AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON SEPTEMBER 28, 2001

REGISTRATION NO. -

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-4
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

WESCO INTERNATIONAL, INC.	WESCO DISTRIBUTION, INC
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)	(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)
25-1723342	25-1723345
(I.R.S. EMPLOYER IDENTIFICATION NUMBER)	(I.R.S. EMPLOYER IDENTIFICATION NUMBER)
DELAWARE	DELAWARE
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)
5063	5063
(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)	(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)

COMMERCE COURT
FOUR STATION SQUARE, SUITE 700
PITTSBURGH, PENNSYLVANIA 15219
TELEPHONE: (412) 454-2200
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANTS' PRINCIPAL EXECUTIVE OFFICES)

ROY W. HALEY
CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER
COMMERCE COURT
FOUR STATION SQUARE, SUITE 700
PITTSBURGH, PENNSYLVANIA 15219
TELEPHONE: (412) 454-2200
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES TO:

MICHAEL C. MCLEAN, ESQUIRE
KIRKPATRICK & LOCKHART LLP
HENRY W. OLIVER BUILDING
535 SMITHFIELD STREET
PITTSBURGH, PENNSYLVANIA 15222-2312
TELEPHONE: (412) 355-6500

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED EXCHANGE OFFER: As soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. [ ]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER NOTE(1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)	AMOUNT OF REGISTRATION FEE
9 1/8% Senior Subordinated Notes Due 2008	$100,000,000	90.142%	$90,142,000	$22,536
Guarantee (2)	(3)	(3)	(3)	(3)

(1) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(f) under the Securities Act of 1933, as amended

(the "Securities Act").

(2) Guarantee by WESCO International, Inc. of WESCO Distribution, Inc.'s 9 1/8% Senior Subordinated Notes Due 2008 to be issued in exchange for WESCO International's outstanding guarantee of WESCO Distribution's 9 1/8% Senior Subordinated Notes Due 2008, originally issued on August 23, 2001.

(3) No separate registration fee is payable for the guarantee of WESCO International, Inc. pursuant to Rule 457(n) under the Securities Act.

THE REGISTRANTS HEREBY AMEND THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANTS SHALL FILE A FURTHER AMENDMENT THAT SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES NOR A SOLICITATION OF AN OFFER TO BUY THESE SECURITIES WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED SEPTEMBER 28, 2001

PRELIMINARY PROSPECTUS

WESCO DISTRIBUTION, INC.

OFFER TO EXCHANGE UP TO $100,000,000 IN PRINCIPAL AMOUNT OF OUR 9 1/8% SENIOR SUBORDINATED NOTES DUE 2008 WHICH HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, FOR ANY AND ALL OF OUR OUTSTANDING 9 1/8% SENIOR SUBORDINATED NOTES DUE 2008, ISSUED 2001

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M. NEW YORK CITY TIME ON , 2001, UNLESS EXTENDED

We are offering to exchange up to $100,000,000 in aggregate principal amount of our 9 1/8% senior subordinated notes due 2008 (the "exchange notes") for an equal aggregate principal amount of our outstanding 9 1/8% senior subordinated notes due 2008, issued 2001 (the "original notes"). We sometimes refer to the original notes and the exchange notes collectively as the "notes." The exchange notes will be unconditionally guaranteed by WESCO International, Inc., our parent company, but not by any of WESCO International's other direct or indirect subsidiaries.

The terms of the exchange notes are substantially identical in all respects (including principal amount, interest rate and maturity) to the terms of the original notes for which they may be exchanged pursuant to this exchange offer, except that the exchange notes will be freely transferable by the holders (other than as described herein), are issued free of any covenant restricting transfer absent registration and will not have the right to earn additional interest in the event of a failure to register the exchange notes. The exchange notes will evidence the same debt as the original notes and contain terms that are substantially identical to the terms of the original notes. Original notes that are accepted for exchange will be cancelled and retired. For a description of the terms of the exchange notes, see "Description of the Notes."

The exchange notes will bear interest from the most recent date to which interest has been paid on the original notes, or if no interest has been paid on the original notes, from August 23, 2001. Holders whose original notes are accepted for exchange will not receive any payment in respect of interest on the original notes for which the record date occurs on or after completion of the exchange offer. See "The Exchange Offer - Terms of the Exchange." The first interest payment date on the notes is December 1, 2001.

The principal features of the exchange offer are as follows:

- You may withdraw tendered original notes at any time prior to the expiration of the exchange offer.

- The exchange of original notes for exchange notes pursuant to the exchange offer should not be a taxable event for U.S. federal income tax purposes.

- We will not receive any proceeds from the exchange offer.

- There is no existing public market for the original notes. We expect that the exchange notes will be eligible for trading in the PORTAL Market, but do not intend to list the exchange notes on any securities exchange or seek approval for quotation through any automated trading systems.

EACH BROKER-DEALER THAT RECEIVES EXCHANGE NOTES FOR ITS OWN ACCOUNT PURSUANT TO THE EXCHANGE OFFER MUST ACKNOWLEDGE THAT IT WILL DELIVER A PROSPECTUS IN CONNECTION WITH ANY RESALE OF THE EXCHANGE NOTES. THE LETTER OF TRANSMITTAL STATES THAT BY SO ACKNOWLEDGING AND BY DELIVERING A PROSPECTUS, A BROKER-DEALER WILL NOT BE DEEMED TO ADMIT THAT IT IS AN "UNDERWRITER" WITHIN THE MEANING OF THE SECURITIES ACT. THIS PROSPECTUS, AS IT MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, MAY BE USED BY A BROKER-DEALER IN CONNECTION WITH ANY RESALE OF EXCHANGE NOTES RECEIVED IN EXCHANGE FOR ORIGINAL NOTES WHERE THE ORIGINAL NOTES WERE ACQUIRED BY THE BROKER-DEALER AS A RESULT OF MARKET-MAKING ACTIVITIES OR OTHER TRADING ACTIVITIES. WE HAVE AGREED THAT, FOR A PERIOD OF 180 DAYS FOLLOWING THE CONSUMMATION OF THE EXCHANGE OFFER, WE WILL MAKE THIS PROSPECTUS AVAILABLE TO ANY BROKER-DEALER FOR USE IN CONNECTION WITH ANY SUCH RESALE. SEE "PLAN OF DISTRIBUTION."

FOR A DISCUSSION OF CERTAIN FACTORS YOU SHOULD CONSIDER BEFORE PARTICIPATING IN THE EXCHANGE OFFER, SEE "RISK FACTORS" BEGINNING ON PAGE 16 OF THIS PROSPECTUS.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED THAT THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DATE OF THIS PROSPECTUS IS , 2001

You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus or, with respect to information incorporated by reference from reports or documents filed with the Securities and Exchange Commission (the "SEC"), the date such report or document was filed. Our business, financial condition, results of operations and prospectus may have changed since that date. Neither the delivery of this prospectus nor any sale made hereunder shall under any circumstances imply that the information herein is correct as of any date subsequent to the date on the cover of this prospectus.

TABLE OF CONTENTS

WESCO Distribution, Inc. is a Delaware corporation and a wholly owned subsidiary of WESCO International, Inc., a Delaware corporation. The principal executive offices of WESCO Distribution and WESCO International are located at Commerce Court, Four Station Square, Suite 700, Pittsburgh, Pennsylvania 15219, and the telephone number at that address is (412) 454-2200. Our website is located at www.wescodist.com. The information in our website is not part of this prospectus.

Our trade and service marks, including "WESCO," "the extra effort people(R)," and the running man design, are filed in the U.S. Patent and Trademark Office, the Canadian Trademark Office and the Mexican Instituto de la Propriedad Industrial.

INDUSTRY AND MARKET DATA

In this prospectus we rely on and refer to information and statistics regarding the electrical distribution industry. Unless otherwise indicated, historical and projected market and market share data for the electrical distribution industry is derived from Electrical Wholesaling magazine or Distribution Information Services Corporation, and historical and projected market and market share data with respect to integrated supply services is derived from studies prepared by Frank Lynn & Associates. We have not independently verified market and market share data from third-party sources. Except where specified, market and market share data are for the U.S. electrical distribution industry. We believe such market share data is inherently imprecise, but is generally indicative of our relative market share.

WHERE YOU CAN FIND MORE INFORMATION

We and WESCO International, our parent company and guarantor of the notes, have filed with the SEC a registration statement on Form S-4 (together with all amendments, exhibits, schedules and supplements thereto, the "registration statement") under the Securities Act covering the exchange notes offered pursuant to this prospectus. This prospectus, which forms a part of the registration statement, does not contain all of the information set forth in the registration statement. For further information about us, WESCO International and the exchange notes, you should refer to the registration statement. Statements contained in this prospectus as to the contents of any contract, agreement or other document are not necessarily complete. For a more complete understanding and description of each contract, agreement or other document filed as an exhibit to the registration statement, we encourage you to read the documents contained in the exhibits. WESCO International is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and, in accordance therewith, files periodic reports and other information with the SEC. The registration statement, reports and other information may be inspected and copied at the public reference rooms of the SEC located at 450 Fifth Street, N.W., Room 1024, Washington D.C. 20549. Please call 1-800-SEC-0330 for further information on the operations of the public reference facilities. Copies of such material, including copies of all or any portion of the registration statement, can be obtained from the public reference room of the SEC at prescribed rates or accessed electronically on the SEC website at www.sec.gov. WESCO International's common stock is listed on the New York Stock Exchange and such reports and other information concerning it may also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

INCORPORATION BY REFERENCE AND DELIVERY OF CERTAIN DOCUMENTS

The SEC allows us to "incorporate by reference" the information we file with it, which means that we can disclose important information to you by referring you to documents containing that information. The information incorporated by reference is considered to be part of this prospectus, and later information that we file with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed blow and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until the expiration date of the exchange offer, or, if required, for the 180 day period following the consummation of the exchange offer in connection with any use of this prospectus for resales by broker-dealers.

- Annual Report on Form 10-K of WESCO International for the year ended December 31, 2000;

- Quarterly Report on Form 10-Q of WESCO International for the quarter ended March 31, 2001;

- Quarterly Report on Form 10-Q of WESCO International for the quarter ended June 30, 2001;

- Current Report on Form 8-K of WESCO International to report an event dated January 30, 2001;

- Current Report on Form 8-K of WESCO International to report an event dated August 8, 2001;

- Current Report on Form 8-K of WESCO International to report an event dated August 23, 2001; and

- Proxy Statement for the 2001 Annual Meeting of Stockholders of WESCO International.

You may request a copy of these filings, at no cost, by writing or telephoning us at our principal executive offices at the following address: Commerce Court, Four Station Square, Suite 700, Pittsburgh, Pennsylvania 15219, telephone: (412) 454-2200, Attention: Corporate Secretary. You may also obtain copies of these filings, at no cost, by accessing our website at www.wescodist.com; however, the information found on our website is not considered part of this prospectus.

FORWARD-LOOKING STATEMENTS

The statements contained in this prospectus that are not historical facts are or may be deemed to be "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Some of these statements can be identified by the use of forward-looking terminology such as "believes," "estimates," "intends," "may," "will," "should" or "anticipates" or the negative or other variation of these or similar words, or by discussion of strategy or risks and uncertainties. In addition, from time to time we or our representatives have made or may make forward-looking statements orally or in writing. Furthermore, such forward-looking statements may be included in various filings that we make with the SEC, or press releases or oral statements made by or with the approval of one of our authorized executive officers. Forward-looking statements in this prospectus include, among others, statements regarding:

- business strategy;

- growth strategy;

- productivity and profitability enhancement;

- competition;

- new product and service introductions; and

- liquidity and capital resources.

These statements are only present expectations. Actual events or results may differ materially. Factors that could cause such a difference include those discussed under the heading "Risk Factors" in this prospectus.

We undertake no obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained in this prospectus.

SUMMARY

This summary highlights some of the information in this prospectus. Because this is only a summary, it may not contain all of the information that may be important to you in deciding whether to participate in the exchange offer. Therefore, you should read the entire prospectus, especially "Risk Factors" and the financial and other information contained elsewhere or incorporated by reference into this prospectus, before making an investment decision.

Unless the context otherwise requires, in this prospectus, the term "WESCO International" refers to WESCO International, Inc., the guarantor of the notes; the terms "the Company," "we," "us," "our," "WESCO" and "WESCO Distribution" refer to WESCO Distribution, Inc., the issuer of the notes and a wholly owned subsidiary of WESCO International, and its subsidiaries. The principal asset of WESCO International is all of the outstanding capital stock of WESCO Distribution.

THE COMPANY

We are a leading North American provider of electrical products and other industrial maintenance, repair and operating supplies, commonly referred to collectively as "MRO." We are the second largest distributor in the estimated $79 billion U.S. electrical distribution industry and the largest provider of integrated supply services. Our integrated supply solutions and outsourcing services fulfill a customer's industrial MRO procurement needs through a highly automated, proprietary electronic procurement and inventory replenishment system. This allows our customers to consolidate suppliers and reduce their procurement and operating costs. We have over 360 branches and five distribution centers located in 48 states, nine Canadian provinces, Puerto Rico, Mexico, Guam, the United Kingdom and Singapore. We serve over 130,000 customers worldwide, offering over 1,000,000 products from over 23,000 suppliers. Our 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. Our leading market positions, extensive geographic reach, broad product and service offerings and acquisition program have enabled us to significantly increase our net sales and improve our financial performance.

We have acquired 25 companies since August 1995, representing annual sales of approximately $1.4 billion. Our strong internal growth, combined with acquisitions, have increased our net sales and earnings before interest, taxes, depreciation, amortization and restructuring charges at compounded annual growth rates of 16% and 31%, respectively, between 1994 and 2000.

INDUSTRY OVERVIEW

ELECTRICAL DISTRIBUTION. The U.S. electrical distribution industry had sales of approximately $79 billion in 2000. While overall weakness in the current economic environment has contributed to recent sales declines, industry growth has averaged 6% per year from 1985 to 2000. This expansion has been driven by general economic growth, increased use of electrical products in businesses and industries, new products and technologies, and customers who are seeking to more efficiently purchase a broad range of products and services from a single point of contact, thereby eliminating the costs and expenses of purchasing directly from manufacturers or multiple sources. The U.S. electrical distribution industry is also highly fragmented. In 1999, the latest year for which market share data is available, the four national distributors, including WESCO, accounted for less than 16% of estimated total industry sales.

INTEGRATED SUPPLY. The market for integrated supply services has more than doubled from $5 billion in 1997 to over $10 billion in 2000, an increase of 27% per year. Recent projections estimate that the integrated supply market will reach $18.4 billion by 2004. Growth is being driven by the desire of large industrial companies to reduce operating expenses by

implementing comprehensive third-party programs, which outsource the cost-intensive procurement, stocking and administrative functions associated with the purchase and consumption of MRO supplies. For our customers, these costs can account for over 50% of the total costs for MRO products and services. The total potential in the U.S. for integrated supply services, measured as all purchases of industrial MRO supplies and services, is currently estimated to be approximately $260 billion.

COMPETITIVE STRENGTHS

We believe our key competitive strengths include:

MARKET LEADERSHIP. Our ability to manage large construction projects and complex multi-site plant maintenance programs and procurement projects that require special sourcing, technical advice, logistical support and locally based service has enabled us to establish leadership positions in our principal markets. We have utilized these skills to generate significant revenues in electrical products and other MRO intensive industries such as: electrical contracting, utilities, original equipment manufacturing, process manufacturing and commercial, institutional and governmental clients. We have also been able to leverage our position within these industries to expand our customer base.

VALUE-ADDED SERVICES. We are a leader in providing a wide range of services and procurement solutions that draw on our product knowledge, supply and management expertise and systems capabilities, enabling our customers to reduce supply chain costs and improve efficiency. These programs include:

- National Accounts -- we coordinate product supply and materials management activities for customers with multiple locations who seek purchasing leverage through a single electrical products provider;

- Integrated Supply -- we design and implement programs that enable our customers to significantly reduce the number of MRO suppliers they use through services that include highly automated, proprietary electronic procurement and inventory replenishment systems and on-site materials management and logistics services; and

- Major Projects -- we have a dedicated team of experienced construction management personnel to service the needs of the top engineering and construction firms which specialize in major projects such as airport expansions, stadiums and healthcare facilities.

BROAD PRODUCT OFFERING. We provide our customers with a broad product selection consisting of over 1,000,000 electrical, industrial and data communications products sourced from over 23,000 suppliers. Our broad product offering enables us to meet virtually all of a customer's electrical product and other MRO requirements.

EXTENSIVE DISTRIBUTION NETWORK. Our distribution network consists of over 360 branches and five distribution centers located in 48 states, nine Canadian provinces, Puerto Rico, Mexico, Guam, the United Kingdom and Singapore. This extensive network, which would be extremely difficult and expensive to duplicate, allows us to:

- offer multi-site distribution capabilities to large customers and national accounts;

- tailor branch products and services to customer needs;

- minimize local inventory requirements; and

- provide same-day shipments.

LOW COST OPERATOR. Our competitive position has been enhanced by our low cost position, which is based on:

- extensive use of automation and technology;
- centralization of functions such as purchasing and accounting;
- strategically located distribution centers;
- purchasing economies of scale; and
- incentive programs that increase productivity and encourage entrepreneurship.

Our low cost position enables us to generate a significant amount of cash flow as the capital investment required to maintain our business is low. This cash flow is available for debt reduction, strategic acquisitions and continued investment in the growth of the business.

STRONG MANAGEMENT TEAM. Our senior management team is comprised of recognized industry leaders. They have successfully grown the Company both organically and through the successful integration of 25 acquisitions since 1995. In addition, our senior management and a broad range of key operating personnel are owners, holding approximately 29% of the common stock of WESCO International. Our stock ownership and other incentive programs closely align management's interests in the financial performance of the Company with those of our stakeholders.

BUSINESS STRATEGY

Our objective is to be the leading provider of electrical products and other MRO supplies and services to companies in North America and selected international markets. In achieving this leadership position, our goal is to grow earnings at a faster rate than sales by focusing on margin enhancement and continuous productivity improvement. Our growth strategy leverages our existing strengths and focuses on developing new initiatives and programs.

ENHANCE OUR LEADERSHIP POSITION IN ELECTRICAL DISTRIBUTION. We intend to leverage our extensive market presence and brand equity in the WESCO name to further our leadership position in electrical distribution. We are focusing our sales and marketing on existing industries where we are expanding our product and service offerings as well as targeting new clients, both within industries we currently serve and in new markets which provide significant growth opportunities. Markets where we believe such opportunities exist include retail, education, financial services and health care.

GROW NATIONAL ACCOUNTS PROGRAMS. From 1994 through 2000, revenue from our national accounts program increased in excess of 15% annually. Our objective is to continue to increase revenue generated through our national accounts program by:

- offering existing national accounts customers new products, more services and additional locations;
- extending certain established national accounts relationships to include integrated supply; and
- expanding our customer base by leveraging our existing industry expertise in markets we currently serve as well as entering into new markets.

