2001, of which 75% outside France
- 25,000 employees in 2001
- 1,900 branches in 2001

Rexel at a glance

■ A presence in 33 countries



UNITED STATES
CANADA
BAHAMAS
BRAZIL
CHILE

GERMANY
GREAT BRITAIN
AUSTRIA
NETHERLANDS
SWEDEN
BELGIUM
ITALY
PORTUGAL
SPAIN
SWITZERLAND
DENMARK

LUXEMBURG
IRELAND
NORWAY
SLOVAQUIA
CZECK REP.
HUNGARY
SLOVENIA
CROATIA
POLAND
RUMANIA
RUSSIA
CHYPRUS

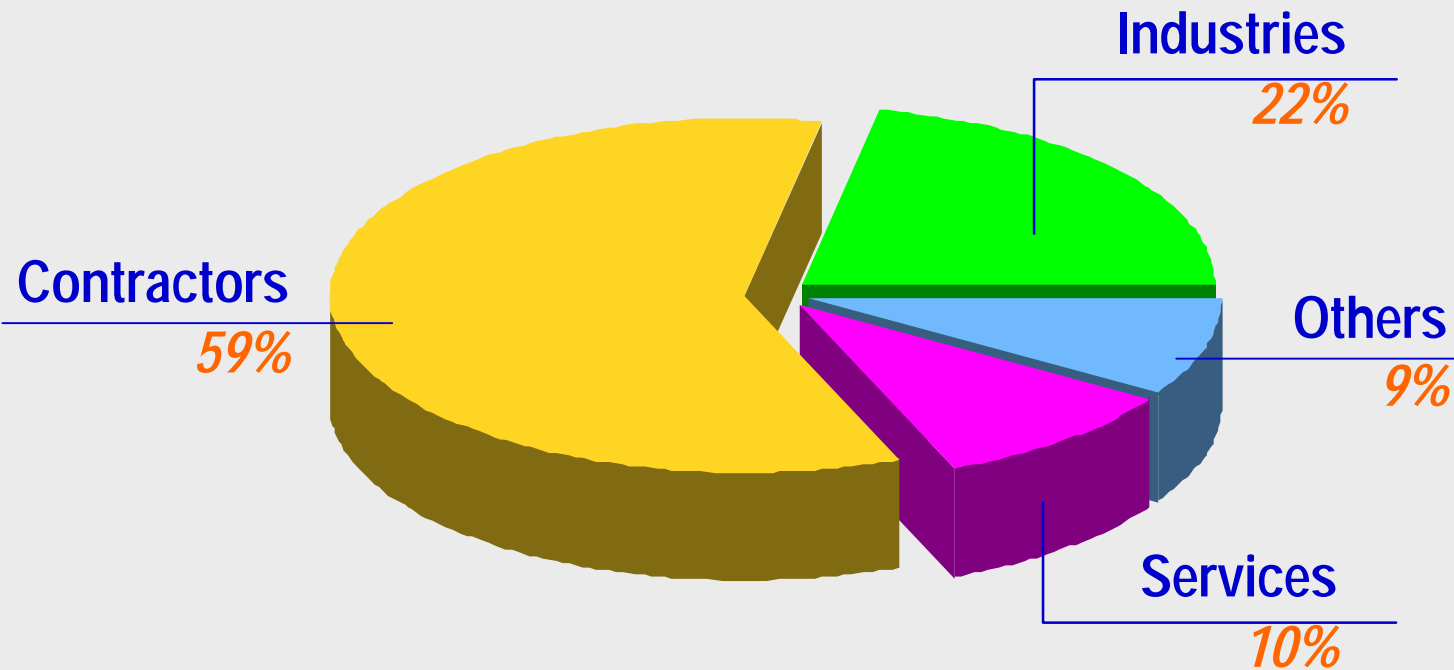
AUSTRALIA
NEW ZEALAND
CHINA

2001 sales breakdown by geographic area

Rexel at a glance

- A broad professional customer base

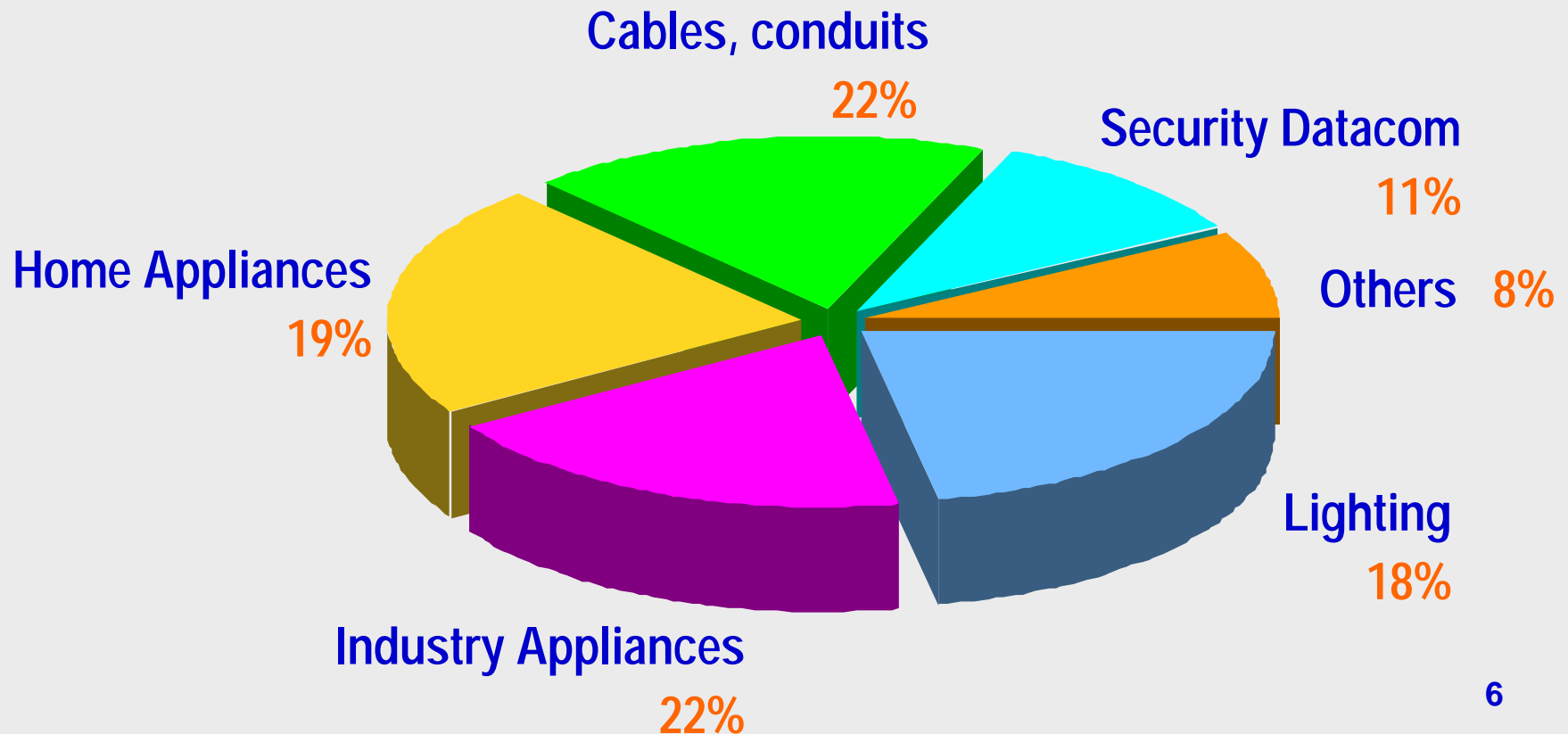
2001 sales breakdown



Rexel at a glance

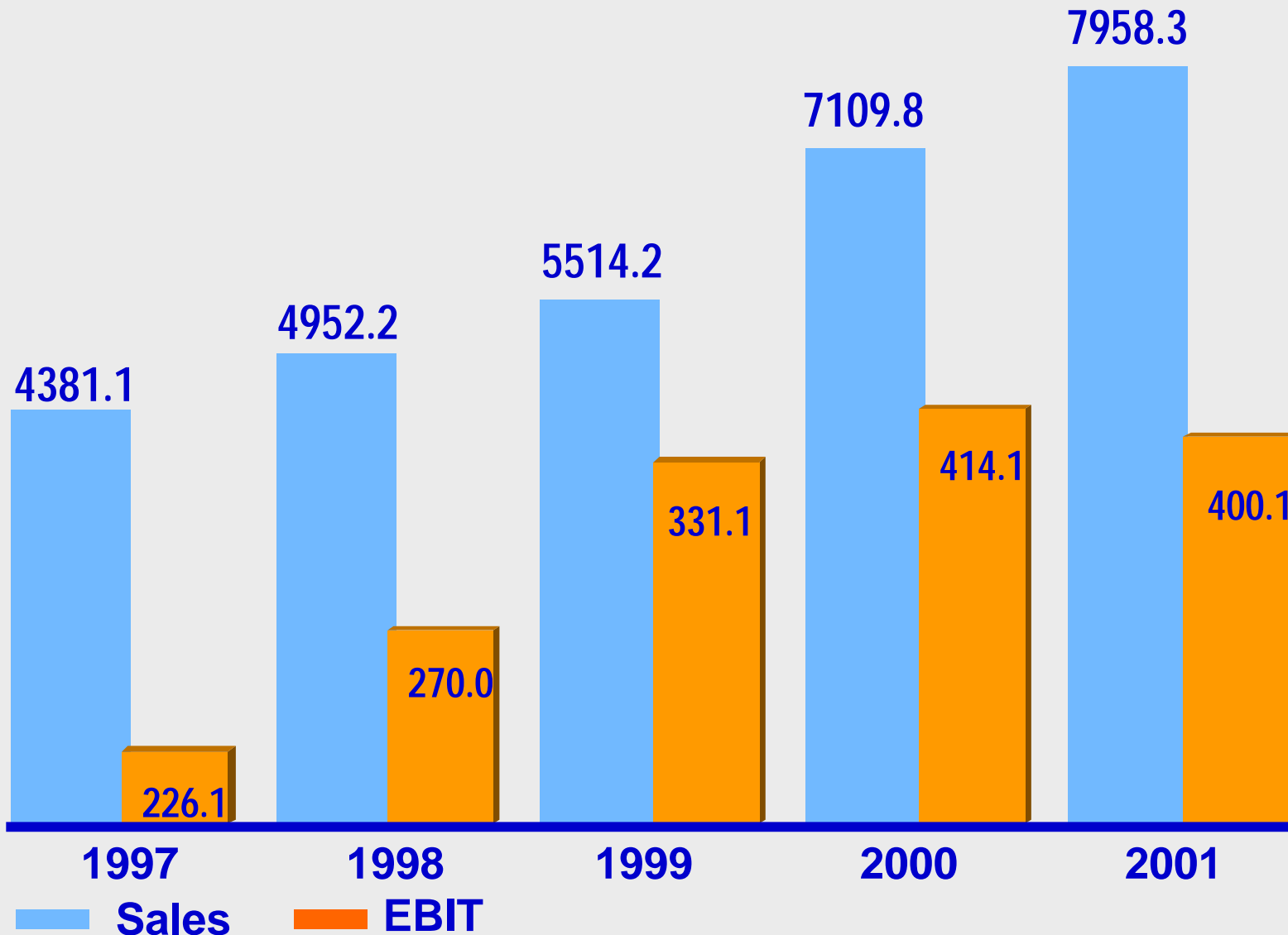
- One million references across seven product lines

