UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD from ______ to ______

For the quarterly period ended MARCH 31, 2001

Commission file number 001-14989

WESCO INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	25-1723342
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
COMMERCE COURT FOUR STATION SQUARE, SUITE 700 PITTSBURGH, PENNSYLVANIA 15219	(412) 454-2200
(Address of principal executive offices)	(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for at least the past 90 days. Yes X No. ___

As of April 30, 2001, WESCO International, Inc. had 40,215,532 shares and 4,653,131 shares of common stock and Class B common stock outstanding, respectively.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
QUARTERLY REPORT ON FORM 10-Q

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

Dollars in thousands, except share data	MARCH 31 2001	DECEMBER 31 2000
	(UNAUDITED)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 3,143	$ 21,079
Trade accounts receivable, net of allowance for doubtful accounts of $10,074 and $9,794 in 2001 and 2000, respectively	250,488	259,988
Other accounts receivable	26,389	31,365
Inventories	439,068	421,083
Income taxes receivable	12,567	10,951
Prepaid expenses and other current assets	7,578	5,602
Deferred income taxes	12,317	14,157
Total current assets	751,550	764,225
Property, buildings and equipment, net	122,967	123,477
Goodwill and other intangibles, net of accumulated amortization of $31,855 and $29,053 in 2001 and 2000, respectively	310,280	277,763
Other assets	5,549	4,568
Total assets	$1,190,346	$1,170,033
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 469,564	$ 460,535
Accrued payroll and benefit costs	16,654	27,027
Current portion of long-term debt	30	585
Other current liabilities	46,757	35,695
Total current liabilities	533,005	523,842
Long-term debt	488,667	482,740
Other noncurrent liabilities	7,989	6,823
Deferred income taxes	32,563	31,641
Total liabilities	1,062,224	1,045,046
Commitments and contingencies		
STOCKHOLDERS' EQUITY:		
Preferred stock, $.01 par value; 20,000,000 shares authorized, no shares issued or outstanding	--	--
Common stock, $.01 par value; 210,000,000 shares authorized, 44,144,076 and 44,093,664 shares issued in 2001 and 2000, respectively	442	441
Class B nonvoting convertible common stock, $.01 par value; 20,000,000 shares authorized, 4,653,131 issued in 2001 and 2000	46	46
Additional capital	569,502	569,288
Retained earnings (deficit)	(406,652)	(410,144)
Treasury stock, at cost; 3,976,897 shares in 2001 and 2000	(33,406)	(33,406)
Accumulated other comprehensive income (loss)	(1,810)	(1,238)
Total stockholders' equity	128,122	124,987
Total liabilities and stockholders' equity	$1,190,346	$1,170,033

The accompanying notes are an integral part of the condensed consolidated financial statements.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

In thousands, except share data	THREE MONTHS ENDED MARCH 31 2001	2000
Net sales	$928,057	$925,022
Cost of goods sold	760,938	760,004
Gross profit	167,119	165,018
Selling, general and administrative expenses	136,825	128,119
Depreciation and amortization	7,363	5,525
Income from operations	22,931	31,374
Interest expense, net	10,997	10,878
Other expense	6,065	5,263
Income before income taxes	5,869	15,233
Provision for income taxes	2,377	6,078
Net income	$ 3,492	$ 9,155
Earnings per share:		
Basic	$0.08	$0.20
Diluted	$0.07	$0.19

The accompanying notes are an integral part of the condensed consolidated financial statements.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