FOCUS ON MAJOR PROJECTS. We are increasing our focus on large construction, renovation and institutional projects. We seek to secure new major projects contracts through:

- aggressive national marketing of our demonstrated project management capabilities;
- further development of relationships with leading contractors and engineering firms;

- close coordination with national accounts customers on their major project requirements; and

- offering an integrated supply service approach to contractors for major projects.

EXTEND OUR LEADERSHIP POSITION IN INTEGRATED SUPPLY. We intend to expand our leadership position as the largest integrated supply service provider by:

- continuing to tailor our proven and profitable business model to the scale and scope of our customers' operations;

- maximizing the use of our highly automated proprietary information systems;

- leveraging established relationships with our large industrial customer base, especially among existing national account customers who could benefit from our integrated supply model; and

- being a low cost provider of integrated supply services.

GAIN SHARE IN KEY LOCAL MARKETS. We intend to increase our market share in key geographic markets through a combination of increased sales and marketing efforts at existing branches, acquisitions that expand our product and customer base and new branch openings. We intend to leverage our existing relationships with preferred suppliers to increase sales of their products in local markets through various initiatives, including sales promotions, cooperative marketing efforts, direct participation by suppliers in national accounts implementation, dedicated sales forces and product exclusivity. To promote growth, we have instituted a compensation system for branch managers that encourages our branch managers to increase sales and optimize business activities in their local markets, including managing the sales force, configuring inventories, targeting potential customers for marketing efforts and tailoring local service options.

PURSUE STRATEGIC ACQUISITIONS. Since 1995, we have considered over 300 potential acquisitions and have completed and successfully integrated 25 acquisitions, which represent annual sales of approximately $1.4 billion. We believe that the highly fragmented nature of the electrical and industrial MRO distribution industry will continue to provide us with a number of acquisition opportunities. In our disciplined approach toward acquisitions, potential acquisitions are evaluated based on a variety of financial, strategic and operational criteria.

EXPAND PRODUCT AND SERVICE OFFERINGS. We continue to build on our demonstrated ability to introduce new products and services to meet existing customer demands and capitalize on new market opportunities. For example, we have the platform to sell integrated lighting control and power distribution equipment in a single package for multi-site specialty retailers, restaurant chains and department stores. These are strong growth markets where our national accounts strategies and logistics infrastructure provide significant benefits for our customers.

LEVERAGE OUR E-COMMERCE AND INFORMATION SYSTEM CAPABILITIES. We conduct a significant amount of business electronically. Our electronic transaction management capabilities lower costs and shorten cycle time in the supply chain process for us and for our customers. We intend to continue to invest in information technology to create more effective linkages with both customers and suppliers.

EXPAND OUR INTERNATIONAL OPERATIONS. Our international sales, the majority of which are in Canada, accounted for approximately 10% of sales in 2000. We believe that there is significant additional demand for our products and services outside the United States and Canada. Many of our multinational domestic customers are seeking global distribution, integrated supply and project management solutions. We are primarily expanding our international operations by supporting our established customers in new geographic markets

where we can do so effectively and profitably. This strategy of expanding internationally with well-developed customers and suppliers significantly reduces financial and operational risks.

THE SPONSOR

The Cypress Group L.L.C. ("Cypress"), which owns approximately 44% of the outstanding WESCO International common stock, is a private equity firm which currently manages over $3.5 billion of equity capital on behalf of major public and private pension funds, university endowments, trusts and other leading financial institutions. Cypress seeks to invest alongside extraordinary executives in growth businesses to achieve long-term capital appreciation. The Cypress professionals have successfully employed this strategy in numerous other investments such as Infinity Broadcasting Corporation, Lear Corporation, R.P. Scherer Corporation, Cinemark USA, Inc., Williams Scotsman, Inc. and ClubCorp, Inc.

WESCO International common stock is listed on the New York Stock Exchange under the ticker symbol "WCC."

THE EXCHANGE OFFER

Issuance of the Original Notes..... We sold the original notes on August 23, 2001 to JP Morgan Securities Inc., Lehman Brothers Inc., PNC Capital Markets Inc., TD Securities (USA) Inc., BNY Capital Markets, Inc., ABN AMRO Incorporated, Comerica Securities, Fleet Securities, Inc. and Scotia Capital. We collectively refer to those purchasers in this prospectus as the "initial purchasers." The initial purchasers subsequently resold the outstanding notes to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended.

Exchange and Registration Rights Agreement..... Simultaneously with the sale of the original notes, we entered into an exchange and registration rights agreement with the initial purchasers for the exchange offer. In the exchange and registration rights agreement, we agreed, among other things, to file a registration statement with the SEC and to complete this exchange offer prior to 225 days after issuing the original notes. After the exchange offer is complete, you will no longer be entitled to any exchange or registration rights with respect to your outstanding notes, including original notes.

Transferability of Exchange Notes..... Based on interpretations by the Staff of the SEC to third parties, we believe that the exchange notes issued in the exchange offer may be offered for resale, resold or otherwise transferred by the holder without compliance with the registration and prospectus delivery provisions of the Securities Act provided that:

- the exchange notes are acquired in the ordinary course of the holder's business;

- the holder has no arrangement with any person to participate in the distribution of the exchange notes issued in the exchange offer and neither the holder nor any such other person is engaging or intending to engage in a distribution of the exchange notes; and

- the holder is not an affiliate of us or of WESCO International.

Each broker-dealer that is issued exchange notes in the exchange offer for its own account in exchange for original notes that were acquired by that broker-dealer as a result of market-making or other trading activities, must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the exchange notes. A broker-dealer may use this prospectus for an offer to resell, resale or other retransfer of the exchange notes issued to it in the

	exchange offer for 180 days following the consummation of the exchange offer. See "The Exchange Offer - Terms of the Exchange."
The Exchange Offer.....	We are offering to exchange up to $100,000,000 aggregate principal amount of our exchange notes for a like aggregate principal amount of our original notes. The terms of the exchange notes are identical in all material respects (including principal amount, interest rate and maturity) to the terms of the original notes for which they may be exchanged pursuant to the exchange offer, except that the exchange notes are freely transferable by holders (other than as provided herein), and are not subject to any obligation regarding registration under the Securities Act as described above.
No Minimum Condition.....	The exchange offer is not conditioned upon any minimum aggregate principal amount of original notes being tendered for exchange.
Expiration Date; Withdrawal of Tenders.....	The exchange offer will expire at 5:00 p.m., New York City time, on , 2001 (the "expiration date"), unless the exchange offer is extended, in which case the term "expiration date" means the latest date and time to which the exchange offer is extended. We do not currently intend to extend the expiration date. Tenders may be withdrawn at any time prior to 5:00 p.m., New York City time, on the expiration date. See "The Exchange Offer - Withdrawal Rights."
Exchange Date.....	The date of acceptance for exchange of the original notes will be the fourth business day following the expiration date.
Conditions to the Exchange Offer.....	The exchange offer is subject to certain customary conditions, which may be waived by us. We currently expect that each of the conditions will be satisfied and that no waivers will be necessary. See "The Exchange Offer - Certain Conditions to the Exchange Offer." We reserve the right to terminate or amend the exchange offer at any time prior to the expiration date upon the occurrence of any such condition.
Procedures for Tendering Original notes.....	Each holder wishing to accept the exchange offer must complete, sign and date the letter of transmittal, or a facsimile thereof, in accordance with the instructions contained herein and therein, and mail or otherwise deliver the letter of transmittal, or such facsimile, together with the original notes and any other required documentation to the exchange agent at the address set forth therein. See "The Exchange Offer - Procedures for Tendering Original Notes" and "Plan of Distribution."

Use of Proceeds.....	We will not receive any proceeds from the exchange of original notes pursuant to the exchange offer.
Federal Income Tax Considerations.....	The exchange of notes pursuant to the exchange offer should not be a taxable event for federal income tax purposes. See "Certain U.S. Federal Income Tax Considerations."
Special Procedures for Beneficial Owners.....	Any beneficial owner whose original notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender should contact the registered holder promptly and instruct the registered holder to tender on behalf of such beneficial owner. If a beneficial owner wishes to tender on its own behalf, such beneficial owner must, prior to completing and executing the letter of transmittal and delivering the original notes, either make appropriate arrangements to register ownership of the original notes in its name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time. See "The Exchange Offer - Procedures for Tendering Original Notes."
Guaranteed Delivery Procedures.....	Holders of original notes who wish to tender their original notes and whose original notes are not immediately available or who cannot deliver their original notes, the letter of transmittal or any other documents required by the letter of transmittal to the exchange agent prior to the expiration date must tender their original notes according to the guaranteed delivery procedures set forth in "The Exchange Offer - Procedures for Tendering Original Notes."
Acceptance of Original Notes and Delivery of Exchange Notes.....	We will accept for exchange any and all original notes which are properly tendered in the exchange offer prior to 5:00 p.m., New York City time, on the expiration date. The exchange notes issued pursuant to the exchange offer will be delivered promptly following the expiration date. See "The Exchange Offer - Acceptance of Original Notes for Exchange; Delivery of Exchange Notes."
Effect on Holders of Original Notes.....	As a result of the making of, and upon acceptance for exchange of all validly tendered original notes pursuant to the terms of the exchange offer, we will have fulfilled an obligation contained in the exchange and registration rights agreement (the "exchange and registration rights agreement") dated as of August 23, 2001 among us, WESCO International and the initial purchasers identified therein, and, accordingly, there will be no liquidated damages payable pursuant to the terms of the registra-

	tion rights agreement, and the holders of the original notes will have no further registration or other rights under the exchange and registration rights agreement. Holders of the original notes who do not tender their original notes in the exchange offer will continue to hold such original notes and will be entitled to all the rights and limitations applicable thereto under the indenture dated as of August 23, 2001 (the "indenture") among us, WESCO International and Bank One, N.A., as Trustee relating to the original notes and the exchange notes, except for any such rights under the exchange and registration rights agreement that by their terms terminate or cease to have any further effect as a result of the making of, and the acceptance for exchange of all validly tendered original notes pursuant to, the exchange offer.
Consequence of Failure to Exchange.....	Holders of original notes who do not exchange their original notes for exchange notes pursuant to the exchange offer will continue to be subject to the restrictions on transfer of the original notes provided for in the original notes and in the indenture and as set forth in the legend on the original notes. In general, the original notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities law. We do not currently anticipate that we will register the original notes under the Securities Act. To the extent that original notes are tendered and accepted in the exchange offer, the trading market for untendered original notes could be adversely affected.
Exchange Agent.....	Bank One, N.A. is serving as exchange agent (the "exchange agent") in connection with the exchange offer. See "The Exchange Offer - Exchange Agent."

THE EXCHANGE NOTES

The following summary contains basic information about the exchange notes. It does not contain all of the information that is important to you. For a more complete understanding of the notes, you should refer to the section of this prospectus entitled "Description of the Notes."

Issuer.....	WESCO Distribution, Inc.
Securities Offered.....	$100,000,000 aggregate principal amount of 9 1/8% senior subordinated notes due 2008 (the "exchange notes").
Maturity.....	June 1, 2008.
Interest Payment Dates.....	Interest on the exchange notes will be payable in cash semi-annually in arrears on each June 1 and December 1, commencing December 1, 2001. Interest on the exchange notes will accrue from the last interest payment date on which interest was paid on the original notes surrendered in the exchange offer or, if no interest has been paid on such notes, from August 23, 2001.
Original Issue Discount.....	The original notes were issued with original issue discount. Because the exchange of notes pursuant to the exchange offer should not be a taxable event for U.S. federal income tax purposes, the exchange notes will also be treated as having been issued with original issue discount in an amount equal to the excess of the stated redemption price at maturity of the exchange notes over the issue price of such notes. Holders of the exchange notes will be required to include the original issue discount in ordinary income for U.S. federal income tax purposes as it accrues regardless of whether the holder uses the cash or accrual method of accounting. See "Certain U.S. Federal Income Tax Considerations."
Optional Redemption.....	Except as described below, we will not have the option of redeeming the exchange notes prior to June 1, 2003. After June 1, 2003, we will have the option of redeeming the notes, in whole or in part, at the redemption prices described in this prospectus, together with accrued and unpaid interest and liquidated damages, if any, to the date of redemption. See "Description of the Notes -- Optional Redemption."
Change of Control.....	Upon the occurrence of a change of control: - we will have the option, at any time on or prior to June 1, 2003, to redeem the exchange notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the exchange notes, together with accrued and unpaid interest

	and liquidated damages, if any, to the date of redemption plus the applicable premium; and - if we do not redeem the exchange notes in this manner or if a change of control occurs after June 1, 2003, each holder of the exchange notes will have the right to require us to make an offer to repurchase such holder's exchange notes at a price equal to 101% of the principal amount of the holder's exchange notes, together with accrued and unpaid interest and liquidated damages, if any, to the date of repurchase. See "Description of the Notes -- Change of Control" and "-- Ranking."
Guarantees..... guaranteed by WESCO International on	The exchange notes will be unconditionally a senior subordinated basis. The guarantee will be subordinated in right of payment to all existing and future senior indebtedness of WESCO International, including the guarantee of senior indebtedness under the revolving credit facility ($54.1 million on an as adjusted basis as of June 30, 2001) and effectively subordinated to all indebtedness and other liabilities of WESCO International's subsidiaries ($604.2 million on an as adjusted basis as of June 30, 2001, including trade payables of $512.8 million). Investors should not rely on WESCO International's guarantee in evaluating an investment in the exchange notes. See "Risk Factors."
Ranking.....	The exchange notes will be unsecured, will be subordinated in right of payment to all existing and future senior indebtedness of WESCO Distribution and will be effectively subordinated to all obligations of the subsidiaries of WESCO Distribution. The exchange notes will rank pari passu with our $300 million aggregate principal amount of 9 1/8% senior subordinated notes due 2008, which were issued in 1998 (the "1998 notes"), and any future senior subordinated indebtedness of WESCO Distribution and will rank senior to all subordinated obligations of WESCO Distribution. As of June 30, 2001, on an as adjusted basis: - WESCO Distribution had outstanding senior indebtedness of $60.7 million, of which $54.1 million was secured indebtedness (exclusive of unused commitments under our revolving credit facility); - WESCO Distribution had no outstanding senior subordinated indebtedness other than our 1998 notes; and

	- WESCO Distribution's subsidiaries had no indebtedness, excluding guarantees of $54.1 million of indebtedness under our revolving credit facility (but would have had trade payables and other liabilities incurred in the ordinary course of business). See "Risk Factors" and "Description of the Notes -- Ranking."
Certain Covenants.....	The indenture governing the exchange notes contains covenants that, subject to certain exceptions, limits the ability of us and our subsidiaries to: - pay dividends or make certain other restricted payments or investments; - incur additional indebtedness and issue disqualified stock and preferred stock; - create liens on assets; - merge, consolidate, or sell all or substantially all of our assets; - enter into certain transactions with affiliates; - create restrictions on dividends or other payments by the subsidiaries of WESCO Distribution; and - incur indebtedness senior to the notes but junior to senior indebtedness. These covenants are subject to a number of important exceptions and qualifications. See "Description of the Notes."
Use of Proceeds.....	We will not receive any proceeds from the exchange of the original notes for exchange notes pursuant to the exchange offer. See "Use of Proceeds."
Absence of a Public Market.....	The exchange notes are new securities and there is currently no established market for the exchange notes. Accordingly, there can be no assurance as to the development or liquidity of any market for the exchange notes. The initial purchasers have advised us that they currently intend to make a market in the exchange notes. However, they are not obligated to do so, and any market making with respect to the exchange notes may be discontinued without notice. We do not intend to apply for listing of the exchange notes on any national securities exchange or for their quotation on an automated dealer quotation system.

RISK FACTORS

Your participation in the exchange offer and investment in the notes will involve certain risks. You should carefully consider the discussion of risks beginning on page 16 and the other information included or incorporated by reference into this prospectus prior to participating in the exchange offer.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following summary consolidated historical financial information for the three years ended December 31, 2000 have been derived from the audited historical consolidated financial statements contained elsewhere in this prospectus. We have derived the summary consolidated financial data for the six months ended June 30, 2000 and 2001 from the unaudited historical consolidated financial statements contained elsewhere in this prospectus, which in the opinion of management, include all adjustments, consisting only of normal recurring adjustments, necessary for fair presentation of that data. The results of operations for the interim period presented should not be regarded as indicative of the results that may be expected for a full year. Our historical results are not necessarily indicative of our future operating results. The summary consolidated financial data should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the audited historical consolidated financial statements of WESCO International, Inc. and its subsidiaries and the notes thereto contained elsewhere in this prospectus.

	YEAR ENDED DECEMBER 31,			SIX MONTHS ENDED JUNE 30,	
	1998(1)	1999(1)	2000	2000	2001
	(DOLLARS IN MILLIONS)				
STATEMENT OF OPERATIONS DATA:					
Net sales	$3,025.4	$3,423.9	$3,881.1	$1,916.0	$1,872.2
Gross profit	537.6	616.6	684.1	338.9	331.9
Selling, general and administrative expenses	415.0	471.2	524.3	257.9	266.0
Depreciation and amortization	14.8	20.4	25.0	11.5	15.0
Restructuring charge(2)	--	--	9.4	--	--
Recapitalization costs(3)	51.8	--	--	--	--
Income from operations	56.0	125.0	125.4	69.5	50.9
Interest expense, net	45.1	47.0	43.8	21.6	21.9
Other expenses(4)	10.1	19.5	24.9	11.3	10.7
Income before income taxes	0.8	58.5	56.7	36.6	18.3
Provision for income taxes	8.5(5)	23.4	23.3	14.6	7.3
Income (loss) before extraordinary item	(7.7)	35.1	33.4	22.0	11.0
Extraordinary item, net of taxes(6)	--	(10.5)	--	--	--
Net income (loss)	$ (7.7)	$ 24.6	$ 33.4	$ 22.0	$ 11.0
OTHER FINANCIAL DATA:					
EBITDA before recapitalization and restructuring charges(7)(8)	$ 122.6	$ 145.3	$ 159.8	$ 81.0	$ 65.9
Capital expenditures	10.7	21.2	21.6	7.6	8.0
Net cash provided by operating activities(9)	276.9	66.4	46.9	26.7	92.2
Net cash used for investing activities	(184.1)	(71.9)	(60.7)	(21.5)	(59.5)
Net cash provided by (used for) financing activities	(92.3)	6.3	26.0	3.2	(48.9)
BALANCE SHEET DATA (AS OF PERIOD END):					
Cash and cash equivalents	$ 8.1	$ 8.8	$ 21.1	$ 17.2	$ 4.9
Working capital	115.6	199.0	240.4	212.6	176.1
Total assets	950.5	1,028.8	1,170.0	1,152.2	1,173.6
Total long-term debt (including current portion)(10)	595.8	426.4	483.3	452.3	439.7
Total stockholders' equity (deficit)	(142.6)	117.3	125.0	119.7	136.3

(1) Certain prior period amounts have been reclassified to conform with the current year presentation. Pursuant to Emerging Issues Task Force Issue No. 00-10, "Accounting for Shipping and Handling Fees and Costs," we have reclassified freight billed to customers from selling, general and administrative expenses to net sales.