2001 sales breakdown



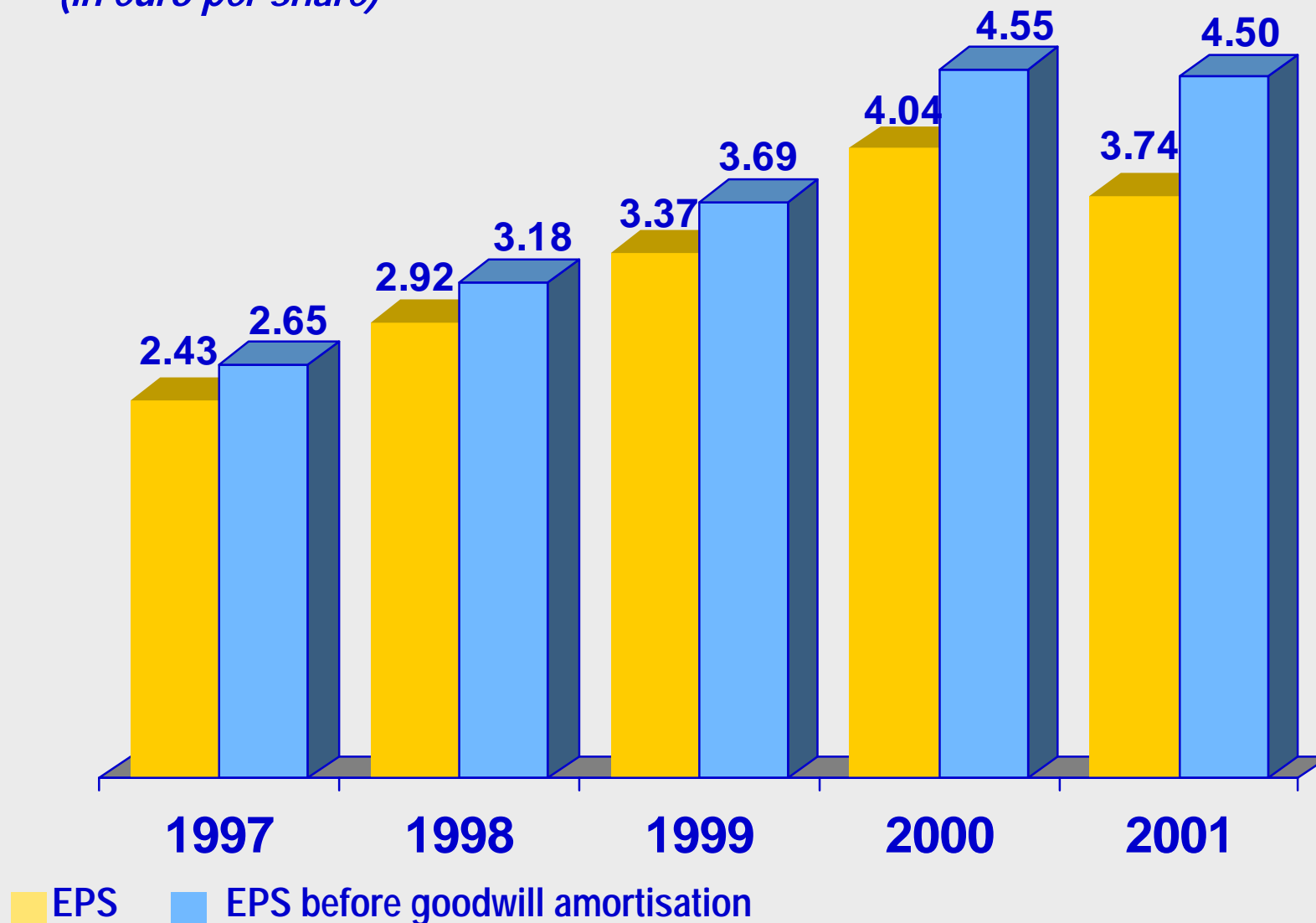
Rexel at a glance

- Track record of growth and profitability (in euro million)



Earnings per share

(in euro per share)