In thousands	THREE MONTHS ENDED MARCH 31 2001	2000
OPERATING ACTIVITIES:		
Net income	$ 3,492	$ 9,155
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,363	5,525
Accretion of original issue and amortization of purchase discounts	287	280
Amortization of debt issuance costs and interest rate caps	179	155
Deferred income taxes	2,762	(29)
Changes in assets and liabilities, excluding the effects of acquisitions:		
Sale of trade accounts receivable	--	5,000
Trade and other receivables	29,303	(34,303)
Inventories	(9,580)	(11,910)
Prepaid expenses and other current assets	(3,033)	5,482
Other assets	(136)	(63)
Accounts payable	(5,502)	63,534
Accrued payroll and benefit costs	(10,373)	(4,979)
Other current and noncurrent liabilities	4,495	10,808
Net cash provided by operating activities	19,257	48,655
INVESTING ACTIVITIES:		
Capital expenditures	(2,433)	(3,272)
Acquisitions	(41,413)	(14,058)
Net cash used by investing activities	(43,846)	(17,330)
FINANCING ACTIVITIES:		
Proceeds from issuance of long-term debt	178,646	237,870
Repayments of long-term debt	(172,133)	(223,885)
Repurchase of common stock	--	(15,889)
Proceeds from the exercise of stock options	140	395
Net cash provided (used) by financing activities	6,653	(1,509)
Net change in cash and cash equivalents	(17,936)	29,816
Cash and cash equivalents at the beginning of period	21,079	8,819
Cash and cash equivalents at the end of period	$ 3,143	$ 38,635

The accompanying notes are an integral part of the condensed consolidated financial statements.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. ORGANIZATION

WESCO International, Inc. and its subsidiaries (collectively, "WESCO"), headquartered in Pittsburgh, Pennsylvania, is a full-line distributor of electrical supplies and equipment and is a provider of integrated supply procurement services. WESCO is engaged principally in one line of business - the sale of electrical products and maintenance, repair and operating supplies. WESCO currently operates approximately 360 branches and five distribution centers in the United States, Canada, Mexico, Puerto Rico, Guam, the United Kingdom and Singapore.

2. ACCOUNTING POLICIES

Basis of Presentation

The unaudited condensed consolidated financial statements include the accounts of WESCO and all of its subsidiaries and have been prepared in accordance with Rule 10-01 of the Securities and Exchange Commission. The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in WESCO's 2000 Annual Report on Form 10-K filed with the Securities and Exchange Commission.

The unaudited condensed consolidated balance sheet as of March 31, 2001, the unaudited condensed consolidated statements of operations for the three months ended March 31, 2001 and 2000, and the unaudited condensed consolidated statements of cash flows for the three months ended March 31, 2001 and 2000, in the opinion of management, have been prepared on the same basis as the audited consolidated financial statements and include all adjustments necessary for the fair presentation of the results of the interim periods. All adjustments reflected in the condensed consolidated financial statements are of a normal recurring nature. Results for the interim periods presented are not necessarily indicative of the results to be expected for the full year.

Recent Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board ("FASB") issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement, as amended by SFAS No. 138, was adopted by WESCO on January 1, 2001. This statement requires the recognition of the fair value of any derivative financial instrument on the balance sheet. Changes in fair value of the derivative and, in certain instances, changes in the fair value of an underlying hedged asset or liability, are recognized through either income or as a component of other comprehensive income. The adoption of this statement did not have a material impact on the results of operations or financial position of WESCO.

In September 2000, the FASB issued SFAS No. 140, a modification of SFAS No. 125. SFAS No. 140 is effective for transfers after March 31, 2001 and is effective for disclosures about securitizations and collateral and for recognition and reclassification of collateral for fiscal years ending after December 15, 2000. The disclosure provisions of this statement have been adopted. The adoption of this statement for future transfers is not expected to have a material impact on the results of operations or financial position of WESCO.

In February 2001, the Financial Accounting Standards Board issued a revision to a previously issued exposure draft covering business combinations proposing new accounting guidance related to goodwill. This proposed standard would not allow for amortization of goodwill. The carrying amount of goodwill would be reduced only if it was found to be impaired. Goodwill would be tested for impairment when events or circumstances occur indicating that goodwill might be impaired. A fair-value based impairment test would be used to measure goodwill for impairment in lieu of the method for measuring impairment of long-lived assets set forth in SFAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." As goodwill is measured as a residual amount in an acquisition, it is not possible to directly measure the fair value of goodwill. Under this proposed standard, the net assets of a reporting unit should be subtracted from the fair value of that reporting unit to determine the implied fair value of goodwill. Impairment loss would be recognized to the extent the carrying amount of goodwill exceeds the implied fair value. The provisions of this proposed standard would be effective for fiscal quarters beginning after the issuance of a final statement. Management believes the adoption of this standard, as it is proposed, will have a material non-cash impact on our financial statements if the final statement is issued prior to the full amortization of our remaining goodwill.