(2) Represents a restructuring charge taken in the fourth quarter of 2000 which primarily consists of a $5.4 million charge related to the closure of 14 branch operations and a $4.0 million writedown of an investment in an affiliate. See Note 4 to the audited consolidated financial statements included elsewhere in this prospectus.

(3) Represents a one-time charge primarily related to noncapitalized financing expenses, professional and legal fees and management compensation costs in connection with the June 5, 1998 recapitalization of WESCO International. See Note 5 to the audited consolidated financial statements included elsewhere in this prospectus.

(4) Represents costs relating to the sale of accounts receivable pursuant to the receivables facility. See Note 6 to the audited consolidated financial statements included elsewhere in this prospectus.

(5) Certain nondeductible recapitalization costs and other permanent differences significantly exceeded income before income taxes and resulted in an unusually high provision for income taxes.

(6) Represents a charge, net of tax, relating to the writeoff of unamortized debt issuance and other costs associated with the early extinguishment of debt and the 1999 termination of the then-existing accounts receivable securitization program.

(7) EBITDA before recapitalization and restructuring charges represents income from operations plus depreciation and amortization, recapitalization costs and restructuring charges. EBITDA before recapitalization and restructuring charges is presented since management believes that such information is considered by certain investors to be an additional basis for evaluating our ability to pay interest and repay debt. EBITDA should not be considered as an alternative to measures of operating performance as determined in accordance with generally accepted accounting principles, as a measure of our operating results and cash flows or as a measure of our liquidity. Since EBITDA is not calculated identically by all companies, the presentation herein may not be comparable to other similarly titled measures of other companies.

(8) All periods presented include the results of operations of the acquired companies from the date of acquisition.

(9) Net cash provided by operating activities includes proceeds from the sale of receivables of $274.2 million, $60.0 million and $40.0 million in the years ended December 31, 1998, 1999 and 2000, respectively, and $15.0 million and $0 for the six months ended June 30, 2000 and 2001, respectively.

(10) Excludes the off-balance sheet receivables facility. See Note 6 to the audited consolidated financial statements included elsewhere in this prospectus.

RISK FACTORS

Holders of original notes should consider carefully, in addition to the other information contained in this prospectus, the following factors before deciding whether to participate in the exchange offer. The risk factors set forth below under "-Risks Relating to Our Business" and "-Risks Relating to the Notes" are generally applicable to the original notes as well as the exchange notes.

RISKS RELATING TO THE EXCHANGE OFFER

IF YOU DO NOT EXCHANGE YOUR ORIGINAL NOTES PURSUANT TO THE EXCHANGE OFFER, YOUR ORIGINAL NOTES WILL CONTINUE TO BE SUBJECT TO THE EXISTING TRANSFER RESTRICTIONS ON THE ORIGINAL NOTES AND YOU MAY NOT BE ABLE TO SELL YOUR ORIGINAL NOTES.

Holders of original notes who do not exchange their original notes for exchange notes pursuant to the exchange offer will continue to be subject to the restrictions on transfer of the original notes as set forth in the legend on the original notes. In general, original notes may not be offered or sold unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. We do not currently intend to register the original notes under the Securities Act. Based on interpretations by the Staff of the SEC, we believe that exchange notes issued pursuant to the exchange offer in exchange for original notes may be offered for resale, resold or otherwise transferred by holders thereof (other than any holder which is an "affiliate" of us or of WESCO International within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that the original notes were acquired in the ordinary course of such holder's business and such holders have no arrangement with any person to participate in the distribution of the exchange notes. Each broker-dealer that receives exchange notes for its own account in exchange for original notes, where the original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. See "Plan of Distribution." To the extent that original notes are tendered and accepted in the exchange offer, the trading market for untendered and tendered but unaccepted original notes will be adversely affected.

RISKS RELATING TO OUR BUSINESS

OUR SUBSTANTIAL AMOUNT OF DEBT RESULTS IN SUBSTANTIAL DEBT SERVICE OBLIGATIONS THAT COULD ADVERSELY AFFECT OUR ABILITY TO FULFILL OUR OBLIGATIONS UNDER THE NOTES AND COULD LIMIT OUR GROWTH AND IMPOSE RESTRICTIONS ON OUR BUSINESS.

We are and will continue to be significantly leveraged following the offering. As of June 30, 2001, on an as adjusted basis, we would have had $440.4 million of consolidated indebtedness and stockholders' equity of $136.1 million. See "Capitalization" and "Selected Consolidated Financial Data." We and our subsidiaries may incur additional indebtedness (including certain senior indebtedness) in the future, subject to certain limitations contained in the instruments governing our indebtedness. Accordingly, we will have significant debt service obligations.

Our debt service obligations will have important consequences to the holders of the notes, including the following:

- a substantial portion of cash flow from our operations will be dedicated to the payment of principal and interest on our indebtedness, thereby reducing the funds available for operations, future business opportunities and acquisitions and other purposes and increasing our vulnerability to adverse general economic and industry conditions;

- our ability to obtain additional financing in the future may be limited;

- certain of our indebtedness (including, but not limited to, the amounts borrowed under the revolving credit facility) will be at variable rates of interest, which will make us vulnerable to increases in interest rates;

- all of the indebtedness incurred in connection with the revolving credit facility will become due prior to the time the principal payment on the notes will become due;

- we will be substantially more leveraged than certain of our competitors, which might place us at a competitive disadvantage; and

- we may be hindered in our ability to adjust rapidly to changing market conditions.

Our ability to make scheduled payments of the principal of, or to pay interest on, or to refinance our indebtedness (including the notes) and to make scheduled payments under our operating leases or to fund planned capital expenditures or finance acquisitions will depend on our future performance, which to a certain extent is subject to economic, financial, competitive and other factors beyond our control. There can be no assurance that our business will continue to generate sufficient cash flow from operations in the future to service our debt, make necessary capital expenditures or meet other cash needs. If unable to do so, we may be required to refinance all or a portion of our existing debt, including the notes, to sell assets or to obtain additional financing. There can be no assurance that any such refinancing or that any such sale of assets or additional financing would be possible on terms reasonably favorable to us. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources."

RESTRICTIVE DEBT COVENANTS CONTAINED IN OUR REVOLVING CREDIT FACILITY AND THE INDENTURE COULD LIMIT OUR ABILITY TO TAKE CERTAIN ACTIONS.

The revolving credit facility and the indenture contain numerous financial and operating covenants that will limit the discretion of our management with respect to certain business matters. These covenants place significant restrictions on the ability of us, our subsidiaries and WESCO International to:

- incur additional indebtedness;

- pay dividends and other distributions;

- repay subordinated obligations;

- enter into sale and leaseback transactions;

- create liens or other encumbrances;

- make certain payments and investments;

- engage in certain transactions with affiliates;

- make certain acquisitions;

- sell or otherwise dispose of assets; and

- merge or consolidate with other entities,

and will otherwise restrict corporate activities.

The revolving credit facility also requires us to meet certain financial ratios and tests. Our ability to comply with these and other provisions of the revolving credit facility and the indenture may be affected by changes in economic or business conditions or other events beyond our control. A failure to comply with the obligations contained in the revolving credit facility or the indenture could result in an event of default under either the revolving credit

facility or the indenture which could result in acceleration of the related debt and the acceleration of debt under other instruments evidencing indebtedness that may contain cross-acceleration or cross-default provisions. If the indebtedness under the revolving credit facility were to be accelerated, there can be no assurance that our assets would be sufficient to repay in full such indebtedness and our other indebtedness, including the notes. See "Description of the Notes" and "Description of Other Indebtedness and Receivables Facility."

DOWNTURNS IN THE ELECTRICAL DISTRIBUTION INDUSTRY HAVE HAD IN THE PAST, AND MAY IN THE FUTURE HAVE, AN ADVERSE EFFECT ON OUR SALES AND PROFITABILITY.

The electrical distribution industry is affected by changes in economic conditions, including national, regional and local slowdowns in construction and industrial activity, which are outside our control. Our operating results may also be adversely affected by increases in interest rates that may lead to a decline in economic activity, particularly in the construction market, while simultaneously resulting in higher interest payments under the revolving credit facility. In addition, during periods of economic slowdown such as the one we are currently experiencing, our credit losses increase. There can be no assurance that economic slowdowns, adverse economic conditions or cyclical trends in certain customer markets will not have a material adverse effect on our operating results and financial condition.

AN INCREASE IN COMPETITION COULD DECREASE SALES OR EARNINGS.

We operate in a highly competitive industry. We compete directly with national, regional and local providers of electrical and other industrial MRO supplies. Competition is primarily focused on the local service area and is generally based on product line breadth, product availability, service capabilities and price. Other sources of competition are buying groups formed by smaller distributors to increase purchasing power and provide some cooperative marketing capability. During 1999 and 2000 numerous special purpose Internet-based procurement service companies, auction businesses and trade exchanges were organized. Many of them targeted industrial MRO and contractor customers of the type served by us. We expect that numerous new competitors will develop over time as Internet-based enterprises become more established and refine their service capabilities.

Some of our existing competitors have, and new market entrants may have, greater financial and marketing resources than we do. To the extent existing or future competitors seek to gain or retain market share by reducing prices, we may be required to lower our prices, thereby adversely affecting financial results. Existing or future competitors also may seek to compete with us for acquisitions, which could have the effect of increasing the price and reducing the number of suitable acquisitions. In addition, it is possible that competitive pressures resulting from the industry trend toward consolidation could affect growth and profit margins. See "Business -- Competition."

SUCCESS OF OUR GROWTH STRATEGY MAY BE LIMITED BY THE AVAILABILITY OF APPROPRIATE ACQUISITIONS AND OUR ABILITY TO INTEGRATE ACQUIRED BUSINESSES INTO OURS.

A principal component of our growth strategy is to continue to expand through additional acquisitions that complement our operations in new or existing markets. Our acquisitions will involve risks, including the successful integration and management of acquired operations and personnel. The integration of acquired businesses may also lead to the loss of key employees of the acquired companies and diversion of management attention from ongoing business concerns. We may not be able to identify businesses that meet our strategic criteria and acquire them on satisfactory terms. We also may not have access to sufficient capital to complete certain acquisitions, and we will be constrained by restrictions in our revolving credit facility. Future acquisitions may not prove advantageous and could have a material adverse

effect on our operating results. See "Business -- Acquisition and Integration Program" and "Description of Other Indebtedness and Receivables Facility -- Revolving Credit Facility."

LOSS OF KEY SUPPLIERS OR LACK OF PRODUCT AVAILABILITY COULD DECREASE SALES AND EARNINGS.

Most of our agreements with suppliers are terminable by either party on 60 days notice or less. Our ten largest suppliers in 2000 accounted for approximately 32% of our purchases for the period. Our largest supplier was Eaton Corporation, through its Cutler-Hammer division, accounting for approximately 13% of our purchases. The loss of, or a substantial decrease in the availability of, products from any of these suppliers, or the loss of key preferred supplier agreements, could have a material adverse effect on our business. In addition, supply interruptions could arise from shortages of raw materials, labor disputes or weather conditions affecting products or shipments, transportation disruptions, or other reasons beyond our control. An interruption of operations at any of our five distribution centers could have a material adverse effect on the operations of branches served by the affected distribution center. Furthermore, we cannot be certain that particular products or product lines will be available to us, or available in quantities sufficient to meet customer demand. Such limited product access could put us at a competitive disadvantage. See "Business -- Products and Services."

A DISRUPTION OF OUR INFORMATION SYSTEMS COULD INCREASE EXPENSES, DECREASE SALES OR REDUCE EARNINGS.

A serious disruption of our information systems could have a material adverse effect on our business and results of operations. Our computer systems are an integral part of our business and growth strategies. We depend on our information systems to process orders, manage inventory and accounts receivable collections, purchase products, ship products to our customers on a timely basis, maintain cost-effective operations and provide superior service to our customers. See "Business -- Management Information Systems."

WESCO INTERNATIONAL'S CONTROLLING SHAREHOLDERS OWN APPROXIMATELY 44% OF ITS COMMON STOCK AND CAN EXERCISE SIGNIFICANT INFLUENCE OVER OUR AFFAIRS.

Approximately 44% of the issued and outstanding shares of common stock of WESCO International is held by Cypress and its affiliates. Accordingly, Cypress and its affiliates can exercise significant influence over our affairs, including the election of our directors, appointment of our management and approval of actions requiring the approval of our stockholders, including the adoption of amendments to our certificate of incorporation and approval of mergers or sales of substantially all of our assets. There can be no assurance that the interests of Cypress and its affiliates will not conflict with the interests of the holders of the notes.

RISKS RELATING TO THE NOTES

THE NOTES ARE UNSECURED SUBORDINATED OBLIGATIONS.

Our obligations under the notes are subordinate and junior in right of payment to all of our existing and future senior indebtedness. As of June 30, 2001, on an as adjusted basis, our aggregate amount of outstanding senior indebtedness would have been approximately $60.7 million (excluding unused commitments). Although the indenture contains limitations on the amount of additional indebtedness which we and our subsidiaries may incur, under certain circumstances, the amount of such indebtedness could be substantial, and such indebtedness could be senior indebtedness. By reason of such subordination, in the event of our insolvency, liquidation or other reorganization, the lenders under the revolving credit facility and other creditors who are holders of our senior indebtedness must be paid in full before the holders of

the notes may be paid. Accordingly, there may be insufficient assets remaining after payment of prior claims to pay amounts due on the notes. In addition, under certain circumstances, no payments may be made with respect to the notes if a default exists with respect to our senior indebtedness. See "Description of the Notes."

In addition, the notes are effectively subordinated to all liabilities of our subsidiaries, including trade payables and the guarantees by such subsidiaries of our obligations under the revolving credit facility. The notes are not guaranteed by any of our subsidiaries. As of June 30, 2001, on an as adjusted basis, our subsidiaries would have had no indebtedness (excluding guarantees of our obligations under the revolving credit facility), but would have had trade payables and other liabilities incurred in the ordinary course of business. Our right to receive assets of any of our subsidiaries upon liquidation or reorganization of such subsidiary will be subordinated to the claims of that subsidiary's creditors (including trade creditors), except to the extent we are recognized as a creditor of such subsidiary. See "Description of the Notes -- Ranking."

The WESCO International guarantee is subordinated in right of payment to all existing and future senior indebtedness of WESCO International, including the guarantee of senior indebtedness under the revolving credit facility ($54.1 million on an as adjusted basis as of June 30, 2001) and effectively subordinated to all indebtedness and other liabilities of WESCO International's subsidiaries ($604.2 million on an as adjusted basis as of June 30, 2001 including trade payables of $512.8 million). Investors should not rely on the WESCO International guarantee in evaluating an investment in the notes.

WESCO INTERNATIONAL AND ITS SUBSIDIARIES' ASSETS REMAIN SUBJECT TO A FIRST PRIORITY PLEDGE UNDER THE REVOLVING CREDIT FACILITY.

Our obligations under the revolving credit facility are secured by a first priority pledge of and security interest in substantially all of the assets, except for real property, of WESCO International and its subsidiaries. If either we or WESCO International become insolvent or are liquidated, or if payment under any of the revolving credit facility or any other secured indebtedness is accelerated, the lenders under the revolving credit facility or such other secured indebtedness will be entitled to exercise the remedies available to a secured lender under applicable law (in addition to any remedies that may be available under the instruments pertaining to the credit facility or such other secured indebtedness). The notes are not secured. Accordingly, holders of such secured indebtedness will have a prior claim with respect to the assets securing such indebtedness. See "Description of Other Indebtedness and Receivables Facility."

A CHANGE OF CONTROL MAY TRIGGER A DEMAND BY NOTEHOLDERS FOR THE REPURCHASE OF THE NOTES.

Upon the occurrence of a change of control:

- we will have the option, at any time on or prior to June 1, 2003 to redeem the notes, in whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest and liquidated damages, if any, to the date of redemption plus the applicable premium; and

- if we do not redeem the notes as set forth above, or such change in control occurs after June 1, 2003, each holder of a note will have the right to require us to make an offer to repurchase such holder's note at a price equal to 101% of the principal amount thereof, together with accrued and unpaid interest and liquidated damages, if any, to the date of repurchase in the case of a note.

The revolving credit facility prohibits us from repurchasing any notes, except in certain circumstances. The revolving credit facility also provides that certain change of control events

with respect to us constitute a default thereunder. Any future credit agreements or other agreements relating to senior indebtedness to which we become a party may contain similar restrictions and provisions. If the purchase of the notes upon a change of control would violate or constitute a default under any other of our indebtedness, then we shall, to the extent needed to permit such purchase of notes, either (i) repay all such indebtedness and terminate all commitments outstanding thereunder or (ii) request the holders of such indebtedness to give the requisite consents to permit the purchase of the notes. Until such time as we are able to repay all such indebtedness and terminate all commitments outstanding thereunder or such time as such requisite consents are obtained, we will not be required to purchase the notes upon a change of control. In the event of a change of control, there can be no assurance that we would have sufficient funds or assets to satisfy all of our obligations under the revolving credit facility and the notes. The provisions relating to a change of control included in the indenture may increase the difficulty of a potential acquiror obtaining control of us. See "Description of the Notes -- Change of Control."

AN ADVERSE COURT DECISION THAT WE PARTICIPATED IN A FRAUDULENT TRANSFER COULD LIMIT OUR ABILITY TO REPAY THE SENIOR SUBORDINATED NOTES.

The incurrence of indebtedness by us, such as the notes, may be subject to review under federal bankruptcy law or relevant state fraudulent conveyance laws if a bankruptcy case or lawsuit is commenced by or on behalf of our unpaid creditors. Under these laws, if, in a bankruptcy or reorganization case or a lawsuit by or on behalf of our unpaid creditors, a court were to find that, at the time we incurred indebtedness, including indebtedness under the notes:

- we incurred such indebtedness with the intent of hindering, delaying or defrauding current or future creditors; or

- (a) we received less than reasonably equivalent value or fair consideration for incurring such indebtedness and (b) we (1) were insolvent or were rendered insolvent by reason of any of the transactions, (2) were engaged, or about to engage, in a business or transaction for which our assets remaining with us constituted unreasonably small capital to carry on our business, (3) intended to incur, or believed that we would incur, debts beyond our ability to pay as such debts matured (as all of the foregoing terms are defined in or interpreted under the relevant fraudulent transfer or conveyance statutes) or (4) were a defendant in an action for money damages, or had a judgment for money damages docketed against us (if, in either case, after final judgment, the judgment is unsatisfied),

then such court could avoid or subordinate the amounts owing under the notes to our presently existing and future indebtedness and take other actions detrimental to the holders of the notes.