Summary

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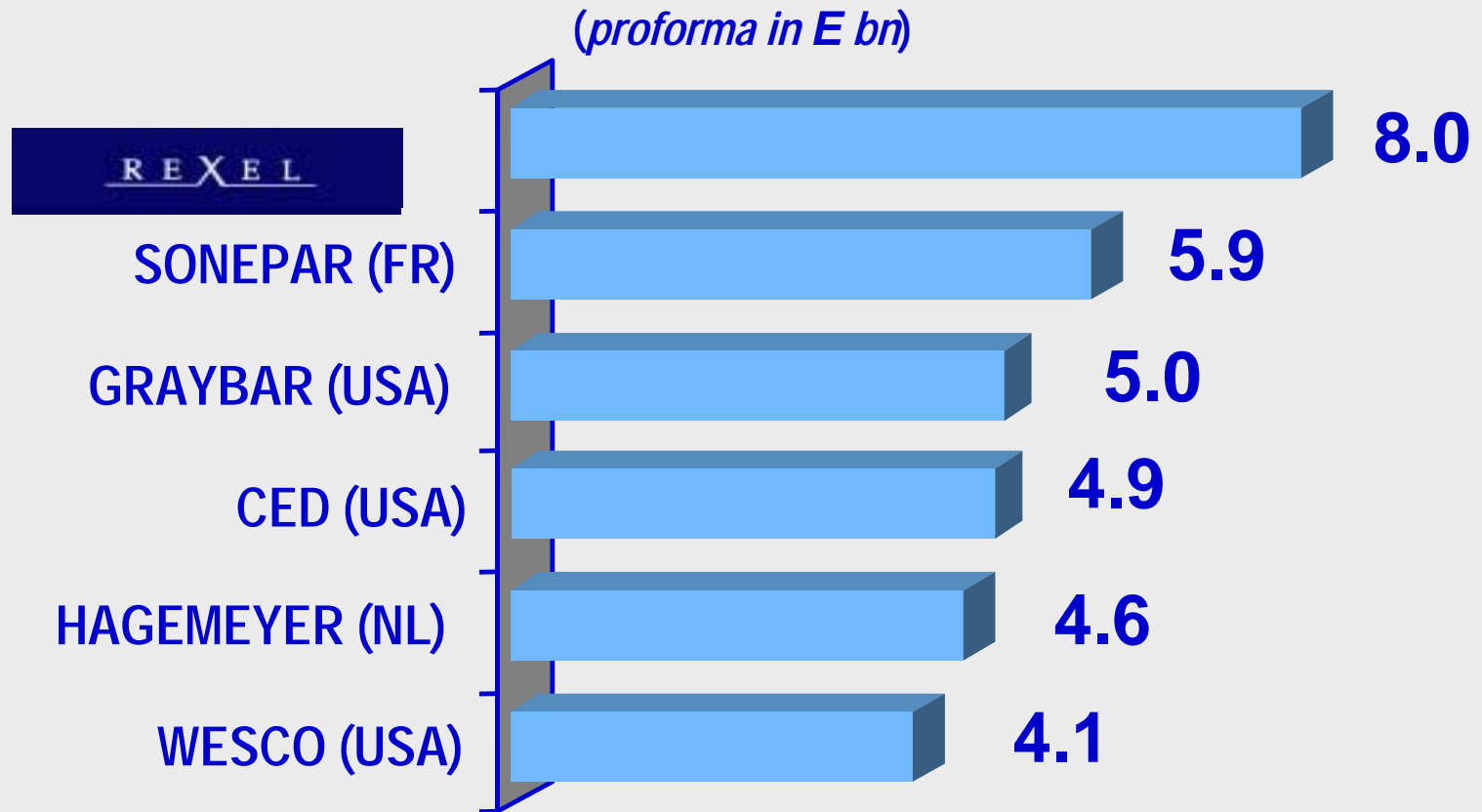
Environment and positioning

- A growing market

	2001 (in E bn)	Change 2001 / 1996
Americas	75	+20%
Europe	35	+10%
Asia Pacific	25	+12%
Total Electrical Market	135	+15%

Environment and positioning

- A fragmented market



E nvironment and positioning

- Rexel is the world leader with 6% market share in 2001
 - North America 6%
 - Europe 12%
 - Pacific 29%
- The top 6 distributors have a market share of over 20%

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- To continue the transformation of the business from a wholesaler to a distributor
 - Segmented market
 - Multichannel approach
 - Improved purchasing policy
 - New generation of high performing logistics centres
 - Optimised customer services
 - Organisation adapted to changes

- ➔ To achieve at least 10% market share in established countries and 20% in more concentrated markets

Rexel :a proactive segmentation of the market

- Listening to customers and understanding their needs & expectations
 - Enlargement of global offer
 - More than 1 million products available in Rexel network
 - 60% of renewed products over 4 years
 - 15% of renewed products in 2001
 - An innovation in professional services
- ➔ Definition of specific offer from single product to packaged offer**

A clear segmentation of market :

Some examples in 2001

International Lighting Campaigns



Energy savings :
Photovoltaic in Germany

D Driving customers towards products with growth potential

- Promoting technical innovation
 - Identifying new fields of activities for customers
 - Examples:
 - Security market (150 M€ in 2001)
 - Datacom market (+20% growth pa over the last 3 years)
- ➔ **Rexel provides training to its customers for new activities**

Driving customers towards products with growth potential

Advice & Expertise Centre

Cabling Centre in Paris



A multichannel approach of markets

A global presence on the markets

- 1,900 branches, progressively brought to the standards of the new Rexel merchandising policy
- Itinerant sales representatives
- Phone - fax - mail ordering
- E-business

A multichannel approach of markets

Example of a new branch

Branches with specialised areas



Improved purchasing policy

- **Supplier rationalisation**
 - International suppliers
 - Regional suppliers
 - ➔ Decrease by 30% in 2001 of Rexel suppliers
- **Top 32 suppliers account for 30% of total purchasing**
- **New purchasing initiatives**
 - Sourcing from Asia
 - GNX

High performing logistics centres

- Implementation of new regional logistics centres
- 15,000 / 25,000 square meters
- Over 50,000 product references available overnight



High performing logistics centres

End	Total logistics centres new generation
2000	5
2001	9
2002e	12



- 50% of sales in France went through the new logistics centres in 2001
- Objective 100% of French branches through 10 logistics centres by early 2003

High performing logistics centres

Gains in productivity & inventory level

The St Vulbas distribution centre

- Total productivity : + 65%
- Preparation/Shipping productivity : + 36%
- Staff : - 8%
- Inventory level : - 10%



Optimise customer services: IT Systems

- A global system dedicated to customer services
- An IT adapted to the characteristics of Rexel business
- A modular approach in its implementation



O

Optimise customer services: IT Systems principles

- Partnership with 3 leaders
 - Oracle / Headstrong / IBM
- To benefit from the know-how and a world-wide presence
- To optimise the development and the organisation

Optimise customer services: IT Systems implementation

- NCS for major countries
 - ASW for emerging countries
 - Datawarehouse for the whole Group
- ➔ Implementation completed in the 4 coming years

Organisation adapted to changes

Employee development

- Recruiting the right skills: PATHWAY program
- Training in 2001:
 - 9 Rexel schools + opening of 2 new Rexel schools
 - 600 specialization courses
 - 4,000 employees trained
- Standard evaluation process: Rexel Management Review