3. ACQUISITIONS

In March 2001, WESCO completed its acquisition of all of the outstanding common stock of Herning Underground Supply, Inc. and Alliance Utility Products, Inc. (collectively "Herning") headquartered in Hayward, California. Herning, a distributor of gas, lighting and communication utility products, reported net sales of approximately $112 million in 2000. This acquisition was accounted for under the purchase method of accounting (See Note 6).

4. EARNINGS PER SHARE

The following tables set forth the details of basic and diluted earnings per share before extraordinary item:

	THREE MONTHS ENDED MARCH 31	
Dollars in thousands, except per share amounts	2001	2000
Income before extraordinary item	$ 3,492	$ 9,155
Weighted average common shares outstanding used in computing basic earnings per share	44,806,653	46,246,497
Common shares issuable upon exercise of dilutive stock options	2,249,584	2,493,486
Weighted average common shares outstanding and common share equivalents used in computing diluted earnings per share	47,056,237	48,739,983
Earnings per share before extraordinary item:		
Basic	$0.08	$0.20
Diluted	$0.07	$0.19

5. COMPREHENSIVE INCOME

The following tables set forth comprehensive income and its components:

	THREE MONTHS ENDED MARCH 31	
In thousands	2001	2000
Net income	$3,492	$9,155
Foreign currency translation adjustment	(572)	(20)
Comprehensive income	$2,920	$9,135

6. CASH FLOW STATEMENT

Supplemental cash flow information with respect to acquisitions was as follows:

	THREE MONTHS ENDED MARCH 31	
In thousands	2001	2000
Details of acquisitions:		
Fair value of assets acquired	$61,678	$27,784
Liabilities assumed	(15,265)	(7,726)
Deferred acquisition payable	(5,000)	(6,000)
Cash paid for acquisitions	$41,413	$14,058

7. OTHER FINANCIAL INFORMATION (UNAUDITED)

In June 1998, WESCO Distribution, Inc. issued $300 million of 9 1/8% senior subordinated notes. The senior subordinated notes are fully and unconditionally guaranteed by WESCO International, Inc. on a subordinated basis to all existing and future senior indebtedness of WESCO International, Inc. Condensed consolidating financial information for WESCO International, Inc., WESCO Distribution, Inc. and the non-guarantor subsidiaries are as follows:

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEETS

	MARCH 31, 2001 (IN THOUSANDS)				
	WESCO International, Inc.	WESCO Distribution Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
Cash and cash equivalents	$ 10	$ --	$ 36,728	$ (33,595)	$ 3,143
Trade accounts receivable	--	43,200	207,288	--	250,488
Inventories	--	395,625	43,443	--	439,068
Other current assets	--	67,379	18,447	(26,975)	58,851
Total current assets	10	506,204	305,906	(60,570)	751,550
Intercompany receivables, net	--	340,962	6,823	(347,785)	--
Property, buildings and equipment, net	--	51,633	71,334	--	122,967
Goodwill and other intangibles, net	--	269,094	41,186	--	310,280
Investments in affiliates and other noncurrent assets	484,100	311,522	100	(790,173)	5,549
Total assets	$484,110	$1,479,415	$425,349	$(1,198,528)	$1,190,346
Accounts payable	$ --	$ 443,039	$ 60,120	$ (33,595)	$ 469,564
Other current liabilities	6,393	51,485	32,538	(26,975)	63,441
Total current liabilities	6,393	494,524	92,658	(60,570)	533,005
Intercompany payables, net	347,785	--	--	(347,785)	--
Long-term debt	--	463,395	25,272	--	488,667
Other noncurrent liabilities	--	37,396	3,156	--	40,552
Stockholders' equity	129,932	484,100	304,263	(790,173)	128,122
Total liabilities and stockholders' equity	$484,110	$1,479,415	$425,349	$(1,198,528)	$1,190,346