The measure of insolvency for purposes of the foregoing considerations will vary depending upon the law of the jurisdiction that is being applied in any such proceeding. Generally, however, we would be considered insolvent if, at the time we incurred the indebtedness, either:

- the sum of our debts (including contingent liabilities) is greater than our assets, at a fair valuation; or

- the present fair saleable value of our assets is less than the amount required to pay the probable liability on our total existing debts and liabilities (including contingent liabilities) as they become absolute and matured.

There can be no assurance as to what standards a court would use to determine whether we were solvent at the relevant time, or whether, whatever standard was used, the notes would

not be avoided or further subordinated on another of the grounds set forth above. In rendering their opinions in connection with the offering, our counsel and counsel for the initial purchasers will not express any opinion as to the applicability of federal or state fraudulent transfer and conveyance laws.

We believe that at the time the indebtedness constituting the notes was incurred by us, we:

- were (a) neither insolvent nor rendered insolvent thereby, (b) in possession of sufficient capital to run our businesses effectively, and (c) incurring debts within our ability to pay as the same mature or become due; and

- had sufficient assets to satisfy any probable money judgment against us in any pending action.

In reaching the foregoing conclusions, we have relied upon our analyses of internal cash flow projections and estimated values of assets and liabilities. There can be no assurance, however, that a court passing on such questions would reach the same conclusions.

THERE IS NO PUBLIC MARKET FOR THE NOTES, AND AN ACTIVE MARKET MAY NOT DEVELOP OR BE MAINTAINED FOR THE NOTES.

The exchange notes are being offered to the holders of the original notes. The original notes were offered and sold in August 2001 to a small number of institutional investors in reliance upon an exemption from registration under the Securities Act and applicable state securities laws. Although the original notes are eligible for trading in the PORTAL market of the National Association of Securities Dealers, Inc., the original notes may be transferred or resold only in a transaction registered under or exempt from the Securities Act and applicable state securities laws.

The exchange notes generally will be permitted to be resold or otherwise transferred by each holder without the requirement of further registration. The exchange notes, however, constitute a new issue of securities with no established trading market. The exchange offer will not be conditioned upon any minimum or maximum aggregate principal amount of original notes being tendered for exchange. We do not intend to apply for a listing of the exchange notes on a securities exchange or an automated quotation system, and there can be no assurance as to the liquidity of markets that may develop for the exchange notes, the ability of the holders of the exchange notes to sell their exchange notes or the price at which such holders would be able to sell their exchange notes. If markets for the exchange notes were to exist, the exchange notes could trade at prices that may be lower than the initial market values thereof depending on many factors. The liquidity of, and trading market for, the exchange notes may be adversely affected by movements of interest rates, our financial performance and general declines in the market for similar securities. Such a decline may adversely affect the liquidity and trading market independent of our financial performance and prospects. The initial purchasers are not obligated to make a market in any of the notes, and any market making with respect to the notes may be discontinued at any time without notice. In addition, such market making activity may be limited during the pendency of the exchange offer or the effectiveness of a shelf registration statement in lieu thereof. See "Plan of Distribution."

In the case of non-exchanging holders of original notes, no assurance can be given as to the liquidity of any trading market for the original notes following the exchange offer.

THE EXCHANGE NOTES WILL BE ISSUED WITH ORIGINAL ISSUE DISCOUNT.

The original notes were issued with original issue discount. Because the exchange of notes pursuant to the exchange offer should not be a taxable event for U.S. federal income tax purposes, the exchange notes will also be treated as having been issued with original issue discount. See "Certain U.S. Federal Income Tax Considerations."

USE OF PROCEEDS

We will not receive any proceeds from the exchange of notes pursuant to the exchange offer. The net proceeds of approximately $86.9 million from the issuance of the original notes were used to repay a portion of the outstanding indebtedness under our revolving credit facility. The revolving credit facility matures on June 29, 2004. As of June 30, 2001, the average interest rate on borrowings under the revolving credit facility was 6.62% per annum.

CAPITALIZATION

The following table sets forth WESCO International's consolidated capitalization as of June 30, 2001 and as adjusted to give effect to the offer and sale of the original notes and the application of the estimated net proceeds therefrom as described under "Use of Proceeds." This information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," and other financial information included elsewhere or incorporated by reference into this prospectus.

	JUNE 30, 2001	
	ACTUAL	AS ADJUSTED
	(DOLLARS IN MILLIONS)	
TOTAL DEBT (INCLUDING CURRENT PORTION):		
Revolving credit facility(1)	$ 141.0	$ 54.1
1998 notes	292.1	292.1
Original notes	--	87.6
Other debt	6.6	6.6
TOTAL DEBT	439.7	440.4
TOTAL 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, 44,224,409 shares, actual and as adjusted	0.4	0.4
Class B nonvoting convertible common stock, $.01 par value; 20,000,000 shares authorized, 4,653,131, actual and as adjusted	--	--
Additional capital	569.8	569.8
Retained earnings (deficit)	(399.1)	(399.3)
Treasury stock, at cost; 3,976,897, actual and as adjusted	(33.4)	(33.4)
Accumulated other comprehensive income (loss)	(1.4)	(1.4)
TOTAL STOCKHOLDERS' EQUITY	$ 136.3	$ 136.1
TOTAL CAPITALIZATION	$ 576.0	$ 576.5

---

(1) As of August 31, 2001, after giving effect to the issuance of the original notes, the use of proceeds described above, and the amendment to the revolving credit facility, we had approximately $142.0 million outstanding under our revolving credit facility, with approximately $120.4 million available under the facility.

SELECTED CONSOLIDATED FINANCIAL DATA

The following data, insofar as it relates to each of the years 1996 through 2000, has been derived from financial statements audited by PricewaterhouseCoopers LLP, independent accountants. Consolidated balance sheets at December 31, 1999 and 2000 and the related consolidated statements of operations and of cash flows for the three years ended December 31, 2000 and notes thereto appear elsewhere in this prospectus. The data for the six months ended June 30, 2000 and 2001 has been derived from unaudited financial statements also appearing herein and which, in the opinion of management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results for the unaudited interim periods. The results of operations for the interim period presented should not be regarded as indicative of the results that may be expected for a full year. Our historical results are not necessarily indicative of our future operating results.

	YEAR ENDED DECEMBER 31,					SIX MONTHS ENDED JUNE 30,	
	1996(1)	1997(1)	1998(1)	1999(1)	2000	2000	2001
	(DOLLARS IN MILLIONS, EXCEPT SHARE DATA)						
STATEMENT OF OPERATIONS DATA:							
Net sales	$2,274.6	$2,594.8	$3,025.4	$3,423.9	$3,881.1	$1,916.0	$1,872.2
Gross profit	405.0	463.9	537.6	616.6	684.1	338.9	331.9
Selling, general and administrative expenses	326.0	372.5	415.0	471.2	524.3	257.9	266.0
Depreciation and amortization	10.8	11.3	14.8	20.4	25.0	11.5	15.0
Restructuring charge(2)	--	--	--	--	9.4	--	--
Recapitalization costs(3)	--	--	51.8	--	--	--	--
Income from operations	68.2	80.1	56.0	125.0	125.4	69.5	50.9
Interest expense, net	17.4	20.1	45.1	47.0	43.8	21.6	21.9
Other expenses(4)	--	--	10.1	19.5	24.9	11.3	10.7
Income before income taxes	50.8	60.0	0.8	58.5	56.7	36.6	18.3
Provision for income taxes	18.3	23.8	8.5(5)	23.4	23.3	14.6	7.3
Income (loss) before extraordinary item	32.5	36.2	(7.7)	35.1	33.4	22.0	11.0
Extraordinary item, net of applicable taxes(6)	--	--	--	(10.5)	--	--	--
Net income (loss)	$ 32.5	$ 36.2	$ (7.7)	$ 24.6	$ 33.4	$ 22.0	$ 11.0
Earnings (loss) per common share(7)							
Basic before extraordinary item	$ 0.55	$ 0.61	$ (0.17)	$ 0.82	$ 0.74	$ 0.48	$ 0.25
Basic	0.55	0.61	(0.17)	0.57	0.74	0.48	0.25
Diluted before extraordinary item	0.51	0.55	(0.17)	0.75	0.70	0.45	0.23
Diluted	0.51	0.55	(0.17)	0.53	0.70	0.45	0.23
Weighted average common shares outstanding(7)							
Basic	58,680,756	59,030,100	45,051,632	43,057,894	45,326,475	45,848,936	44,839,917
Diluted	63,670,919	66,679,063	45,051,632	47,524,539	47,746,607	48,367,059	47,041,072
OTHER FINANCIAL DATA:							
EBITDA before recapitalization and restructuring charges(8)(9)	$ 79.0	$ 91.4	$ 122.6	$ 145.3	$ 159.8	$ 81.0	$ 65.9
Capital expenditures	9.3	11.6	10.7	21.2	21.6	7.6	8.0
Net cash provided by (used for) operating activities(10)	15.1	(12.0)	276.9	66.4	46.9	26.7	92.2
Net cash used for investing activities	(110.9)	(21.5)	(184.1)	(71.9)	(60.7)	(21.5)	(59.5)
Net cash provided by (used for) financing activities	87.2	41.1	(92.3)	6.3	26.0	3.2	(48.9)
Ratio of earnings to fixed charges(11)	3.1x	3.1x	1.0x	2.0x	2.1x	2.4x	1.7x

	DECEMBER 31,					JUNE 30,	
	1996	1997	1998	1999	2000	2000	2001
BALANCE SHEET DATA (AS OF PERIOD END):							
Total assets	$ 773.5	$ 870.9	$ 950.5	$ 1,028.8	$ 1,170.0	$ 1,152.2	$ 1,173.6
Total long-term debt (including current portion)(12)	262.2	295.2	595.8	426.4	483.3	452.3	439.7
Redeemable common stock(13)	8.9	9.0	21.5	--	--	--	--
Total stockholders' equity (deficit)	148.7	184.5	(142.6)	117.3	125.0	119.7	136.3

---

(1) Certain prior period amounts have been reclassified to conform with the current year presentation. Pursuant to Emerging Issues Task Force Issue No. 00-10, "Accounting for Shipping and Handling Fees and Costs," we have reclassified freight billed to customers from selling, general and administrative expenses to net sales.

(2) Represents a restructuring charge taken in the fourth quarter of 2000 which primarily consists of a $5.4 million charge related to the closure of 14 branch operations and a $4.0 million writedown of an investment in an affiliate. See Note 4 to the audited consolidated financial statements included elsewhere in this prospectus.

(3) Represents a one-time charge primarily related to noncapitalized financing expenses, professional and legal fees and management compensation costs in connection with the June 5, 1998 recapitalization of WESCO International. See Note 5 to the audited consolidated financial statements included elsewhere in this prospectus.

(4) Represents costs relating to the sale of accounts receivable pursuant to the receivables facility. See Note 6 to the audited consolidated financial statements included elsewhere in this prospectus.

(5) Certain nondeductible recapitalization costs and other permanent differences significantly exceeded income before income taxes and resulted in an unusually high provision for income taxes.

(6) Represents a charge, net of tax, relating to the writeoff of unamortized debt issuance and other costs associated with the early extinguishments of debt and the 1999 termination of the then-existing accounts receivable securitization program.

(7) Reflects a 57.8 to one stock split effected in the form of a stock dividend of WESCO International common stock effective May 11, 1999.

(8) EBITDA before recapitalization and restructuring charges represents income from operations plus depreciation and amortization, recapitalization costs and restructuring charges. EBITDA before recapitalization and restructuring charges is presented since management believes that such information is considered by certain investors to be an additional basis for evaluating our ability to pay interest and repay debt. EBITDA should not be considered an alternative to measures of operating performance as determined in accordance with generally accepted accounting principles, or as a measure of our operating results and cash flows or as a measure of our liquidity. Since EBITDA is not calculated identically by all companies, the presentation herein may not be comparable to other similarly titled measures of other companies.

(9) All periods indicated include the results of operations of the acquired companies from the date of acquisition.

(10) Net cash provided by operating activities includes proceeds from the sale of receivables of $274.2 million, $60.0 million and $40.0 million in the years ended December 31,

1998, 1999 and 2000, respectively, and $15.0 million and $0 for the six months ended June 30, 2000 and 2001, respectively.

(11) For purposes of calculating the ratio of earnings to fixed charges, "earnings" represents income before income taxes and extraordinary charges plus fixed charges. "Fixed charges" consist of interest expense, amortization of deferred financing costs and the component of rental expense that management believes is representative of the interest component of rental expense.

(12) Excludes the off-balance sheet receivables facility. See Note 6 to the audited consolidated financial statements included elsewhere in this prospectus.

(13) Represents redeemable common stock as described in Note 11 to the audited consolidated financial statements included elsewhere in this prospectus.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the audited consolidated financial statements and notes thereto included elsewhere in this prospectus. For purposes of this discussion, the terms "we," "us," "our," the "Company" and "WESCO" refer to WESCO International and its consolidated subsidiaries. The principal asset of WESCO International is all of the outstanding capital stock of WESCO Distribution.

GENERAL

Our sales can be categorized as stock, direct ship and special order. Stock orders are filled directly from existing inventory and generally represent 40% to 45% of total sales. Approximately 42% to 48% of our total sales are direct ship sales. Direct ship sales are typically custom-built products, large orders or products that are too bulky to be easily handled and, as a result, are shipped directly to the customer from the supplier. Special orders are for products that are not ordinarily stocked in inventory and are ordered based on a customer's specific request. Special orders represent the remainder of total sales. Gross profit margins on stock and special order sales are approximately 50% higher than those on direct ship sales. Although direct ship gross margins are lower, operating profit margins are often comparable, since the product handling and fulfillment costs associated with direct shipments are much lower.

We have historically financed acquisitions, new branch openings, working capital needs and capital expenditures through internally generated cash flow and borrowings under our credit facilities. During the initial phase of an acquisition or new branch opening, we typically incur expenses related to installing or converting information systems, training employees and other initial operating activities. With some acquisitions, we may incur expenses in connection with the closure of any redundant branches. Historically, the costs associated with opening new branches, and closing branches in connection with certain acquisitions, have not been material. We have accounted for acquisitions under the purchase method of accounting.

We have been a leading consolidator in our industry, having acquired 25 companies from August 1995 through June 2001, representing annual sales of approximately $1.4 billion. Management distinguishes sales attributable to core operations separate from sales of acquired businesses. The distinction between sales from core operations and from acquired businesses is based on our internal records and on management estimates where the integration of acquired businesses results in the closing or consolidation of branches. However, "core operations" typically refers to all internally started branches and all acquired branches that have been in operation for the entire current and prior year-to-date periods. "Acquired businesses" generally refers to branch operations purchased by WESCO where the branches have not been under our ownership for the entire current and prior year-to-date periods.

Restructuring and Special Charges. In the fourth quarter of 2000, we commenced certain programs to reduce costs, improve productivity and exit certain operations. Total costs under these programs were $9.4 million, and were comprised of $5.4 million related to the closure of fourteen branch operations in the United States, Canada and the Balkans, and $4.0 million related to the writedown of an investment in an affiliate. The $5.4 million charge related to the closure of fourteen branch operations is principally comprised of an inventory writedown of approximately $4.0 million and lease termination costs of approximately $1.0 million, of which $0.4 million has been paid in 2001. The $4.0 million investment writedown is a result of management's decision to no longer pursue its business strategy with an affiliate.

In addition, we recorded other charges of $11.4 million in the fourth quarter of 2000. The other charges were comprised of $7.0 million of accounts receivables writeoffs due to the deteriorating credit environment and customer bankruptcy filings and $4.4 million relating to inventory writedowns as a result of actions taken to align inventories with current market

conditions. These other charges were recorded in selling, general and administrative expenses and costs of goods sold.

Recent Acquisition. In March 2001, WESCO completed its acquisition of all of the outstanding common stock of Herning Underground Supply, Inc. and Alliance Utility Products, Inc. (together, "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

The following table sets forth the percentage relationship to net sales of certain items in our Consolidated Statements of Operations for the periods presented:

	YEAR ENDED DECEMBER 31,			SIX MONTHS ENDED JUNE 30,	
	1998	1999	2000	2000	2001
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%
Gross profit	17.8	18.0	17.6	17.7	17.7
Selling, general and administrative expenses	13.7	13.7	13.5	13.5	14.2
Depreciation and amortization	0.5	0.6	0.7	0.6	0.8
Restructuring charge	--	--	0.2	--	--
Recapitalization costs	1.7	--	--	--	--
Income from operations	1.9	3.7	3.2	3.6	2.7
Interest expense	1.6	1.4	1.1	1.1	1.2
Other expenses	0.3	0.6	0.6	0.6	0.5
Income before income taxes and extraordinary item	--	1.7	1.5	1.9	1.0
Provision for income taxes	0.3	0.7	0.6	0.8	0.4
Extraordinary item, net of tax benefits	--	(0.3)	--	--	--
Net income (loss)	(0.3)%	0.7%	0.9%	1.1%	0.6%

Six Months Ended June 30, 2001 Compared to June 30, 2000

Net Sales. Net sales for the first six months of 2001 decreased $43.8 million, or 2.3%, to $1,872.2 million compared with $1,916.0 million in the prior year period, primarily due to a sales decline in our core business of 5.3% that was offset somewhat by increased sales of acquired companies as compared to prior year period. The mix of direct shipment sales for the six months ended June 30, 2001 and June 30, 2000 were 43.9% and 44.9%, respectively.

Gross Profit. Gross profit for the first six months of 2001 decreased $6.9 million, or 2.0%, to $332.0 million from $338.9 million in 2000. Gross profit margin percentage was 17.7% for both the current and prior year period. The decrease was primarily due to the aforementioned sales deterioration in our core business.

Selling, General and Administrative Expenses. SG&A expenses increased $8.1 million, or 3.1%, to $266.0 million. Excluding SG&A expenses associated with companies acquired during 2000 and 2001, SG&A expenses were essentially unchanged. Core business SG&A expenses decreased slightly due to reduction in certain discretionary benefits partially offset by increased bad debt expense. As a percentage of net sales, SG&A expenses increased to 14.2% compared with 13.5% in the prior year period reflecting a lower relative sales level.

Depreciation and Amortization. Depreciation and amortization increased $3.5 million to $15.0 million reflecting higher amortization of goodwill from acquisitions and increases in property, buildings and equipment over the prior year.

Interest and Other Expenses. Interest expense totaled $21.9 million for the first six months of 2001, an increase of $0.3 million from the same period in 2000. Other expenses totaled $10.7 million and $11.2 million for the first six months of 2001 and 2000, respectively, reflecting costs associated with the accounts receivable securitization. The $0.5 million decrease was principally due to the decreased fees associated with the securitized accounts receivable.