Organisation adapted to changes

A two-pronged organisation :

- Local

- Sales management
- Marketing management

➔ Close to customers

- Regional

- Shared processes
- Back office synergies

➔ Productivity gains + cost reduction

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F Focus on the Western region of France

Before

7 Product Offerings
& Independent IT systems

50

Multi Function Branches

- Purchasing
 - Physical Distribution (Logistics)
 - Inventories
-
- SALES

ORGANISATION

After

Common Product Offering
Single integrated IT system

- Purchasing France (World)
- Regional Distribution & Inventories

- 50 sales Branches

REXEL

SRP Ouest

MATERIEL ELECTRIQUE

un service de proximité :
85 POINTS DE VENTE
dans l'Ouest

*La Compétence
de Spécialistes*

Les Enseignes de la région ouest



bellion
le pro des artisans

REXEL CEM
MATERIEL ELECTRIQUE

REXEL CINO
MATERIEL ELECTRIQUE

REXEL ECO
MATERIEL ELECTRIQUE

ECOLUM

FACEN
EQUIPEMENT ELECTRIQUE

**LIONARD
SOWAL**

MEYER

MESNIER
MATERIEL ELECTRIQUE

**OMNIUM ELECTRIQUE
DU BUD-OUEST**

Revimex

BRUNO
SERVICIEL

CLR CENTRE LOGISTIQUE REGIONAL

ACTIVE

ELECTROMENAGER,