	DECEMBER 31, 2000 (IN THOUSANDS)				
	WESCO International, Inc.	WESCO Distribution Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
Cash and cash equivalents	$ 10	$ 14,911	$ --	$ 6,158	$ 21,079
Trade accounts receivable	--	43,790	216,198	--	259,988
Inventories	--	383,025	38,058	--	421,083
Other current assets	--	63,212	18,768	(19,905)	62,075
Total current assets	10	504,938	273,024	(13,747)	764,225
Intercompany receivables, net	--	317,818	32,364	(350,182)	--
Property, buildings and equipment, net	--	53,280	70,197	--	123,477
Goodwill and other intangibles, net	--	271,690	6,073	--	277,763
Investments in affiliates and other noncurrent assets	482,026	295,094	117	(772,669)	4,568
Total assets	$482,036	$1,442,820	$381,775	$(1,136,598)	$1,170,033
Accounts payable	$ --	$ 410,171	$ 44,206	$ 6,158	$ 460,535
Other current liabilities	5,629	54,828	22,755	(19,905)	63,307
Total current liabilities	5,629	464,999	66,961	(13,747)	523,842
Intercompany payables, net	350,182	--	--	(350,182)	--
Long-term debt	--	460,416	22,324	--	482,740
Other noncurrent liabilities	--	35,379	3,085	--	38,464
Stockholders' equity	126,225	482,026	289,405	(772,669)	124,987
Total liabilities and stockholders' equity	$482,036	$1,442,820	$381,775	$(1,136,598)	$1,170,033

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

THREE MONTHS ENDED MARCH 31, 2001
(IN THOUSANDS)

	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
Net sales	$ --	$ 825,930	$ 102,127	$ --	$928,057
Cost of goods sold	--	677,998	82,940	--	760,938
Selling, general and administrative expenses	--	120,027	16,798	--	136,825
Depreciation and amortization	--	6,433	930	--	7,363
Results of affiliates' operations	2,074	15,430	--	(17,504)	--
Interest expense (income), net	(2,182)	16,126	(2,947)	--	10,997
Other (income) expense	--	26,083	(20,018)	--	6,065
Provision for income taxes	764	(7,381)	8,994	--	2,377
Net income (loss)	$ 3,492	$ 2,074	$ 15,430	$(17,504)	$ 3,492

THREE MONTHS ENDED MARCH 31, 2000
(IN THOUSANDS)

	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
Net sales	$ --	$ 831,226	$ 93,796	$ --	$925,022
Cost of goods sold	--	683,768	76,236	--	760,004
Selling, general and administrative expenses	--	114,520	13,599	--	128,119
Depreciation and amortization	--	4,772	753	--	5,525
Results of affiliates' operations	6,551	15,668	--	(22,219)	--
Interest expense (income), net	(4,006)	16,744	(1,860)	--	10,878
Other (income) expense	--	24,611	(19,348)	--	5,263
Provision for income taxes	1,402	(4,072)	8,748	--	6,078
Net income (loss)	$ 9,155	$ 6,551	$ 15,668	$(22,219)	$ 9,155

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

THREE MONTHS ENDED MARCH 31, 2001
(IN THOUSANDS)

	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
Net cash provided (used) by operating activities	$ 2,257	$(22,940)	$79,693	$(39,753)	$ 19,257
Investing activities:					
Capital expenditures	--	(1,899)	(534)	--	(2,433)
Acquisitions	--	--	(41,413)	--	(41,413)
Net cash used in investing activities	--	(1,899)	(41,947)	--	(43,846)
Financing activities:					
Net borrowings (repayments)	(2,397)	9,928	(1,018)	--	6,513
Equity transactions	140	--	--	--	140
Net cash (used in) provided by financing activities	(2,257)	9,928	(1,018)	--	6,653
Net change in cash and cash equivalents	--	(14,911)	36,728	(39,753)	(17,936)
Cash and cash equivalents at beginning of year	10	14,911	--	6,158	21,079
Cash and cash equivalents at end of period	$ 10	$ --	$ 36,728	$(33,595)	$ 3,143

THREE MONTHS ENDED MARCH 31, 2000
(IN THOUSANDS)

	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
Net cash provided (used) by operating activities	$ 365	$20,943	$31,527	$(4,180)	$48,655
Investing activities:					
Capital expenditures	--	(3,029)	(243)	--	(3,272)
Acquisitions	--	(14,058)	--	--	(14,058)
Net cash used in investing activities	--	(17,087)	(243)	--	(17,330)
Financing activities:					
Net borrowings (repayments)	16,236	(3,856)	2,712	(1,107)	13,985
Equity transactions	(16,601)	--	--	1,107	(15,494)
Net cash (used in) provided by financing activities	(365)	(3,856)	2,712	--	(1,509)
Net change in cash and cash equivalents	--	--	33,996	(4,180)	29,816
Cash and cash equivalents at beginning of year	10	--	26,812	(18,003)	8,819
Cash and cash equivalents at end of period	$ 10	$ --	$60,808	$(22,183)	$38,635

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the information in the unaudited condensed consolidated financial statements and notes thereto included herein and WESCO International Inc.'s Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included in its 2000 Annual Report on Form 10-K.