Income Taxes. Income tax expense totaled $7.3 million and $14.6 million in the first six months of 2001 and 2000, respectively. The effective tax rates for 2001 and 2000 were 40.0% and 39.9%, respectively. The effective tax rates differ from the federal statutory rate primarily due to state income taxes and nondeductible expenses.

Net Income. Net income and diluted earnings per share totaled $11.0 million and $0.23, respectively, for the first six months of 2001, compared with $22.0 million, or $0.45 per diluted share, for the first six months of 2000.

Year Ended December 31, 2000 Compared to Year Ended December 31, 1999

Net Sales. Net sales for the year ended December 31, 2000, increased by $457.2 million, or 13.4%, to $3.9 billion compared with $3.4 billion in the prior year. The increase was due principally to sales gains attributable to core business operations of almost 10%, while the remainder of the increase was primarily due to sales of acquired businesses. The mix of direct shipment sales increased to approximately 47% in 2000 from 46% in 1999 principally due to sales gains achieved at Bruckner Supply Company, Inc. The majority of Bruckner's sales are direct shipment.

Gross Profit. Gross profit for the year ended December 31, 2000, increased by $67.5 million to $684.1 million from $616.6 million in the prior year. Gross profit margin was 17.6% and 18.0% in 2000 and 1999, respectively. Excluding the effects of the other charges related to inventory rationalization of $4.4 million, gross profit margin decreased to 17.7% from 18.0% in the prior year due, in part, to a shift to lower margin direct ship project sales and also due to increased transportation costs.

Selling, General and Administrative Expenses. SG&A expenses increased $53.0 million, or 11.3%, to $524.3 million. Excluding the impact of the other charges of $7.0 million, related primarily to credit deterioration and bankruptcies, SG&A expenses increased $46.0 million or 9.8%. This increase was primarily due to increased expenses in core business operations and, to a lesser extent, increased SG&A of companies acquired during 1999 and 2000. Core business SG&A expense increased 6% over 1999, due principally to increased payroll costs. As a percentage of sales, excluding the other charges, SG&A expenses declined to 13.3% in 2000 from 13.8% in 1999, reflecting enhanced operating leverage at this higher relative sales volume.

Depreciation and Amortization. Depreciation and amortization increased $4.6 million to $25.0 million in 2000, reflecting higher amortization of goodwill from acquisitions and depreciation related to increases in property, buildings and equipment over the prior year.

Income from Operations. Income from operations increased $0.4 million to $125.4 million in 2000, compared with $125.0 million in 1999. Excluding the restructuring and other charges in 2000, operating income increased $21.2 million. This increase was primarily due to higher gross profit, partially offset by increased operating costs as explained above.

Interest and Other Expenses. Interest expense totaled $43.8 million for 2000, a decrease of $3.2 million from 1999. The decrease was primarily due to the lower level of borrowings since WESCO completed its initial public offering in the second quarter of 1999, as well as the

increased amount of securitized accounts receivable. Other expense totaled $24.9 million and $19.5 million in 2000 and 1999, respectively, reflecting costs associated with the accounts receivable securitization program. The $5.4 million increase was principally due to the increased level of securitized accounts receivable noted above.

Income Taxes. Income tax expense totaled $23.3 million in 2000, relatively unchanged from 1999. The effective tax rates for 2000 and 1999 were 41.0% and 39.9%, respectively. The increase in the rate in 2000 is principally related to the effect of increased nondeductible expenses on decreased pretax income as compared to the prior year.

Income Before Extraordinary Item. Income before extraordinary item totaled $33.4 million, or $0.70 per diluted share, compared with $35.1 million or $0.75 per diluted share, in 1999. Excluding the restructuring charge of $9.4 million, income before extraordinary item was $39.4 million or $0.83 per diluted share.

Net Income. Net income and diluted earnings per share totaled $33.4 million and $0.70 per share, respectively, in 2000, compared with $24.6 million and $0.53 per diluted share, respectively, in 1999. Net income in 1999 included an extraordinary item which decreased net income by $10.5 million.

Year Ended December 31, 1999 Compared to Year Ended December 31, 1998

Net Sales. Net sales for the year ended December 31, 1999, increased by $398.4 million, or 13.2%, to $3.4 billion compared with $3.0 billion in the prior year, primarily due to sales attributable to acquired companies. Core business sales increased approximately 4% over 1998. The mix of direct shipment sales increased to approximately 46% in 1999 from 42% in 1998, principally due to the Bruckner acquisition completed in September 1998. Substantially all of Bruckner's sales are direct shipment.

Gross Profit. Gross profit for the year ended December 31, 1999, increased by $79.0 million to $616.6 million from $537.6 million in 1998. Gross profit margin was 18.0% and 17.8% in 1999 and 1998, respectively. Excluding the effects of the Bruckner acquisition, which has a higher proportion of lower-margin direct shipment sales, gross profit margin increased to 18.7% from 18.1% in the prior year due to gross margin improvement initiatives.

Selling, General and Administrative Expenses. SG&A expenses increased $56.2 million, or 13.6%, to $471.3 million. This increase was substantially due to incremental expenses of companies acquired during 1998 and 1999 and, to a lesser extent, increased SG&A in our core business. Core business SG&A increased 6% over 1998, due principally to increased payroll costs and, to a lesser extent, increased transportation costs and bad debt expenses. These increases were partially offset by reductions in certain incentive-based compensation expenses and a reduction in certain discretionary benefits. As a percentage of sales, SG&A expenses remained flat compared to the prior year.

Depreciation and Amortization. Depreciation and amortization increased $5.5 million to $20.4 million in 1999, reflecting higher amortization of goodwill from acquisitions and depreciation related to increases in property, buildings and equipment over the prior year.

Income from Operations. Income from operations increased $69.0 million to $125.0 million in 1999, compared with $56.0 million in 1998. Excluding the nonrecurring recapitalization costs in 1998, operating income increased $17.2 million. The increase was primarily due to higher gross profit, partially offset by increased operating costs as explained above.

Interest and Other Expenses. Interest expense totaled $47.0 million for 1999, an increase of $1.8 million over 1998. The increase was primarily due to the higher levels of borrowings associated with the recapitalization and acquisitions, partially offset by the use of proceeds from the initial public offering of WESCO International common stock. Other expenses totaled

$19.5 million and $10.1 million in 1999 and 1998, respectively, reflecting costs associated with the accounts receivable securitization program that commenced in June 1998.

Income Taxes. Income tax expense totaled $23.3 million in 1999 and the effective tax rate was 39.9%. In 1998, income tax expense totaled $8.5 million. In 1998, we recorded charges of $51.8 million associated with the recapitalization that resulted in $0.8 million of income before taxes. Certain nondeductible recapitalization costs and other permanent differences significantly exceeded the $0.8 million of income before income taxes and resulted in an unusually high effective income tax rate.

Income Before Extraordinary Item. For 1999, income before extraordinary item totaled $35.1 million, or $0.75 per diluted share, compared with a loss of $7.7 million, or $0.17 per share, in 1998. The increases are primarily due to nonrecurring recapitalization costs incurred in 1998 and to improved operating results in 1999.

Net Income (Loss). Net income and diluted earnings per share totaled $24.6 million and $0.53 per share, respectively, in 1999, compared with a loss of $7.7 million, or $0.17 per share, respectively, in 1998. The increase is principally due to the recapitalization costs of $51.8 million incurred in 1998 and improved operating results in 1999 offset, in part, by the extraordinary item of $10.5 million in 1999.

LIQUIDITY AND CAPITAL RESOURCES

Total assets were approximately $1.2 billion at June 30, 2001, a $3.6 million increase over December 31, 2000. Stockholders' equity totaled $136.3 million at June 30, 2001, compared with $125.0 million at December 31, 2000.

The following table sets forth WESCO's outstanding indebtedness:

	DECEMBER 31,		JUNE 30,
	1999	2000	2001
	(IN MILLIONS)		
Revolving credit facility(1)	$132.0	$189.6	$141.0
Senior subordinated notes	290.3	291.5	292.1
Other	4.0	2.2	6.6
	426.3	483.3	439.7
Less current portion	(3.8)	(0.6)	(1.5)
	$422.5	$482.7	$438.2

---

(1) As of August 31, 2001, after giving effect to the issuance of the original notes, the use of proceeds from the sale of the original notes, and the amendment to the revolving credit facility, approximately $142.0 million was outstanding under the revolving credit facility, with $120.4 million available under the facility.

Revolving Credit Facility

In June 1999, WESCO Distribution entered into a revolving credit facility with a consortium of financial institutions. At June 30, 2001, the revolving credit facility, which matures in June 2004, consisted of up to $344 million of revolving loans denominated in U.S. dollars and a Canadian sublimit totaling US$35 million. Borrowings under the revolving credit facility are collateralized by substantially all of the assets of WESCO Distribution other than the accounts receivable sold under the receivables facility and are guaranteed by WESCO International and certain subsidiaries.

Borrowings bear rates of interest equal to various indices, at our option plus a borrowing margin. At June 30, 2001, the average interest rate on the revolving credit facility borrowings was 6.62%. A commitment fee of 30 to 50 basis points per year is due on unused portions of the revolving credit facility.

Our credit agreements contain various restrictive covenants that, among other things, impose limitations on (i) dividend payments or certain other restricted payments or investments; (ii) the incurrence of additional indebtedness and guarantees or issuance of additional stock; (iii) creation of liens; (iv) mergers, consolidation or sales of substantially all of our assets; (v) certain transactions among affiliates; (vi) payments by certain subsidiaries to us; and (vii) capital expenditures. In addition, the agreements require us to meet certain leverage, working capital and interest coverage ratios. We are in compliance with all such covenants at June 30, 2001.

In December 2000, WESCO Distribution amended its revolving credit facility, which provided additional operating flexibility and increased the maximum amount allowable under the accounts receivable securitization program to $475 million from $375 million, and also amended certain financial covenants. Receivables sold under the accounts receivable securitization program in excess of $375 million will permanently reduce the amount available under the revolving credit facility on a dollar for dollar basis. In January 2001, the amount available under the revolving credit facility decreased from $400 million to the currently available $379 million due to a temporary $21 million increase in the receivables facility to $396 million.

On August 3, 2001, WESCO Distribution entered into a further amendment to its revolving credit facility, which, among other things, affected the pricing of and amounts available under the revolving credit facility. The LIBOR borrowing margins applicable to advances under the revolving credit facility, which previously ranged from 100 to 200 basis points, were amended to range from 150 to 250 basis points, depending upon our leverage ratio. The amendment also provided for an immediate reduction in the maximum amount available from approximately $379 million to approximately $285 million, which was further reduced by $0.25 for every dollar of net proceeds that we received from our sale of the original notes. As a result, after receipt of net proceeds of approximately $86.9 million from our sale of the original notes, the maximum amount available under the revolving credit facility was approximately $263 million as of the time of the original notes issuance and will decrease over the life of the facility to approximately $163 million at maturity in 2004.

The amendment also amends certain financial and other covenants, including our covenants with respect to applicable leverage ratios, interest coverage ratios and working capital ratios. The amendment also restricts our ability to make acquisitions and prohibits WESCO International from repurchasing shares of its common stock under the share repurchase program. See "Description of Other Indebtedness and Receivables Facility -- Revolving Credit Facility."

Accounts Receivable Securitization Program

WESCO maintains an accounts receivable securitization program ("receivables facility") with several financial institutions under which WESCO sells, on a continuous basis, to WESCO Receivables Corporation, a wholly-owned special purpose company ("SPC") an undivided interest in all eligible accounts receivable. The SPC sells without recourse to a third party conduit all the receivables while maintaining a subordinated interest in the form of overcollateralization in a portion of the receivables. WESCO has agreed to continue servicing the sold receivables for the financial institution at market rates; accordingly, no servicing asset or liability has been recorded. The amount available to WESCO under the receivables facility fluctuates on a monthly basis depending upon the amount of eligible receivables that WESCO has from time to time. As of June 30, 2001, WESCO had $396 million of maximum allowable advances under the receivables facility, against which WESCO had $375 million outstanding,

and as of August 31, 2001, WESCO had $355 million outstanding. As described above, advances in excess of $396 million under the receivables facility will permanently reduce the amount available to WESCO under its revolving credit facility on a dollar-for-dollar basis. See "Description of Other Indebtedness and Receivables Facility -- Receivables Facility."

Cash Flows

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

Operating Activities. Cash provided by operating activities totaled $92.2 million in the first six months of 2001, compared to $26.7 million in the prior year. In connection with WESCO's asset securitization program, cash provided by operations in 2000 included proceeds of $15.0 million from the sale of accounts receivable. Excluding this transaction, cash provided by operating activities was $92.2 million in 2001 compared to cash provided of $11.7 million in 2000. On this basis, the $80.5 million increase in operating cash flow, compared to 2000, was primarily generated by changes in components of working capital, offset by decreased income adjusted for non-cash charges.

Investing Activities. Net cash used in investing activities was $59.5 million for the first six months of 2001, compared to $21.5 million in 2000. Cash used for investing activities was higher in 2001 primarily due to a $38.0 million increase in cash paid for acquisitions. WESCO's capital expenditures for the six months of 2001 were for computer equipment and software and branch and distribution center facility improvements.

Financing Activities. Cash used for financing activities totaled $48.9 million for the first six months of 2001 primarily reflecting increased repayments of debt. In the first six months of 2000, cash provided by financing activities totaled $3.2 million, principally related to increased borrowings offset by stock repurchases under WESCO International's share repurchase program.

An analysis of cash flows for 1999 and 2000 follows:

Operating Activities. Cash provided by operating activities totaled $46.9 million for the year ended December 31, 2000, compared to $66.4 million a year ago. Cash provided by operations in 2000 and 1999 included proceeds of $40.0 million and $60.0 million, respectively, from the sale of accounts receivable in connection with the accounts receivable securitization program. Excluding these proceeds, operating activities provided $6.9 million in 2000 and $6.4 million in 1999. On this basis, the year-to-year increase in operating cash flow of $0.5 million was primarily due to increased income adjusted for non-cash charges, partially offset by an increase in working capital.

Investing Activities. Net cash used in investing activities was $60.7 million in 2000, compared to $71.9 million in 1999. Cash used for investing activities was higher in 1999 primarily due to amounts invested in business acquisitions. Capital expenditures in 2000 were $21.6 million compared to $21.2 million in 1999 and were for computer equipment and software, branch and distribution center facility improvements, forklifts and delivery vehicles. Capital expenditures for 2001 are not expected to differ significantly from 2000.

Financing Activities. Cash provided by financing activities was $26.0 million in 2000 which was primarily due to net borrowings of $53.3 million, partially offset by WESCO International's treasury stock purchase program. Cash provided by financing activities in 1999 totaled $6.3 million and was primarily due to the initial public offering of WESCO International common stock, partially offset by a reduction in long-term debt and treasury stock purchases.

Our liquidity needs arise from seasonal working capital requirements, capital expenditures, debt service obligations and acquisitions. In addition, certain of our acquisition agreements contain earn-out provisions typically based on future earnings targets. The most significant of these agreements relates to the acquisition of Bruckner Supply Company, Inc. 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 income. See Note 7 to the Consolidated Financial Statements included elsewhere in this prospectus.

In May 2000, WESCO International's board of directors authorized an additional $25 million to be added to its existing $25 million share repurchase program which was authorized in November 1999. As of June 30, 2001, WESCO International had purchased approximately 3.9 million shares of its common stock for approximately $32.8 million pursuant to this program. On August 3, 2001, WESCO Distribution entered into an amendment to its revolving credit facility, which, among other things, prohibits WESCO International's repurchase of shares of its common stock, including under WESCO International's share repurchase program.

Management believes that cash generated from operations, together with amounts available under the credit agreement and the receivables facility, will be sufficient to meet our 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 the 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 our sales or operating results during the periods presented. However, inflation in the future could affect our operating costs. Price changes from suppliers have historically been consistent with inflation and have not had a material impact on our results of operations.

SEASONALITY

Notwithstanding current economic conditions, our operating results have been affected by certain seasonal factors. Sales are typically at their lowest during the first quarter due to a reduced level of activity during the winter months. Sales increase during the warmer months beginning in March and continuing through November. Sales drop again slightly in December as the weather cools and also as a result of a reduced level of activity during the holiday season. As a result, we report sales and earnings in the first quarter that are generally lower than that of the remaining quarters.

IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

In June 1998, the Financial Accounting Standards Board ("FASB") issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." We adopted this statement, as amended by SFAS No. 138, 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 our results of operations or financial position.

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 our results of operations or financial position.

In July 2001, the FASB issued SFAS No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and other Intangible Assets." Under SFAS No. 141, all business combinations will be accounted for under the purchase method. Under SFAS No. 142, goodwill will no longer be amortized, but will be reduced only if it was found to be impaired. Goodwill would be tested for impairment annually or more frequently 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. 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 statement, the net assets of a reporting unit are subtracted from the fair value of that reporting unit to determine the implied fair value of goodwill. An impairment loss would be recognized to the extent the carrying amount of goodwill exceeds the implied fair value. The provisions of this statement are effective for all business combinations completed after July 1, 2001 and fiscal years beginning after December 15, 2001 for existing goodwill. Management believes the adoption of this standard will have a material non-cash impact on the financial statements. For the six months ended June 30, 2001, goodwill amortization was $5.8 million.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign Currency Risks. Over 90% of WESCO's sales are denominated in United States dollars and are primarily from customers in the United States. As a result, currency fluctuations are currently not material to WESCO's operating results. WESCO does have foreign subsidiaries located in North America, Europe and Asia and may establish additional foreign subsidiaries in the future. Accordingly, WESCO may derive a more significant portion of its sales from international operations and a portion of these sales may be denominated in foreign currencies. As a result, WESCO's future operating results could become subject to fluctuations in the exchange rates of those currencies in relation to the United States dollar. Furthermore, to the extent that WESCO engages in international sales denominated in United States dollars, an increase in the value of the United States dollar relative to foreign currencies could make WESCO's products less competitive in international markets. WESCO has and will continue to monitor its exposure to currency fluctuations.

Interest Rate Risks. WESCO's indebtedness as of December 31, 2000 is comprised of $189.6 million of variable-rate borrowings outstanding under its revolving credit facility and $293.7 million of fixed-rate borrowings. Interest cost under the revolving credit facility is based on various indices plus a borrowing margin. WESCO uses interest rate cap agreements to hedge a portion of its debt cost in an attempt to strike a favorable balance between fixed and variable rate. The interest rate cap agreements effectively cap WESCO's base LIBOR rate at 7.25% for $100.0 million of borrowings through May 2001 and at 7.0% for $25.0 million of borrowings through August 2001. The interest rate cap agreements did not have a material impact on the Company's consolidated financial statements for the year ended December 31, 2000. WESCO has not renewed these interest rate cap agreements. The interest rate on WESCO's revolving credit agreement was 8.4% at December 31, 2000. A hypothetical 10% change in this interest rate based on variable-rate borrowing levels at December 31, 2000 and including the impact of the interest rate caps would result in a $1.6 million increase or decrease in interest rate expense.