TELE, HI-FI, VIDEO

CITADEL

SECURITE COMMUNICATION

CONECTIS

CABLAGE ET RESEAU INFORMATIQUE

FORM@TIS

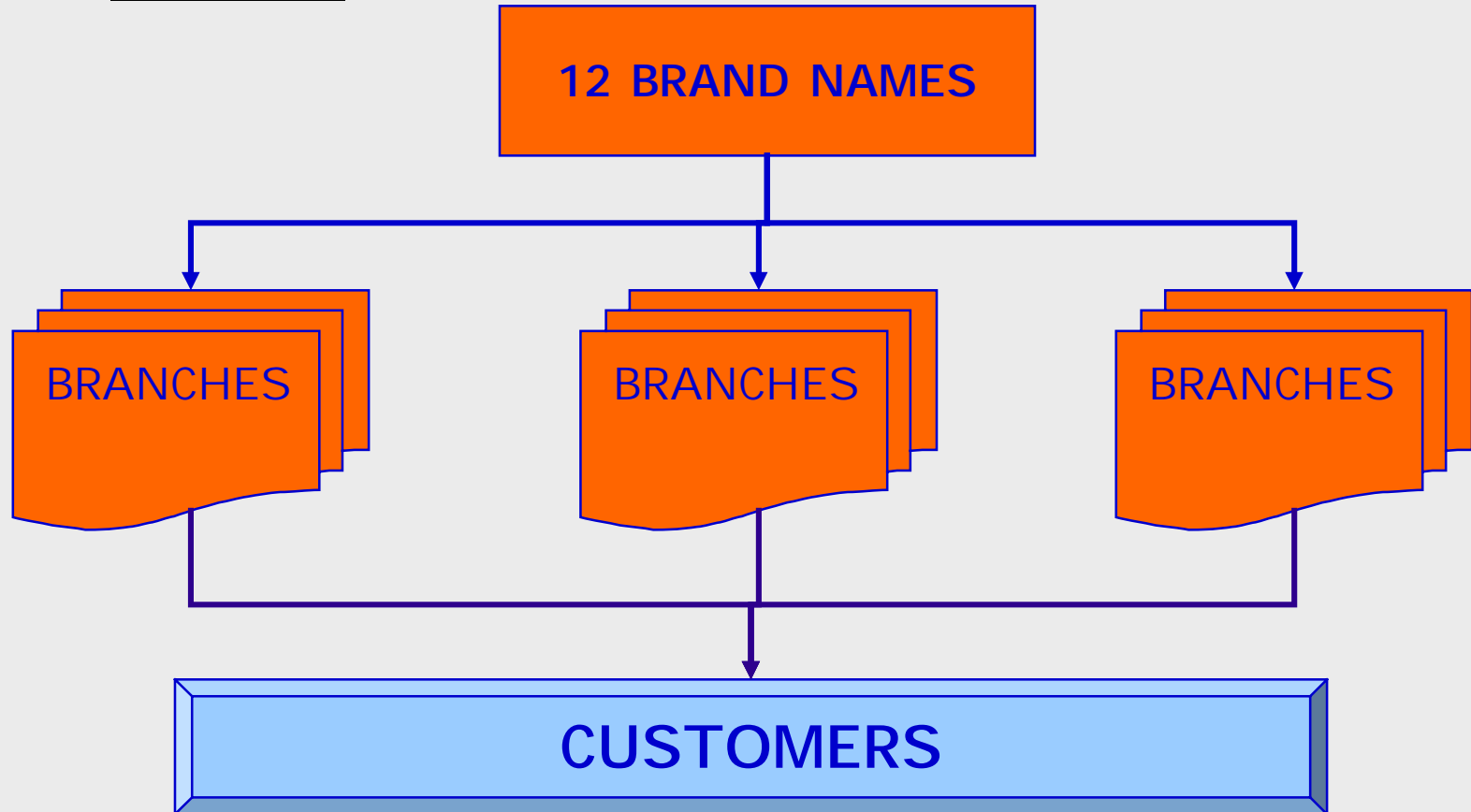
MICRO-INFORMATIQUE

REA

AUTOMATISME
ET PROCESS
INDUSTRIEL

Focus on the Western region of France

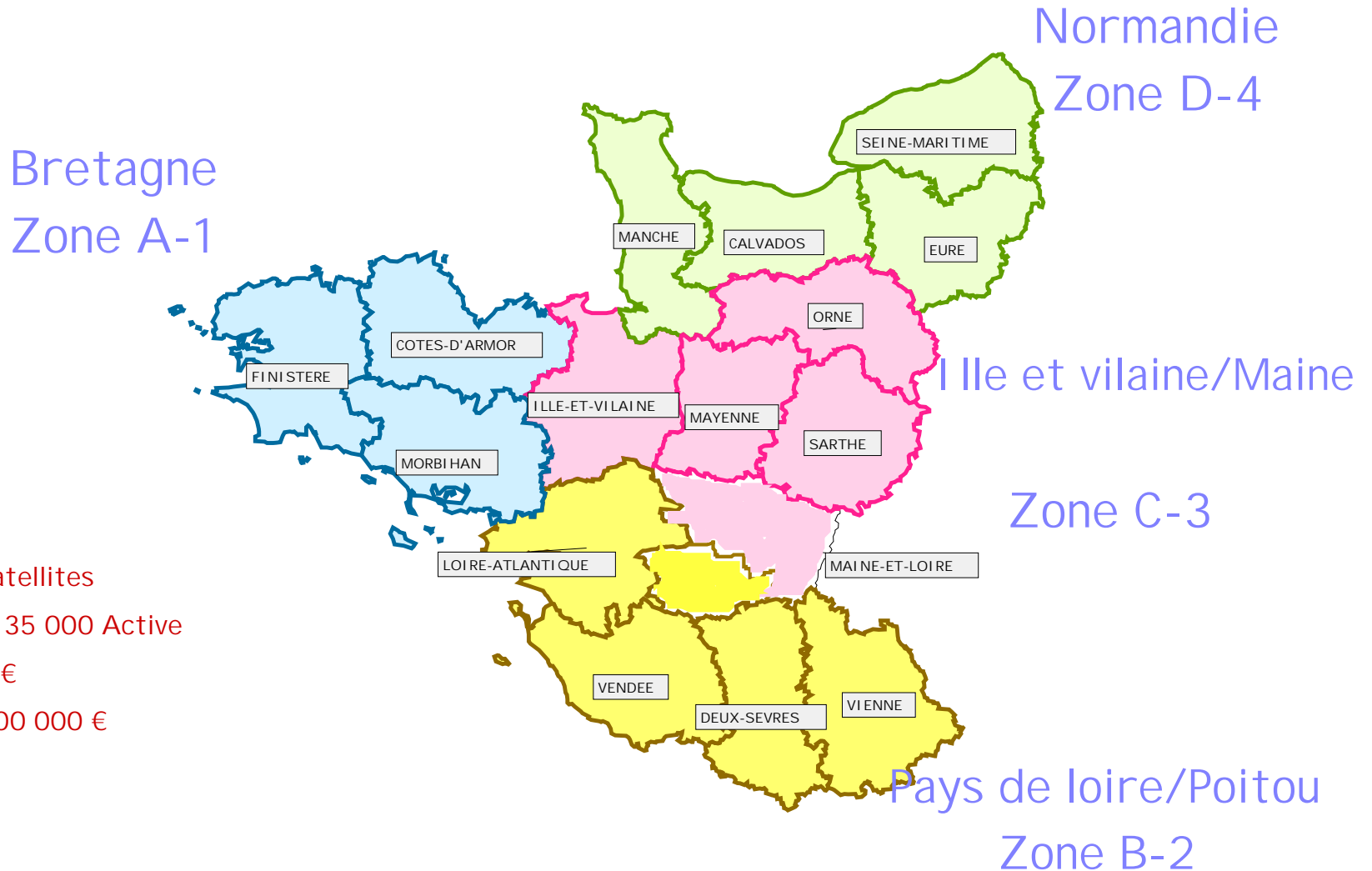
BEFORE



Focus on the Western region of France

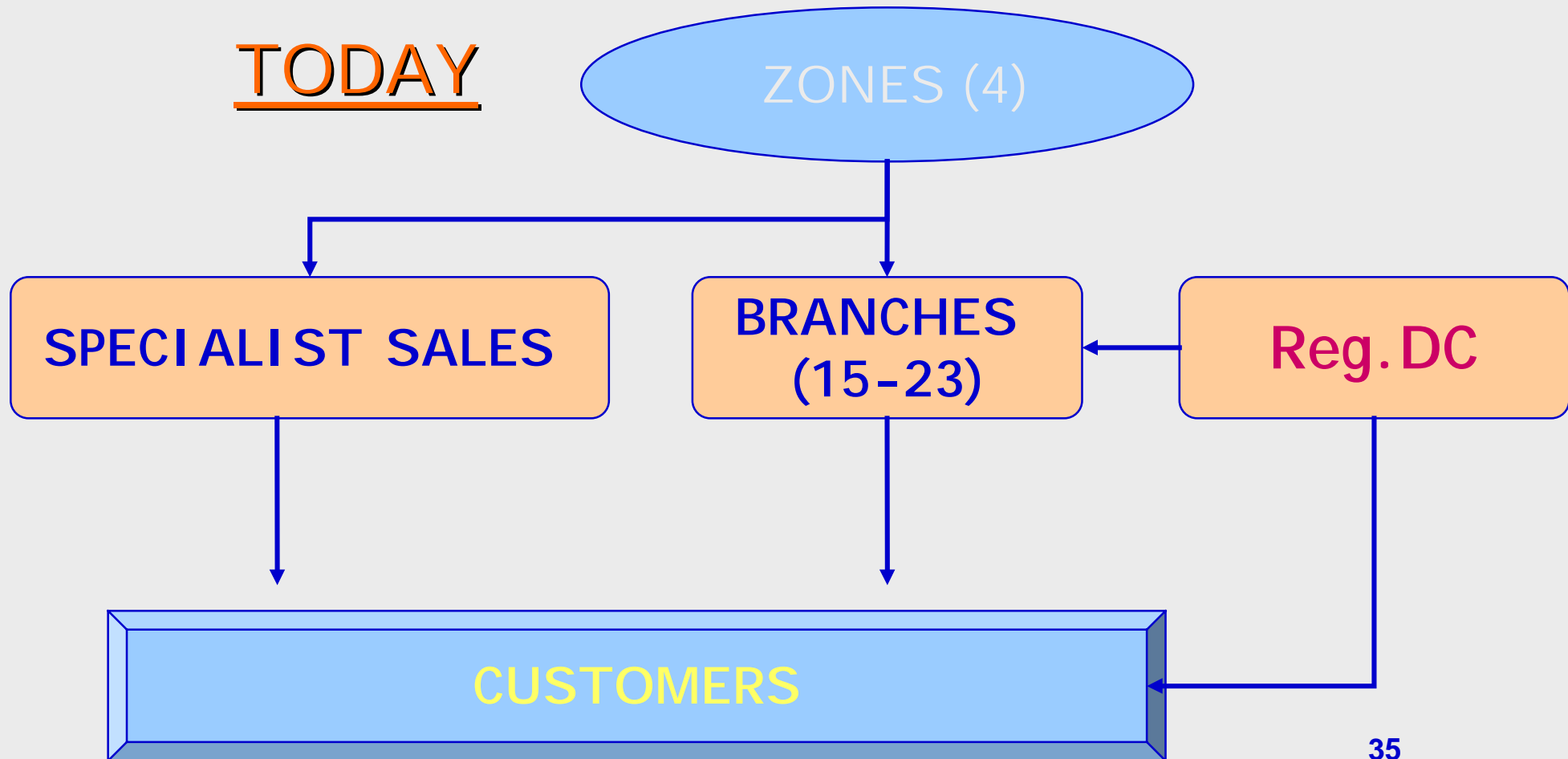
FRANCE WEST REGION

TODAY



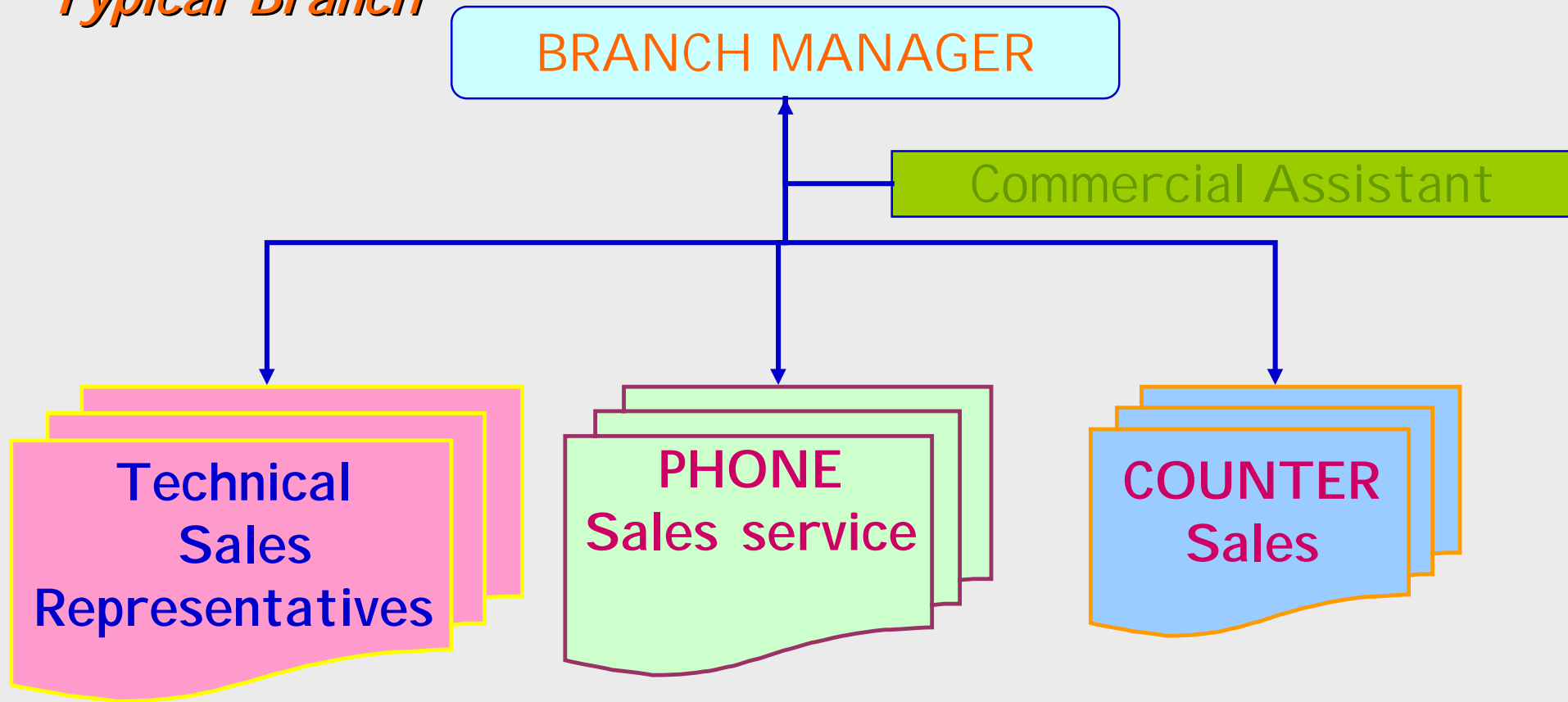
- 50 Branches + 35 satellites
- 48 000 customers , 35 000 Active
- Sales 400 000 000 €
- Typical Branch 8 000 000 €