GENERAL

WESCO is a full-line distributor of electrical supplies and equipment and is a provider of integrated supply procurement services. WESCO currently operates approximately 360 branch locations and five distribution centers in the United States, Canada, Mexico, Puerto Rico, Guam, the United Kingdom and Singapore. WESCO serves over 130,000 customers worldwide, offering over 1,000,000 products from over 23,000 suppliers. WESCO's diverse customer base includes a wide variety of industrial companies; contractors for industrial, commercial and residential projects; utility companies, and commercial, institutional and governmental customers. Approximately 90% of WESCO's net sales are generated from operations in the U.S., 8% from Canada and the remainder from other countries.

RECENT DEVELOPMENTS

Recent developments affecting the results of operations and financial position of WESCO include the following:

In March 2001, WESCO completed its acquisition of all of the outstanding common stock of Herning Underground Supply, Inc. and Alliance Utility Products, Inc. (collectively "Herning") headquartered in Hayward, California. Herning, a distributor of gas, lighting and communication utility products, reported net sales of approximately $112 million in 2000. This acquisition was accounted for under the purchase method of accounting.

RESULTS OF OPERATIONS

First Quarter of 2001 versus First Quarter of 2000

The following table sets forth the percentage relationship to net sales of certain items in WESCO's condensed consolidated statements of operations for the periods presented:

	THREE MONTHS ENDED MARCH 31	
	2001	2000
Net sales	100.0%	100.0%
Gross profit	18.0	17.8
Selling, general and administrative expenses	14.7	13.8
Depreciation and amortization	0.8	0.6
Income from operations	2.5	3.4
Interest expense	1.2	1.2
Other expense	0.7	0.6
Income before income taxes	0.6	1.6
Income taxes	0.2	0.6
Net income	0.4%	1.0%

Net Sales. Net sales in the first quarter of 2001 increased $3.1 million to $928.1 million compared with $925.0 million in the prior-year quarter, primarily due to sales of acquired companies, offset by decreases attributable to the Company's core business. Core business net sales decreased approximately 2% from the prior year quarter.

Gross Profit. Gross profit for the first quarter of 2001 increased $2.1 million to $167.1 million from $165.0 million in the first quarter of 2000. Gross profit margin increased to 18.0% in the current-year quarter from 17.8% in the first quarter of 2000. This increase was principally due to our margin improvement initiatives offset somewhat by lower levels of supplier discounts as a percentage of sales.

Selling, General and Administrative Expenses. Selling, general and administrative ("SG&A") expenses increased $8.7 million, or 6.8%, to $136.8 million. Excluding SG&A expenses associated with companies acquired during 2000 and 2001, SG&A expenses increased 3.4%. The increase was due principally to increased payroll related costs in the quarter to quarter comparison and, to a lesser extent, increased transportation costs. As a percentage of sales, SG&A expenses increased to 14.7% compared with 13.8% in the prior year quarter as expense growth outpaced sales growth in the current quarter.

Depreciation and Amortization. Depreciation and amortization increased $1.8 million to $7.4 million reflecting higher goodwill due to recent acquisitions and increased depreciation related to capitalized software and property, buildings and equipment over the prior year.

Interest and Other Expense. Interest expense totaled $11.0 million for the first quarter of 2001, an increase of $0.1 million from the same period in 2000. Other expense totaled $6.1 million and $5.3 million in the first quarter of 2001 and 2000, respectively, reflecting costs associated with the accounts receivable securitization program. The $0.8 million increase was principally due to the increased level of securitized accounts receivable.