We do not believe that there have been any material changes to WESCO's exposure to market risks during the six months ended June 30, 2001.

In September 2001, WESCO entered into certain interest rate swap agreements with respect to $75.0 million notional amount of indebtedness. Pursuant to the agreements, WESCO will receive semi-annual fixed interest payments at the rate of 9 1/8% commencing December 1, 2001 and will make quarterly variable interest rate payments at rates ranging from LIBOR plus 397 to 405 basis points commencing December 1, 2001 (currently rates range from 6.585% to 6.965%). The swap agreements terminate on June 1, 2008.

BUSINESS

THE COMPANY

We are a leading North American provider of electrical products and other industrial maintenance, repair and operating supplies, commonly referred to as "MRO." We are the second largest distributor in the estimated $79 billion U.S. electrical distribution industry, and the largest provider of integrated supply services. Our integrated supply solutions and outsourcing services fulfill a customer's industrial MRO procurement needs through a highly automated, proprietary electronic procurement and inventory replenishment system. This allows our customers to consolidate suppliers and reduce their procurement and operating costs. We have over 360 branches and five distribution centers located in 48 states, nine Canadian provinces, Puerto Rico, Mexico, Guam, the United Kingdom and Singapore. We serve over 130,000 customers worldwide, offering over 1,000,000 products from over 23,000 suppliers. Our 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. Our leading market positions, extensive geographic reach, broad product and service offerings and acquisition program have enabled us to significantly increase our net sales and improve our financial performance.

We have acquired 25 companies since August 1995, representing annual sales of approximately $1.4 billion. Our strong internal growth, combined with acquisitions, have increased our net sales and earnings before interest, taxes, depreciation, amortization and restructuring charges at compounded annual growth rates of 16% and 31%, respectively, between 1994 and 2000.

INDUSTRY OVERVIEW

The electrical distribution industry serves customers in a number of markets including the industrial, commercial, construction and utility markets. Electrical distributors, such as us, provide logistical and technical services for customers by bundling together a wide range of products typically required for the construction and maintenance of electrical supply networks, including wire, lighting, distribution and control equipment and a wide variety of electrical supplies. This distribution channel enables customers to efficiently access a broad range of products and has the capacity to deliver value-added services. Customers are increasingly demanding that distributors provide a broader and more complex package of services as customers seek to outsource non-core functions and achieve documented cost savings in purchasing, inventory and supply chain management.

ELECTRICAL DISTRIBUTION. The U.S. electrical distribution industry had sales of approximately $79 billion in 2000. While overall weakness in the current economic environment has contributed to recent sales declines, industry growth has averaged 6% per year from 1985 to 2000. This expansion has been driven by general economic growth, increased use of electrical products in businesses and industries, new products and technologies, and customers who are seeking to more efficiently purchase a broad range of products and services from a single point of contact, thereby eliminating the costs and expenses of purchasing directly from manufacturers or multiple sources. The U.S. electrical distribution industry is also highly fragmented. In 1999, the latest year for which market share data is available, the four national distributors, including WESCO, accounted for less than 16% of estimated total industry sales.

INTEGRATED SUPPLY. The market for integrated supply services has more than doubled from $5 billion in 1997 to over $10 billion in 2000, an increase of 27% per year. Recent projections estimate that the integrated supply market will reach $18.4 billion by 2004. Growth is being driven by the desire of large industrial companies to reduce operating expenses by implementing comprehensive third-party programs, which outsource the cost-intensive procurement, stocking and administrative functions associated with the purchase and consumption of

MRO supplies. For our customers, these costs can account for over 50% of the total costs for MRO products and services. The total potential in the U.S. for integrated supply services, measured as all purchases of industrial MRO supplies and services, is currently estimated to be approximately $260 billion.

COMPETITIVE STRENGTHS

MARKET LEADERSHIP. Our ability to manage large construction projects and complex multi-site plant maintenance programs and procurement projects that require special sourcing, technical advice, logistical support and locally based service has enabled us to establish leadership positions in our principal markets. We have utilized these skills to generate significant revenues in electrical products and MRO intensive industries such as: electrical contracting, utilities, original equipment manufacturing, process manufacturing and other commercial, institutional and governmental clients. We have also been able to leverage our position within these industries to expand our customer base.

VALUE-ADDED SERVICES. We are a leader in providing a wide range of services and procurement solutions that draw on our product knowledge, supply and management expertise and systems capabilities, enabling our customers to reduce supply chain costs and improve efficiency. These programs include:

- National Accounts -- we coordinate product supply and materials management activities for MRO supplies across customers with multiple locations who seek purchasing leverage through a single electrical products provider;

- Integrated Supply -- we design and implement programs that enable our customers to significantly reduce the number of MRO suppliers they use through services that include highly automated, proprietary electronic procurement and inventory replenishment systems and on-site materials management and logistics services; and

- Major Projects -- we have a dedicated team of experienced construction management personnel to service the needs of the top engineering and construction firms which specialize in major projects such as airport expansions, stadiums and healthcare facilities.

BROAD PRODUCT OFFERING. We provide our customers with a broad product selection consisting of over 1,000,000 electrical, industrial and data communications products sourced from over 23,000 suppliers. Our broad product offering enables us to meet virtually all of a customer's electrical product and other MRO requirements.

EXTENSIVE DISTRIBUTION NETWORK. Our distribution network consists of over 360 branches and five distribution centers located in 48 states, nine Canadian provinces, Puerto Rico, Mexico, Guam, the United Kingdom and Singapore. This extensive network, which would be extremely difficult and expensive to duplicate, allows us to:

- offer multi-site distribution capabilities to large customers and national accounts;

- tailor branch products and services to customer needs;

- minimize local inventory requirements; and

- provide same-day shipments.

LOW COST OPERATOR. Our competitive position has been enhanced by our low cost position, which is based on:

- extensive use of automation and technology;

- centralization of functions such as purchasing and accounting;

- strategically located distribution centers;

- purchasing economies of scale; and

- incentive programs that increase productivity and encourage entrepreneurship.

Our low cost position enables us to generate a significant amount of cash flow as the capital investment required to maintain our business is low. This cash flow is available for debt reduction, strategic acquisitions and continued investment in the growth of the business.

STRONG MANAGEMENT TEAM. Our senior management team is comprised of recognized industry leaders. They have successfully grown the Company both organically and through successful integration of 25 acquisitions since 1995. In addition, our senior management and a broad range of key operating personnel are owners, holding approximately 29% of the common stock of WESCO International. Our stock ownership and other incentive programs closely align management's interests in the financial performance of the Company with those of our stakeholders.

BUSINESS STRATEGY

Our objective is to be the leading provider of electrical products and other MRO supplies and services to companies in North America and selected international markets. In achieving this leadership position, our goal is to grow earnings at a faster rate than sales by focusing on margin enhancement and continuous productivity improvement. Our growth strategy leverages our existing strengths and focuses on developing new initiatives and programs.

ENHANCE OUR LEADERSHIP POSITION IN ELECTRICAL DISTRIBUTION. We intend to leverage our extensive market presence and brand equity in the WESCO name to further our leadership position in electrical distribution. We are focusing our sales and marketing on existing industries where we are expanding our product and service offerings as well as targeting new clients, both within industries we currently serve and in new markets which provide significant growth opportunities. Markets where we believe such opportunities exist include retail, education, financial services and health care. We are the second largest electrical distributor in the U.S. and, through our value-added products and services, we believe we have become the industry leader in serving several important and growing markets including:

- industrial customers with large, complex plant maintenance operations, many of which require a national multi-site service solution for their electrical distribution product needs;

- large contractors for major industrial and commercial construction projects;

- the electric utility industry; and

- manufacturers of factory-built homes, recreational vehicles and other modular structures.

GROW NATIONAL ACCOUNTS PROGRAMS. From 1994 through 2000, revenue from our national accounts program increased in excess of 15% annually. We will continue to invest in the expansion of this program. Through our national accounts program, we coordinate electrical MRO procurement and purchasing activities primarily for large industrial and commercial companies across multiple locations. We have well established relationships with over 300 companies, providing us with a recurring base of revenue through multi-year agreements. Our objective is to continue to increase revenue generated through our national accounts program by:

- offering existing national accounts customers new products, more services and additional locations;

- extending certain established national accounts relationships to include integrated supply; and

- expanding our customer base by leveraging our existing industry expertise in markets we currently serve as well as entering into new markets.

FOCUS ON MAJOR PROJECTS. We are increasing our focus on large construction, renovation and institutional projects. We seek to secure new major projects contracts through:

- aggressive national marketing of our demonstrated project management capabilities;

- further development of relationships with leading contractors and engineering firms;

- close coordination with national accounts customers on their major project requirements; and

- offering an integrated supply service approach to contractors for major projects.

EXTEND OUR LEADERSHIP POSITION IN INTEGRATED SUPPLY. We are the largest provider of integrated supply services for MRO goods and services in the United States. We provide a full complement of outsourcing solutions, focusing on improving the supply chain management process for our customers' indirect purchases. Our integrated supply programs replace the traditional multi-vendor, resource-intensive procurement process with a single, outsourced, fully automated process capable of managing all MRO and related service requirements. Our solutions range from timely product delivery to assuming full responsibility for the entire procurement function. Our customers include some of the largest industrial companies in the United States. We intend to expand our leadership position as the largest integrated supply service provider by:

- continuing to tailor our proven and profitable business model to the scale and scope of our customers' operations;

- maximizing the use of our highly automated proprietary information systems;

- leveraging established relationships with our large industrial customer base, especially among existing national account customers who could benefit from our integrated supply model; and

- being a low cost provider of integrated supply services.

We intend to utilize these competitive strengths to increase our integrated supply sales to both new and existing customers, including our existing national account customers.

GAIN SHARE IN KEY LOCAL MARKETS. Significant opportunities exist to gain local market share, since many local markets are highly fragmented. We intend to increase our market share in key geographic markets through a combination of increased sales and marketing efforts at existing branches, acquisitions that expand our product and customer base and new branch openings. We intend to leverage our existing relationships with preferred suppliers to increase sales of their products in local markets through various initiatives, including sales promotions, cooperative marketing efforts, direct participation by suppliers in national accounts implementation, dedicated sales forces and product exclusivity. To promote growth, we have instituted a compensation system for branch managers that encourages our branch managers to increase sales and optimize business activities in their local markets, including managing the sales force, configuring inventories, targeting potential customers for marketing efforts and tailoring local service options.

PURSUE STRATEGIC ACQUISITIONS. Since 1995, we have considered over 300 potential acquisitions and have completed and successfully integrated 25 acquisitions, which represent annual sales of approximately $1.4 billion. We believe that the highly fragmented nature of the electrical and industrial MRO distribution industry will continue to provide us with a number of acquisition opportunities. In our disciplined approach toward acquisitions, potential

acquisitions are evaluated based on a variety of financial, strategic and operational criteria, including their ability to:

- better serve our existing customers;
- offer expansion into key growth markets;
- add new product or service capabilities;
- support new and existing national accounts;
- strengthen relationships with important manufacturers; and
- meet well-defined financial criteria including return on investment and earnings accretion.

EXPAND PRODUCT AND SERVICE OFFERINGS. We continue to build on our demonstrated ability to introduce new products and services to meet existing customer demands and capitalize on new market opportunities. As the market for data and electrical products converge, we have integrated our data communications efforts into our core electrical business. Our existing electrical sales force has been trained to sell data communications products resulting in significant new data and electrical projects with large commercial banks, schools and telecommunications service providers. In addition, we have the platform to sell integrated lighting control and power distribution equipment in a single package for multi-site specialty retailers, restaurant chains and department stores. These are strong growth markets where our national accounts strategies and logistics infrastructure provide significant benefits for our customers.

LEVERAGE OUR E-COMMERCE AND INFORMATION SYSTEM CAPABILITIES. We conduct a significant amount of business electronically. Our electronic transaction management capabilities lower costs and shorten cycle time in the supply chain process for us and for our customers. We intend to continue to invest in information technology to create more effective linkages with both customers and suppliers.

EXPAND OUR INTERNATIONAL OPERATIONS. Our international sales, the majority of which are in Canada, accounted for approximately 10% of sales in 2000. We believe that there is significant additional demand for our products and services outside the U.S. and Canada. Many of our multinational domestic customers are seeking distribution, integrated supply and project management solutions globally. Our approach to international operations is consistent with our domestic philosophy. We follow our established customers and pursue business that we believe utilizes and extends our existing capabilities. This strategy of working through well-developed customer and supplier relationships significantly reduces risks and provides the opportunity to establish a profitable business. We continue to pursue growth opportunities in existing locations such as Aberdeen, Scotland and London, England, which support our sales efforts in Europe, Africa and the former Soviet Union, Singapore, which supports our sales efforts in Asia, and through our branches in Mexico. We also pursue various export opportunities in Latin America and Africa. We are working toward forming strategic alliances in critical markets.

ACQUISITION AND INTEGRATION PROGRAM

Our strategic acquisition program has been an important element in our objective to be the leader in the markets we serve. We have completed 25 acquisitions since August 1995, representing total annual sales of approximately $1.4 billion. Our philosophy toward growth includes a continuous evaluation to determine whether a particular opportunity, capability or customer need is best developed internally or purchased through a strategic acquisition. We have a business development department that consists of a small team of professionals who locate, evaluate and negotiate all aspects of any acquisition, with particular emphasis on compatibility of management philosophy and strategic fit. We believe that the highly

fragmented nature of the electrical distribution industry will continue to provide us with a significant number of acquisition opportunities. We will continue to utilize our strong internal capabilities to selectively evaluate the strategic and financial benefits from potential acquisitions that complement our customers' overall supply needs, including those in the electrical distribution, integrated supply and other non-electrical distribution industries. The Company expects that future acquisitions will be financed out of available internally generated funds, additional debt and the issuance of equity securities. However, our ability to make acquisitions will be subject to our compliance with certain conditions under the terms of our amended revolving credit facility, including a limitation of the total consideration (including cash and assumed debt but excluding equity securities) for all acquisitions to $50 million. See "Description of Other Indebtedness and Receivables Facility -- Revolving Credit Facility."

WESCO ACQUISITION HISTORY

YEAR	ACQUISITIONS	BRANCH LOCATIONS	ANNUAL SALES(1)
		(DOLLARS IN MILLIONS)	
1995	2	2	$ 47
1996	7	67	418
1997	2	9	52
1998	6	21	608
1999	4	5	70
2000	3	17	92
2001	1	10	112
TOTAL	25	131	$1,399

---

(1) Represents our estimate of annual sales of acquired businesses at the time of acquisition, based on our review of internal and/or audited statements of the acquired business.

PRODUCTS AND SERVICES

Products

Our network of branches and distribution centers stock over 215,000 product stock keeping units ("SKUs"). Each branch tailors its inventory to meet the needs of the customers in its local market, typically stocking approximately 4,000 to 8,000 SKUs. Our integrated supply business allows our customers to access over 1,000,000 products for direct shipment.

Representative products that we sell include:

- Supplies. Fuses, terminals, connectors, boxes, fittings, tools, lugs, tape and other MRO supplies

- Distribution. Equipment Circuit breakers, transformers, switchboards, panelboards and busway

- Lighting. Lamps (light bulbs), fixtures and ballasts

- Wire and Conduit. Wire, cable, metallic and non-metallic conduit

- Control, Automation and Motors. Motor control devices, drives, programmable logic controllers, pushbuttons and operator interfaces

- Data Communications. Premise wiring, patch panels, terminals, connectors

We purchase products from a diverse group of over 23,000 suppliers. In 2000, our ten largest suppliers accounted for approximately 32% of our purchases. The largest of these was Eaton Corporation, through its Cutler-Hammer division, accounting for approximately 13% of total purchases. No other supplier accounted for more than 5%.

Our supplier relationships are important to us, providing access to a wide range of products, technical training and sales and marketing support. We have preferred supplier agreements with approximately 150 of our suppliers and purchase approximately 65% of our stock inventory pursuant to these agreements. Consistent with industry practice, most of our agreements with suppliers, including both distribution agreements and preferred supplier agreements, are terminable by either party on 60 days' notice or less.

Services

In conjunction with product sales, we offer customers a wide range of services and procurement solutions that draw on our product and supply management expertise and systems capabilities. These services include national accounts programs, integrated supply programs and major project programs. We are responding to the needs of our customers, particularly those in processing and manufacturing industries. To more efficiently manage the MRO process on behalf of our customers, we offer a range of supply management services, including:

- outsourcing of the entire MRO purchasing process;

- providing manufacturing process improvements using state-of-the-art automated solutions;

- implementing inventory optimization programs;

- participating in joint cost savings teams;

- assigning our employees as on-site support personnel;

- recommending energy-efficient product upgrades; and

- offering safety and product training for customer employees.

National accounts programs. The typical national account customer is a Fortune 500 industrial company, a large utility or other major customer, in each case with multiple locations. Our national accounts programs provide customers with total supply chain cost reductions by coordinating purchasing activity for MRO supplies across multiple locations. Comprehensive implementation plans establish jointly-managed teams at the local and national level to prioritize activities, identify key performance measures and track progress against objectives. We involve our preferred suppliers early in the implementation process, where they can contribute expertise and product knowledge to accelerate program implementation and the achievement of cost savings and process improvements.

Integrated supply programs. With our September 1998 acquisition of Bruckner, a provider of integrated supply procurement services for large industrial companies, we significantly increased our integrated supply programs. Bruckner's business consisted primarily of integrated supply and had annual sales of approximately $222 million in the year prior to its acquisition. Our integrated supply programs offer customers a variety of services to support their objectives for improved supply chain management. We integrate our personnel, product and distribution expertise, electronic technologies and service capabilities with the customer's own internal resources to meet particular service requirements. Each integrated supply program is uniquely configured to deliver a significant reduction in the number of MRO suppliers, reduce total procurement costs, improve operating controls and lower administrative expenses. Our solutions range from just-in-time fulfillment to assuming full responsibility for the entire

procurement function for all indirect purchases. We believe that customers will increasingly seek to utilize us as an "integrator," responsible for selecting and managing the supply of a wide range of MRO and OEM products.

Major projects. We have a major projects group, comprised of our most experienced construction management personnel, which focuses on serving the complex needs of North America's largest engineering and construction firms and the top 50 U.S. electrical contractors on a multi-regional basis. These contractors typically specialize in building industrial sites, water treatment plants, airport expansions, healthcare facilities, correctional institutions and new sports stadiums.