Focus on the Western region of France



Focus on the Western region of France

Typical Branch



Focus on the Western region of France

Prior to 2001

- 7 Product Offerings of 200 000 References
 - 50 Agency Product Offerings of 6 000 References
 - Approximately 70 days inventories
- } Service Level
60 % /24 h +
Follow on deliveries

TODAY

- National Product Offering > 1 Million References
- Regional Product Offering > 460 000 References Service Level
- Inventories at DC (40 days) 40 000 References 97 % /24 h
- Inventories at Branch (20 Days) < 5 000 References

Delivery to Branch or direct to Customer

Focus on the Western region of France

Example : The LOIRE area

15 BRANCHES, 11 Satellites

FIRST ZONE to be attached to CLR

MARKET SHARE : **51.7%**

2001

SALES Growth FGMEE : -1,6%

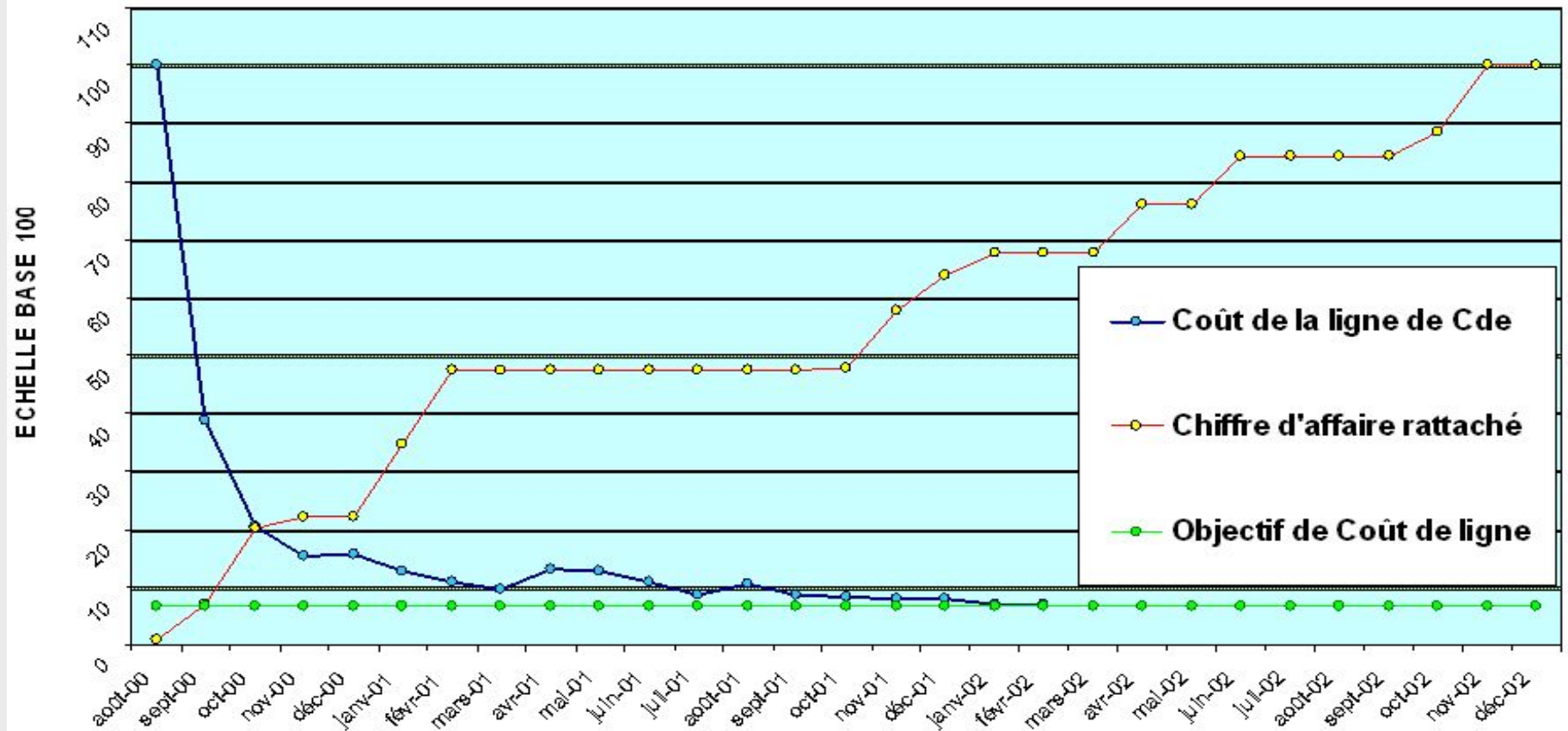
SALES Growth REXEL : + 1,2%

mainly with satellites (+20%)

Focus on the Western region of France

West Region - Regional Logistics Centre of Herblain

Evolution of the cost of an order related to sales



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A shared philosophy of distribution

- A community of knowledge
- Thematic workshops
 - Marketing / merchandising
 - e-business
 - Credit management
- Country committees

To improve purchasing efficiency

- GNX
- PPR Purchasing
- Communication & Information Systems

Pinault-Printemps-Redoute: adding value to Rexel

To share the same human resources policy for managers

- Leadership Group
- UniverCité PPR
- Internal mobility

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C Conclusion : a leadership in action

- A constant gain in market shares :
 - internal growth
 - acquisitions to strengthen Rexel positions
- Development and progress in emerging territories:
 - relays for the long term

C Conclusion : a solid financial structure for the future

- Monitoring profitability:
 - Gross Margin increase
 - Cost adjustments
 - Debt optimization

- ➔ To create value for Rexel shareholders and resources for future development

Conclusion

- **Rexel is well positioned in its markets**
 - **Vision for the long term**
 - **Adaptation for the short term**

- **The people and the resources are committed to address professionally the challenges of the future.**

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