Income Taxes. Income tax expense totaled $2.4 million in the first quarter of 2001 and the effective tax rate was 40.5%. In the first quarter of 2000, income tax expense totaled $6.1 million and the effective tax rate was 39.9%. The effective tax rates differ from the federal statutory rate primarily due to state income taxes and nondeductible expenses.

Net Income. For the first quarter of 2001, net income totaled $3.5 million, or $0.07 per diluted share, compared with $9.2 million and $0.19 per diluted share, respectively, in the first quarter of 2000. The decreases in the comparison are primarily due to decreased operating income and to a lesser extent increased interest and other expense, offset by decreased income tax expense.

LIQUIDITY AND CAPITAL RESOURCES

Total assets were $1.19 billion and $1.17 billion at March 31, 2001 and December 31, 2000, respectively. In addition, stockholders' equity was $128.1 million at March 31, 2001 compared to $125.0 million at December 31, 2000. Debt was $488.7 million at March 31, 2001 as compared to $482.7 million at December 31, 2000, an increase of $6.0 million. Amounts available under the company's revolving credit agreement as of March 31, 2001 were approximately $188 million.

An analysis of cash flows for the first three months of 2001 and 2000 follows:

Operating Activities. Cash provided by operating activities totaled $19.3 million in the first three months of 2001, compared to $48.7 million in the prior year. In connection with WESCO's asset securitization program, cash provided by operations in 2000 included proceeds of $5.0 million from the sale of accounts receivable. Excluding this transaction, cash provided by operating activities was $19.3 million in 2001 compared to cash provided of $43.7 million in 2000. On this basis, the $24.4 million decrease in operating cash flow was primarily due to an increase in cash utilized to fund working capital requirements and lower net income as compared to 2000.

Investing Activities. Net cash used in investing activities was $43.8 million in the first three months of 2001, compared to $17.3 million in 2000. Cash used for investing activities was higher in 2001 primarily due to a $27.4 million increase in cash paid for acquisitions, offset somewhat by lower capital expenditures in 2001. WESCO's capital expenditures for the three months of 2001 were for computer equipment and software and branch and distribution center facility improvements.

Financing Activities. Cash provided by financing activities totaled $6.7 million for the first three months of 2001 primarily reflecting increased borrowings. In the first three months of 2000, cash used by financing activities totaled $1.5 million, principally related to the Company's common stock purchase program offset by increased borrowings.

WESCO's liquidity needs arise from seasonal working capital requirements, capital expenditures, debt service obligations and acquisitions. In addition, certain of the Company's acquisition agreements contain earn-out provisions typically based on future earnings targets. The most significant of these agreements relates to the Bruckner acquisition which provides for an earn-out potential of $100 million during the next four years if certain earnings targets are achieved. Certain other acquisitions also contain contingent consideration provisions, one of which could be significant, as it is based on, among other things, a multiple of increases in operating income.

In addition to cash generated from operations and amounts available under the credit facilities, WESCO utilizes a receivables facility to provide liquidity. At March 31, 2001 WESCO's securitized accounts receivable balance totaled $375 million, unchanged from December 31, 2000.

WESCO's board of directors authorized a $50 million share repurchase program. As of April 30, 2001, WESCO has purchased $32.8 million of common stock pursuant to this program, since its inception. WESCO did not repurchase any shares under this program during the quarter ended March 31, 2001, and does not expect to in the foreseeable future. The company intends to prioritize accretive acquisitions and possible reductions of debt.

Management believes that cash generated from operations, together with amounts available under the credit agreement and the receivables facility, will be sufficient to meet WESCO's working capital, capital expenditures and other cash requirements for the foreseeable future. There can be no assurance, however, that this will be the case. Financing of acquisitions can be funded under the existing credit agreement and may, depending on the number and size of acquisitions, require the issuance of additional debt and equity securities.

INFLATION

The rate of inflation, as measured by changes in the consumer price index, did not have a material effect on the sales or operating results of the Company during the periods presented. However, inflation in the future could affect the Company's operating costs. Price changes from suppliers have historically been consistent with inflation and have not had a material impact on the Company's results of operations.