MARKETS AND CUSTOMERS

We have a large base of approximately 130,000 customers diversified across our principal markets. While one customer accounted for approximately 3% of 2000 sales, no other customer accounted for more than 2%.

Industrial customers. Sales to industrial customers, which include numerous manufacturing and process industries, and original equipment manufacturers ("OEMs") accounted for approximately 43% of our sales in 2000.

MRO products are needed to maintain and upgrade the electrical and communications networks at all industrial sites. Expenditures are greatest in the heavy process industries, such as food processing, pulp and paper and petrochemical. Typically, electrical MRO is the first or second ranked product category by purchase value for total MRO requirements for an industrial site. Other MRO product categories include, among others, lubricants, pipe, valves and fittings, fasteners, cutting tools and power transmission products.

OEM customers incorporate electrical components and assemblies into their own products. OEMs typically require a reliable, high volume supply of a narrow range of electrical items. Customers in this segment are particularly service and price sensitive due to the volume and the critical nature of the product used, and they also expect value-added services such as design and technical support, just-in-time supply and electronic commerce.

Electrical contractors. Sales to electrical contractors accounted for approximately 36% of our sales in 2000. These customers range from large contractors for major industrial and commercial projects, the customer types we principally serve, to small residential contractors, which represent a small portion of our sales. Electrical products purchased by electrical sub-contractors typically account for approximately 40% to 50% of their installed project cost, and, therefore, accurate cost estimates and competitive material costs are critical to a contractor's success in obtaining profitable projects.

Utilities. Sales to utilities accounted for approximately 16% of our sales in 2000. This market includes large investor-owned utilities, rural electric cooperatives and municipal power authorities. We provide our utility customers with power line products and an extensive range of supplies to meet their MRO and capital projects needs. Full materials management and procurement outsourcing arrangements are also important in this market as cost pressures and deregulation cause utility customers to streamline purchasing and inventory control practices.

Commercial, institutional and governmental customers ("CIG"). Sales to CIG customers accounted for approximately 5% of our sales in 2000. This fragmented market includes schools, hospitals, property management firms, retailers and government agencies of all types. Through our WR Controls Division, we now have a platform to sell integrated lighting control and distribution equipment in a single package for multi-site specialty retailers, restaurant chains and department stores.

DISTRIBUTION NETWORK

Branch network. We have over 360 branches, of which approximately 290 are located in the United States, approximately 50 are located in Canada and the remainder are located in Puerto Rico, Mexico, Guam, the United Kingdom and Singapore. Over the last three years, we have opened approximately seven branches per year, principally to service national account customers. In addition to consolidations in connection with acquisitions, we occasionally close or consolidate existing branch locations to improve operating efficiency.

Distribution centers. To support our branch network, we have five distribution centers located in the United States and Canada, including facilities located near Pittsburgh, Pennsylvania, serving the Northeast and Midwest United States; near Reno, Nevada, serving the Western United States; near Memphis, Tennessee, serving the Southeast and Central United States; near Montreal, Quebec, serving Eastern and Central Canada; and near Vancouver, British Columbia, serving Western Canada.

Our distribution centers add value for our branches and customers through the combination of a broad and deep selection of inventory, on-line ordering, same day shipment and central order handling and fulfillment. Our distribution center network reduces the lead-time and improves the reliability of our supply chain, giving us a distinct competitive advantage in customer service. Additionally, the distribution centers reduce the time and cost of supply chain activities through automated replenishment and warehouse management systems, and economies of scale in purchasing, inventory management, administration and transportation.

SALES ORGANIZATION

General sales force. Our general sales force is based at the local branches and comprises approximately 2,200 of our employees, almost half of whom are outside sales representatives and the remainder are inside sales personnel. Outside sales representatives, who have an average of more than eight years of experience with us, are paid under a compensation structure which is heavily weighted towards commissions. They are responsible for making direct customer calls, performing on-site technical support, generating new customer relations and developing existing territories. The inside sales force is a key point of contact for responding to routine customer inquiries such as price and availability requests and for entering and tracking orders.

National accounts. Our national accounts sales force is comprised of an experienced group of sales executives who negotiate and administer contracts, coordinate branch participation and identify sales and service opportunities. National accounts managers' efforts are aligned by targeted customer industries, including automotive, pulp and paper, petrochemical, steel, mining and food processing.

Data communications. Sales of premise cable, connectors, hardware, network electronics and outside plant products are generated by our general sales force and a dedicated group of outside and inside data communications sales representatives. They are supported by a centralized customer service center and additional resources in product management, purchasing, inventory control and sales management. We also have a training organization that provides our general sales force and customers with state-of-the-art, industry certified product and installation training.

Major projects. Since 1995 our group of experienced sales managers have targeted, on a national basis, the market for large construction projects with electrical material valued in excess of $1 million. Through the major projects group, we can meet the needs of contractors for complex construction projects such as new sports stadiums, industrial sites, water treatment plants, airport expansions, healthcare facilities and correctional institutions.

e-Commerce. We established our initial electronic catalog on the Internet in 1996. Since that time, we have worked with a variety of large customers to establish customized electronic catalogs for their use in internal systems. Additionally, in 1999 we began a process of providing electronic catalogs to multiple e-commerce service providers, trade exchanges and industry specific electronic commerce portals. Our e-business strategy is to serve existing customers by tailoring our catalog and Internet-based procurement applications to their internal systems or through their preferred technology and trading exchange partnerships. Additionally, we have entered into several e-business partnerships with leading technology or marketing oriented e-portals that target selected market segments and will continue to do so. Through these niche oriented marketing arrangements, we expect to reach thousands of new customers who were previously not served through our sales force.

We have initiated "WESCO Direct," a new direct ship fulfillment operation, responsible for supporting smaller customers and select national account locations. Customers can order over 35,000 electrical and data communications products stocked in our warehouses through a centralized customer service center or over the Internet on WESCOdirect.com. A proactive telesales approach utilizing catalogs, direct mail, e-mail and personal phone selling is used to provide a high level of customer service. In support of this initiative, we recently introduced a lighting catalog and are in the process of completing a new comprehensive electrical catalog.

INTERNATIONAL OPERATIONS

To serve the Canadian market, we operate a network of approximately 50 branches in nine provinces. Branch operations are supported by two distribution centers located near Montreal and Vancouver. With sales of approximately US$320 million, Canada represented 8.2% of our total sales in 2000. The Canadian market for electrical distribution is considerably smaller than the U.S. market, with roughly US$2.9 billion in total sales in 2000, according to industry sources.

We sell internationally through domestic export sales offices located within North America and sales offices in international locations. We have operations in Aberdeen, Scotland and London, England to support our sales efforts in Europe, Africa and the former Soviet Union, and an office in Singapore to support our sales in Asia. We also have branch operations in Mexico.

MANAGEMENT INFORMATION SYSTEMS

Our corporate information system, WESNET, provides processing for a full range of our business operations, such as customer service, inventory and logistics management, accounting and administrative support. The system utilizes decision support, executive information system analysis and retrieval capabilities to provide extensive operational analysis and detailed income statement and balance sheet variance and trend reporting at the branch level. The system also provides activity-based costing capabilities for analyzing profitability by customer, sales representative and shipment type. Sales and margin trends and variances can be analyzed by branch, customer, product category, supplier or account representative.

The WESNET system is fully distributed within WESCO, and every branch (other than our Bruckner Integrated Supply Division and certain newly acquired branches) utilizes its own computer system to support local business activities. All branch operations are linked through a wide area network to centralized information on inventory status in our distribution centers as well as other branches and an increasing number of on-line suppliers. Recent advances in WESNET capabilities make it possible to consolidate administrative and procurement functions, and bring systematic improvement through new pricing systems and controls. EESCO, one of our largest acquisitions to-date, was integrated into the WESNET system during the third quarter of 2000.

We routinely process customer orders, shipping notices, suppliers' purchase orders, and funds transfer via EDI transactions with our trading partners. Our e-commerce strategy calls for more effective linkages to both customers and suppliers through greater use of technological advances, including Internet and electronic catalogs, enhanced EDI and other innovative improvements.

Our integrated supply services are supported by our proprietary procurement and inventory management systems. These systems provide a fully integrated, flexible supply chain platform that currently handles over 95% of our integrated supply customers' transactions electronically. Our configuration options for a customer range from on-line linkages to the customer's business and purchasing systems, to total replacement of a customer's procurement and inventory management system for MRO supplies.

COMPETITION

We operate in a highly competitive industry. We compete directly with national, regional and local providers of electrical and other industrial MRO supplies. Competition is primarily focused on the local service area, and is generally based on product line breadth, product availability, service capabilities and price. Another source of competition is buying groups formed by smaller distributors to increase purchasing power and provide some cooperative marketing capability. While increased buying power may improve the competitive position of buying groups locally, we believe these groups have not been able to compete effectively with us for national account customers due to the difficulty in coordinating a diverse ownership group. During 1999 and 2000 numerous special purpose Internet-based procurement service companies, auction businesses, and trade exchanges were organized. Many of them targeted industrial MRO and contractor customers of the type served by WESCO. We responded with our own e-Commerce capabilities and as of year-end 2000, business losses, if any, to competitors of this type were minimal. We expect that numerous new competitors will develop over time as Internet-based enterprises become more established and refine their service capabilities.

EMPLOYEES

As of December 31, 2000, we had approximately 6,000 employees worldwide, of which approximately 5,200 were located in the United States and approximately 800 in Canada and our other international locations. Less than 5% of our employees are represented by unions. We believe our labor relations are generally good.

PROPERTIES

We have over 360 branches, of which approximately 290 are located in the United States, approximately 50 are located in Canada and the remainder are located in Puerto Rico, Mexico, Guam, the United Kingdom and Singapore. Approximately 30% of branches are owned facilities, and the remainder are leased.

The following table summarizes our distribution centers:

LOCATION	SQUARE FEET	LEASED/ OWNED
Warrendale, PA	252,700	Owned and Leased
Sparks, NV	196,800	Leased
Byhalia, MS	148,000	Owned
Dorval, QE	90,000	Leased
Burnaby, BC	34,300	Owned

We also lease our 76,200 square foot headquarters in Pittsburgh, Pennsylvania. We do not regard the real property associated with any single branch location as material to our operations. We believe our facilities are in good operating condition.

INTELLECTUAL PROPERTY

Our trade and service marks, including "WESCO," "the extra effort people(R)," and the running man design, are filed in the U.S. Patent and Trademark Office, the Canadian Trademark Office and the Mexican Instituto de la Propriedad Industrial.

ENVIRONMENTAL MATTERS

Our facilities and operations are subject to federal, state and local laws and regulations relating to environmental protection and human health and safety. Some of these laws and regulations may impose strict, joint and several liability on certain persons for the cost of investigation or remediation of contaminated properties. These persons may include former, current or future owners or operators of properties, and persons who arranged for the disposal of hazardous substances. Our owned and leased real property may give rise to such investigation, remediation and monitoring liabilities under environmental laws. In addition, anyone disposing of certain products we distribute, such as ballasts, fluorescent lighting and batteries, must comply with environmental laws that regulate certain materials in these products.

We believe that we are in compliance with all material respects with applicable environmental laws. As a result, we will not make significant capital expenditures for environmental control matters either in the current year or in the near future.

LEGAL PROCEEDINGS

We are party to routine litigation incidental to our business. We do not believe that any legal proceedings to which we are a party or to which any of our property is subject will have a material adverse effect on our financial position or results of operations.

MANAGEMENT

The executive officers and directors of WESCO International and WESCO and their respective ages and positions are set forth below.

NAME	AGE	TITLE
Roy W. Haley	54	Chairman and Chief Executive Officer
William M. Goodwin	55	Vice President, Operations
James H. Mehta	46	Vice President, Business Development
Robert B. Rosenbaum	43	Vice President, Operations
Patrick M. Swed	58	Vice President, Operations
Donald H. Thimjon	58	Vice President, Operations
Ronald P. Van, Jr	40	Vice President, Operations
Stephen A. Van Oss	47	Vice President and Chief Financial Officer
Daniel A. Brailer	44	Secretary and Treasurer
Michael J. Cheshire	52	Director
George L. Miles, Jr	60	Director
James L. Singleton	45	Director
James A. Stern	50	Director
Robert J. Tarr, Jr	57	Director
Anthony D. Tutrone	37	Director
Kenneth L. Way	62	Director

Set forth below is certain biographical information for the executive officers and directors listed above.

ROY W. HALEY became Chairman of the Board in August 1998. Mr. Haley has been Chief Executive Officer and a director of WESCO International and WESCO since February 1994. From 1988 to 1993, Mr. Haley was an executive at American General Corporation, a diversified financial services company, where he served as Chief Operating Officer and as President and Director. Mr. Haley is also a director of United Stationers, Inc. and Cambrex Corporation.

WILLIAM M. GOODWIN has been Vice President, Operations of WESCO since March 1994. Since 1987, Mr. Goodwin has served as a branch, district and region manager for WESCO in various locations and also served as Managing Director of WESCOSA, a former Westinghouse affiliated manufacturing and distribution business in Saudi Arabia.

JAMES H. MEHTA has been Vice President, Business Development of WESCO since November 1995. From 1993 to 1995, Mr. Mehta was a principal with Schroder Ventures, a private equity investment firm based in London, England.

ROBERT B. ROSENBAUM has been Vice President, Operations of WESCO since September 1998. From 1982 until 1998, Mr. Rosenbaum was the President of the Bruckner Supply Company, Inc., an integrated supply company WESCO acquired in September 1998.

PATRICK M. SWED has been Vice President, Operations of WESCO since March 1994. Mr. Swed had been Vice President of Branch Operations for WESCO from 1991 to 1994.

DONALD H. THIMJON has been Vice President, Operations of WESCO since March 1994. Mr. Thimjon served as Vice President, Utility Group for WESCO from 1991 to 1994 and as Regional Manager from 1980 to 1991.

RONALD P. VAN, JR. has been Vice President, Operations of WESCO since October 1998. Mr. Van was a Vice President and Controller of EESCO, an electrical distributor WESCO acquired in 1996.

STEPHEN A. VAN OSS has been Vice President and Chief Financial Officer of WESCO since October 2000. Mr. Van Oss served as Director, Information Systems for WESCO from 1997 to 2000 and as Director, Acquisition Management in 1997. From 1995 to 1996, Mr. Van Oss served as Chief Operating Officer and Chief Financial Officer of Paper Back Recycling of America, Inc. From 1979 to 1995, Mr. Van Oss held various management positions with Reliance Electric Corporation.

DANIEL A. BRAILER has been Treasurer and Director of Investor Relations of WESCO since March 1999. During 1999, Mr. Brailer was also appointed to the position of Corporate Secretary. From 1982 to 1999, Mr. Brailer held various positions at Mellon Financial Corporation, most recently as Senior Vice President.

MICHAEL J. CHESHIRE, a director, is Chairman and Chief Executive Officer of Gerber Scientific, Inc. Prior to joining Gerber Scientific in 1997, Mr. Cheshire spent 21 years with the General Signal Corporation and was most recently president of their electrical group.

GEORGE L. MILES, JR., a director, has been President and Chief Executive Officer of WQED Pittsburgh since September 1994. Mr. Miles is also a director of Equitable Resources.

JAMES L. SINGLETON, a director, has been a Vice Chairman of Cypress since its formation in April 1994. Prior to joining Cypress, he was a Managing Director in the Merchant Banking Group at Lehman Brothers Inc. Mr. Singleton is also a director of Cinemark USA, Inc., Club Corp, Inc., Danka Business Systems PLC, Genesis Health Ventures, Inc., HomeRuns.com, Inc. and L.P. Thebault Company.

JAMES A. STERN, a director, has been Chairman of Cypress since its formation in April 1994. Prior to joining Cypress, Mr. Stern was a managing director with Lehman Brothers Inc. and served as head of the Merchant Banking Group. During his career at Lehman Brothers, he also served as head of that firm's Investment Banking, High Yield and Primary Capital Markets Groups. Mr. Stern is also a director of Amtrol, Inc., Cinemark USA, Inc., Frank's Nursery & Crafts, Inc. and Lear Corporation, and a trustee of Tufts University.

ROBERT J. TARR, JR., a director, has been the Chairman, Chief Executive Officer and President of HomeRuns.com, Inc. since February 2000. Prior to joining HomeRuns.com, he worked for more than 20 years in senior executive roles for Harcourt General, Inc., including six years as President, Chief Executive Officer and Chief Operating Officer of Harcourt General, Inc. (formerly General Cinema Corporation) and The Neiman Marcus Group, Inc. Mr. Tarr is also a director of the John Hancock Financial Services, Inc., Houghton Mifflin & Co., and Barneys New York, Inc.

ANTHONY D. TUTRONE, a director, has been a Managing Director of Cypress since 1998 and has been a member of Cypress since its formation in April 1994. Prior to joining Cypress, he was a member of the merchant Banking Group at Lehman Brothers Inc. Mr. Tutrone is also a director of Amtrol, Inc. and Danka Business Systems PLC.

KENNETH L. WAY, a director, has been Chairman of Lear Corporation since 1988 and has been affiliated with Lear Corporation and its predecessor companies for 35 years in engineering, manufacturing and general management capacities. Mr. Way is also a director of Comerica, Inc. and CMS Energy Corporation.

SECURITY OWNERSHIP BY CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

All of the issued and outstanding capital stock of WESCO Distribution is owned by WESCO International. The following table sets forth the beneficial ownership of WESCO International's common stock as of June 30, 2001 by each person or group known by us to beneficially own more than five percent of the outstanding common stock, each director and executive officer and by all directors and executive officers as a group. Unless otherwise indicated, the holders of all shares shown in the table have sole voting and investment power with respect to such shares. In determining the number and percentage of shares beneficially owned by each person, shares that may be acquired by such person pursuant to options or convertible stock exercisable or convertible within 60 days of the date hereof are deemed outstanding for purposes of determining the total number of outstanding shares for such person and are not deemed outstanding for such purpose for all other stockholders. Except as indicated in the footnotes to this table, WESCO International believes that the persons named in the table have sole voting and investment power with respect to all shares shown as beneficially owned by them.