SEASONALITY

WESCO's operating results are affected by certain seasonal factors. Sales are typically at their lowest during the first quarter due to a reduced level of activity during the early part of the year due to the cold and unpredictable weather. Sales increase during the warmer months beginning in March and continuing through November due to favorable conditions for construction and the tendency of companies to schedule maintenance and capital improvement spending during the middle and latter part of the year. Sales drop again slightly in December as the weather cools and also as a result of reduced level of activity during the holiday season. As a result, WESCO reports sales and earnings in the first and fourth quarters that are generally lower than that of the remaining quarters.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board ("FASB") issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement, as amended by SFAS No. 138, was adopted by WESCO on January 1, 2001. This statement requires the recognition of the fair value of any derivative financial instrument on the balance sheet. Changes in fair value of the derivative and, in certain instances, changes in the fair value of an underlying hedged asset or liability, are recognized through either income or as a component of other comprehensive income. The adoption of this statement did not have a material impact on the results of operations or financial position of WESCO.

In September 2000, the FASB issued SFAS No. 140, a modification of SFAS No. 125. SFAS No. 140 is effective for transfers after March 31, 2001 and is effective for disclosures about securitizations and collateral and for recognition and reclassification of collateral for fiscal years ending after December 15, 2000. The disclosure provisions of this statement have been adopted. The adoption of this statement for future transfers is not expected to have a material impact on the results of operations or financial position of WESCO.

In February 2001, the Financial Accounting Standards Board issued a revision to a previously issued exposure draft covering business combinations proposing new accounting guidance related to goodwill. This proposed standard would not allow for amortization of goodwill. The carrying amount of goodwill would be reduced only if it was found to be impaired. Goodwill would be tested for impairment when events or circumstances occur indicating that goodwill might be impaired. A fair-value based impairment test would be used to measure goodwill for impairment in lieu of the method for measuring impairment of long-lived assets set forth in SFAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." As goodwill is measured as a residual amount in an acquisition, it is not possible to directly measure the fair value of goodwill. Under this proposed standard, the net assets of a reporting unit should be subtracted from the fair value of that reporting unit to determine the implied fair value of goodwill. Impairment loss would be recognized to the extent the carrying amount of goodwill exceeds the implied fair value. The provisions of this proposed standard would be effective for fiscal quarters beginning after the issuance of a final statement. Management believes the adoption of this standard, as it is proposed, will have a material non-cash impact on our financial statements if the final statement is issued prior to the full amortization of our remaining goodwill.

FORWARD-LOOKING STATEMENTS

From time to time in this report and in other written reports and oral statements, references are made to expectations regarding the future performance of WESCO. When used in this context, the words "anticipates," "plans," "believes," "estimates," "intends," "expects," "projects" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words. Such statements including, but not limited to, WESCO's statements regarding its business strategy, growth strategy, productivity and profitability enhancement, new product and service introductions and liquidity and capital resources are based on management's beliefs, as well as on assumptions made by, and information currently available to, management, and involve various risks and uncertainties, certain of which are beyond WESCO's control. WESCO's actual results could differ materially from those expressed in any forward-looking statement made by or on behalf of WESCO. In light of these risks and uncertainties there can be no assurance that the forward-looking information will in fact prove to be accurate. Factors that might cause actual results to differ from such forward-looking statements include, but are not limited to, an increase in competition, the amount of outstanding indebtedness, the availability of appropriate acquisition opportunities, availability of key products, functionality of information systems, international operating environments and other risks that are described in WESCO's Annual Report on Form 10-K for the year ended December 31, 2000 which are incorporated by reference herein. WESCO has undertaken no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

There have not been any material changes to WESCO's exposures to market risk during the quarter ended March 31, 2001 that would require an update to the disclosures provided in WESCO's Form 10-K for the year-ended December 31, 2000.

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) EXHIBITS

None were filed in the quarter ended March 31, 2001.

(b) REPORTS ON FORM 8-K

On January 30th, 2001, WESCO filed a Current Report on Form 8-K reporting under Item 5 announced initiatives to streamline operations, certain non-recurring charges, its outlook for the fourth quarter of 2000 and expectations for the year 2001.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on May 15, 2001 on its behalf by the undersigned thereunto duly authorized.

WESCO International, Inc. and Subsidiaries

By: /s/ Stephen A. Van Oss

Stephen A. Van Oss
Vice President, Chief Financial Officer