NAME	SHARES BENEFICIALLY OWNED	PERCENT OWNED BENEFICIALLY
Cypress Merchant Banking Partners L.P.(1) c/o The Cypress Group L.L.C. 65 East 55th Street New York, New York 10222	18,580,966	41.5%
Cypress Offshore Partners L.P.(1) Bank of Bermuda (Cayman) Limited P.O. Box 514 G.T. Third Floor British America Tower George Town, Grand Cayman Cayman Islands, B.W.I.	962,370	2.1%
JPMorgan Partners (BHCA), L.P.(2) c/o JPMorgan Partners, L.L.C. 1221 Avenue of the Americas, 39th Floor New York, New York 10020	4,653,131	10.4%
Co-Investment Partners, L.P. c/o CIP Partners, LLC 660 Madison Avenue New York, New York 10021	4,653,189	10.4%
James L. Singleton(1)	19,543,336	43.6%
James A. Stern(1)	19,543,336	43.6%
Roy W. Haley	2,871,200	6.2%
James H. Mehta	1,055,428	2.3%
Patrick M. Swed	673,370	1.5%
Donald H. Thimjon	352,580	*
William M. Goodwin	364,440	*

NAME	SHARES BENEFICIALLY OWNED	PERCENT OWNED BENEFICIALLY
Robert J. Tarr, Jr.	51,120	*
Kenneth L. Way	50,120	*
Michael J. Cheshire	23,120	*
George L. Miles, Jr	1,000	*
Anthony D. Tutrone	-0-	*
All executive officers and directors as a group (16) persons(3)	27,001,246	56.1%

* Indicates ownership of less than 1% of WESCO International common stock.

(1) Cypress Merchant Banking Partners L.P. and Cypress Offshore Partners L.P. are affiliates of Cypress. The general partner of Cypress Merchant Banking Partners L.P. and Cypress Offshore Partners L.P. is Cypress Associates L.P., and The Cypress Group L.L.C. is the general partner of Cypress Associates L.P. Messrs. Singleton and Stern are members of Cypress and may be deemed to share beneficial ownership of the shares of common stock shown as beneficially owned by such Cypress funds. Such individuals disclaim beneficial ownership of such shares.

(2) These shares constitute shares of non-voting Class B common stock which are convertible at any time into common stock at the option of the holder.

(3) Included in this figure are 3,303,829 shares that may be acquired by the executive officers and directors pursuant to options or convertible stock exercisable or convertible within 60 days of the date hereof.

DESCRIPTION OF OTHER INDEBTEDNESS AND RECEIVABLES FACILITY

REVOLVING CREDIT FACILITY

In June 1999, we entered into a revolving credit facility with a consortium of financial institutions. At June 30, 2001, the revolving credit facility, which matures in June 2004, consisted of up to $344 million of revolving loans denominated in U.S. dollars and a Canadian sublimit totaling US$35 million. Borrowings under the revolving credit facility are collateralized by substantially all of the assets of WESCO Distribution other than the accounts receivable sold under the receivables facility and are guaranteed by WESCO International and certain of its subsidiaries.

Borrowings bear rates of interest equal to various indices, at our option, plus a borrowing margin. At June 30, 2001, the average interest rate on the revolving credit facility borrowings was 6.62%. A commitment fee of 30 to 50 basis points per year is due on unused portions of the revolving credit facility.

Our credit agreement contains various restrictive covenants that, among other things, impose limitations on (i) dividend payments or certain other restricted payments or investments; (ii) the incurrence of additional indebtedness and guarantees or issuance of additional stock; (iii) creation of liens; (iv) mergers, consolidation or sales of substantially all of our assets; (v) certain transactions among affiliates; (vi) payments by certain subsidiaries to us; and (vii) capital expenditures. In addition, the agreements require us to meet certain leverage, working capital and interest coverage ratios. We were in compliance with all such covenants at June 30, 2001.

In December 2000, WESCO Distribution amended its revolving credit facility, which provided additional operating flexibility and increased the maximum amount allowable under the accounts receivable securitization program to $475 million from $375 million, and also amended certain financial covenants. Receivables sold under the accounts receivable securitization program in excess of $375 million will permanently reduce the amount available under the revolving credit facility on a dollar for dollar basis. In January 2001, as a result of additional advances under the receivables facility the amount available under the revolving credit facility decreased from $400 million to the currently available $379 million due to a temporary $21 million increase in the receivables facility to $396 million.

On August 3, 2001, WESCO Distribution entered into a further amendment to its revolving credit facility, which, among other things, affected the pricing of and amounts available under the revolving credit facility. The LIBOR borrowing margins applicable to advances under the revolving credit facility, which previously ranged from 100 to 200 basis points depending upon our leverage ratio on the date that the rate is calculated, were amended to range from 150 to 250 basis points, again depending upon our leverage ratio. The amendment also provided for an immediate reduction in the maximum amount available under the revolving credit facility from approximately $379 million to approximately $285 million, which was further reduced by $0.25 for every dollar of net proceeds that we received from our sale of the original notes. The amendment further provides for subsequent quarterly decreases in the maximum amount available under the facility, as follows:

- beginning January 1, 2002 through July 1, 2002, the maximum amount available will be reduced by $5 million per quarter;

- from October 1, 2002 through January 1, 2004, the maximum amount available will be reduced by $12.5 million per quarter; and

- on April 1, 2004, the maximum amount available will be reduced by $10 million.

As a result, after receipt of net proceeds of approximately $86.9 million from our sale of the notes, the maximum amount available under the revolving credit facility was approximately

$263 million as of the time of the original notes issuance and will decrease over the life of the facility as described above to approximately $163 million at maturity in 2004.

The amendment also amends certain financial and other covenants, including our covenants with respect to applicable leverage ratios, interest coverage ratios and working capital ratios. Additionally, the amendment restricts our ability to make acquisitions and prohibits WESCO International from repurchasing shares of its common stock under the share repurchase program. Our ability to make acquisitions will be subject to our compliance with certain conditions, including a maximum pro forma leverage ratio at the time of the proposed acquisition. Furthermore, the amendment provides that the total consideration (including cash and assumed debt, but excluding equity) paid for any individual acquisition may not exceed $25 million, and the total consideration (including cash and assumed debt, but excluding equity) for all acquisitions during the life of the revolving credit facility may not exceed $50 million.

1998 NOTES

We have outstanding $300 million in aggregate principal amount of our 1998 notes. Our 1998 notes are issued under an indenture dated as of June 5, 1998 among WESCO Distribution, WESCO International, as guarantor, and Bank One, N.A., as trustee. Our 1998 notes are limited to $500 million aggregate principal amount outstanding at any given time. Interest on our 1998 notes accrues at an annual rate of 9 1/8% and is payable semi-annually on June 1 and December 1 of each year. The 1998 notes are general unsecured obligations subordinated in right of payment to all of our existing and future senior indebtedness, including our revolving credit facility. The indenture governing our 1998 notes contains covenants identical to those that govern the original notes and the exchange notes being offered pursuant to this prospectus.

The indenture governing our existing 1998 notes permits the issuance of up to $200 million aggregate principal amount of additional notes having identical terms and conditions to the 1998 notes, subject to compliance with the covenants contained in that indenture.

RECEIVABLES FACILITY

We maintain our receivables facility with several financial institutions under which we sell, on a continuous basis, to WESCO Receivables Corporation, a wholly-owned SPC an undivided interest in all eligible accounts receivable. The SPC sells without recourse to a third party conduit all the receivables while maintaining a subordinated interest in the form of overcollateralization in a portion of the receivables. The amount available to us under the receivables facility fluctuates on a monthly basis depending upon the amount of eligible receivables that we have from time to time. As of June 30, 2001, we had $396 million of maximum allowable advances under the receivables facility, against which we had $375 million outstanding and as of August 31, 2001, we had $355 million outstanding. As described above, advances in excess of $396 million under the receivables facility will permanently reduce amounts available to us under our revolving credit facility on a dollar-for-dollar basis.

THE EXCHANGE OFFER

GENERAL

We are offering, upon the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal (which together constitute the exchange offer), to exchange an aggregate of up to $100,000,000 principal amount of our exchange notes for an equal principal amount of original notes properly tendered on or prior to the expiration date and not withdrawn as permitted pursuant to the procedures described below. The exchange notes will be unconditionally guaranteed by WESCO International (the "WESCO International Guarantee") on a senior subordinated basis. The exchange offer is being made with respect to all of the original notes.

As of the date of this prospectus, $100,000,000 aggregate principal amount of original notes is outstanding. This prospectus and the letter of transmittal are first being sent on or about , 2001, to all holders of original notes known to us. Our obligation to accept original notes for exchange pursuant to the exchange offer is subject to certain conditions set forth under "Certain Conditions to the Exchange Offer" below. We currently expect that each of the conditions will be satisfied and that no waivers will be necessary.

PURPOSE OF THE EXCHANGE OFFER

The original notes were issued on August 23, 2001 in reliance on certain exemptions from the registration requirements of the Securities Act. Accordingly, the original notes may not be reoffered, resold, or otherwise transferred unless so registered or unless an applicable exemption from the registration and prospectus delivery requirements of the Securities Act is available.

In connection with the issuance and sale of the original notes, we and WESCO International entered into an exchange and registration rights agreement, which requires us to file with the SEC a registration statement relating to the exchange offer within 90 days after the date of issuance of the original notes and to use our reasonable best efforts to cause the registration statement relating to the exchange offer to become effective under the Securities Act not later than 180 days after the date of issuance of the original notes. In addition, the exchange and registration rights agreement provides for certain remedies if the exchange offer is not consummated or a shelf registration statement with respect to original notes is not made effective within the time periods specified therein. See "Exchange and Registration Rights Agreement."

We are making the exchange offer to satisfy our obligations under the exchange and registration rights agreement. The term "holder," with respect to the exchange offer, means any person in whose name original notes are registered on the books of the Company or any other person who has obtained a properly completed bond power from the registered holder, or any person whose original notes are held of record by the Depository Trust Company or its nominee. Other than pursuant to the exchange and registration rights agreement, we and WESCO International are not required to file any registration statement to register any outstanding original notes. Holders of original notes who do not tender their original notes or whose original notes are tendered but not accepted would have to rely on exceptions to the registration requirements under the securities laws, including the Securities Act, if they wish to sell their original notes.

We are making the exchange offer in reliance on the position of the Staff of the SEC as set forth in certain interpretive letters addressed to third parties in other transactions. However, we have not sought our own interpretive letter and there can be no assurance that the Staff would make a similar determination with respect to the exchange offer as it has in such interpretive letters to third parties. Based on these interpretations by the Staff, we believe that

the exchange notes issued pursuant to the exchange offer in exchange for original notes may be offered for resale, resold and otherwise transferred by a holder (other than any holder who is a broker-dealer or an "affiliate" of us or of WESCO International within the meaning of Rule 405 of the Securities Act) without further compliance with the registration and prospectus delivery requirement of the Securities Act, provided that such outstanding exchange notes are acquired in the ordinary course of such holder's business and that such holder is not participating, and has no arrangement or understanding with any person to participate, in a distribution (within the meaning of the Securities Act) of such exchange notes. See "- Resale of Exchange Notes." Each broker-dealer that receives exchange notes for its own account in exchange for original notes, where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See "Plan of Distribution."

TERMS OF THE EXCHANGE

We are offering, subject to the conditions set forth herein and in the applicable letter of transmittal accompanying this prospectus, to exchange $1,000 principal amount of exchange notes for each $1,000 principal amount of our issued and outstanding original notes properly tendered on or prior to the expiration date and not withdrawn as permitted pursuant to the procedures described below. The terms of the exchange notes are identical in all material respects to the terms of the original notes for which they may be exchanged pursuant to the exchange offer, except that the exchange notes will generally be freely transferable by holders thereof and will not be subject to any covenant regarding registration. The exchange notes will evidence the same indebtedness as the original notes and will be entitled to the benefits of the indenture. See "Description of the Notes."

The exchange offer is not conditioned upon any minimum aggregate principal amount of original notes being tendered for exchange.

We have not requested, and do not intend to request, an interpretation by the Staff of the SEC with respect to whether the exchange notes issued pursuant to the exchange offer in exchange for the original notes may be offered for sale, resold or otherwise transferred by any holder without compliance with the registration and prospectus delivery provisions of the Securities Act. Instead, based on an interpretation by the Staff of the SEC set forth in a series of no-action letters issued to third parties, we believe that exchange notes issued pursuant to the exchange offer in exchange for original notes may be offered for sale, resold and otherwise transferred by any holder of such exchange notes (other than any such holder that is a broker-dealer or is an "affiliate" of us or of WESCO International within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such exchange notes are acquired in the ordinary course of such holder's business and such holder has no arrangement or understanding with any person to participate in the distribution of such exchange notes and neither such holder nor any other such person is engaging in or intends to engage in a distribution of such exchange notes. Since the SEC has not considered the exchange offer in the context of a no-action letter, there can be no assurance that the Staff of the SEC would make a similar determination with respect to the exchange offer. Any holder who is an affiliate of us or of WESCO International or who tenders in the exchange offer for the purpose of participating in the distribution of the exchange original notes cannot rely on such interpretation by the Staff of the SEC and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction. Each holder, other than a broker-dealer, must acknowledge that it is not engaged in, and does not intend to engage in, a distribution of exchange notes. Each broker-dealer that receives exchange notes for its own account in exchange for original notes, where such original notes were acquired by such

broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. A broker-dealer may not participate in the exchange offer with respect to original notes acquired other than as a result of market-making activities or other trading activities. See "Plan of Distribution."

Interest on the exchange notes will accrue from the last interest payment date on which interest was paid on the original notes so surrendered or, if no interest has been paid on such notes, from August 23, 2001.

Tendering holders of the original notes will not be required to pay brokerage commissions or fees or, subject to the instructions in the letter of transmittal, transfer taxes with respect to the exchange of the original notes pursuant to the exchange offer.

EXPIRATION DATE; EXTENSION; TERMINATION; AMENDMENT

The exchange offer will expire at 5:00 p.m., New York City time, on , 2001 (the expiration date"), unless the exchange offer is extended, in which case the term "expiration date" means the latest date and time to which the exchange offer is extended. The expiration date will be at least 20 business days after the commencement of the exchange offer in accordance with Rule 14e-1(a) under the Exchange Act. We expressly reserve the right, at any time or from time to time, to extend the period of time during which the exchange offer is open, and thereby delay acceptance for exchange of any original note by giving oral or written notice to the exchange agent and by timely public announcement no later than 9:00 a.m. New York City time, on the next business day after the expiration date previously in effect. During any such extension, all original notes previously tendered will remain subject to the exchange offer unless properly withdrawn. We do not anticipate extending the expiration date.

We expressly reserve the right to (i) terminate or amend the exchange offer and not to accept for exchange any original notes not theretofore accepted for exchange upon the occurrence of any of the events specified below under "Certain Conditions to the Exchange Offer" which have not been waived by us and (ii) amend the terms of the exchange offer in any manner which, in our good faith judgment, is advantageous to the holders of the original notes, whether before or after any tender of original notes. If any such termination or amendment occurs, we will notify the exchange agent and will either issue a press release or give oral or written notice to the holders of the original notes as promptly as practicable.

For purposes of the exchange offer, a "business day" means any day other than Saturday, Sunday or a date on which banking institutions are required or authorized by New York State law to be closed, and consists of the time period from 12:01 a.m. through 12:00 midnight, New York City time. Unless we terminate the exchange offer prior to 5:00 p.m., New York City time, on the expiration date, we will exchange the exchange notes for original notes on the exchange date.

PROCEDURES FOR TENDERING ORIGINAL NOTES

The tender of original notes by the holder as set forth below and the acceptance thereof by us will constitute a binding agreement between the tendering holder and us upon the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal.

A holder of original notes may tender the same by (i) properly completing and signing the letter of transmittal or a facsimile thereof (all references in this prospectus to a letter of transmittal shall be deemed to include a facsimile thereof) and delivering the same, together with the certificate or certificates representing the original notes being tendered and any required signature guarantees and any other documents required by the letter of transmittal, to the exchange agent at its address set forth below on or prior to the expiration date (or

complying with the procedure for book-entry transfers described below) or (ii) complying with the guaranteed delivery procedures described below.

The method of delivery of original notes, letters of transmittal and all other required documents is at the election and risk of the holders. If such delivery is by mail, it is recommended that registered mail properly insured, with return receipt requested, be used. In all cases, sufficient time should be allowed to insure timely delivery. No original notes or letters of transmittal should be sent to us.

If tendered, original notes are registered in the name of the signer of the letter of transmittal and the exchange notes to be issued in exchange therefore are to be issued (and any untendered notes are to be reissued) in the name of the registered holder (which term, for the purposes described herein, shall include any participant in The Depository Trust Company (also referred to as a "book-entry transfer facility") whose name appears on a security listing as the owner of original notes), the signature of such signer need not be guaranteed. In any other case, the tendered original notes must be endorsed or accompanied by written instruments of transfer in form satisfactory to us and duly executed by the registered holder, and the signature on the endorsement or instrument of transfer must be guaranteed by a bank, broker, dealer, credit union, savings association, clearing agency or other institution (each an "eligible institution") that is a member of a recognized signature guarantee medallion program within the meaning of Rule 17Ad-15 under the Exchange Act. In addition, if the exchange notes and/or original notes not exchanged are to be delivered to an address other than that of the registered holder appearing on the note register for such original notes, the signature on the letter of transmittal must be guaranteed by and eligible institution.

The exchange agent will make a request within two business days after the date of receipt of this prospectus to establish accounts with respect to the original notes at the book-entry transfer facility for the purpose of facilitating the exchange offer, and subject to the establishment thereof, any financial institution that is a participant in the book-entry transfer facility's system may make book-entry delivery of original notes by causing such book-entry transfer facility to transfer such original notes into the exchange agent's account with respect to the original notes in accordance with the book-entry transfer facility's procedures for such transfer. Although delivery of original notes may be effected through book-entry transfer into the exchange agent's account at the book-entry transfer facility, a letter of transmittal with any required signature guarantee and all other required documents must in each case be transmitted to and received or confirmed by the exchange agent at its address set forth below on or prior to the expiration date, or, if the guaranteed delivery procedures described below are complied with, within the time period provided under such procedures.

If a holder desires to accept the exchange offer and time will not permit the letter of transmittal or original notes to reach the exchange agent before the expiration date or the procedure for book-entry transfer cannot be completed on a timely basis, a tender may be effected if the exchange agent has received at its address set forth below on or prior to the expiration date, a letter, telegram or facsimile transmission (receipt confirmed by telephone and an original delivered by guaranteed overnight courier) from an eligible institution setting forth the name and address of the tendering holder, the names in which the original notes are registered and, if possible, the certificate numbers of the original notes to be tendered, and stating that the tender is being made thereby and guaranteeing that within three business days after the expiration date, the original notes in proper form for transfer (or a confirmation of book-entry transfer of such original notes into the exchange agent's account at the book-entry transfer facility), will be delivered by such eligible institution together with a properly completed and duly executed letter of transmittal (and any other required documents). Unless original notes being tendered by the above-described method are deposited with the exchange agent with the time period set forth above (accompanied or preceded by a properly completed letter of transmittal and any other required documents), we may, at our option, reject the

tender. Copies of the forms of notice of guaranteed delivery ("notice of guaranteed delivery") relating to the original notes which may be used by eligible institutions for the purposes described in this paragraph are available from the exchange agent.

A tender will be deemed to have been received as of the date when (i) the tendering holder's properly completed and duly signed letter of transmittal accompanied by the original notes (or a confirmation of book-entry transfer of such original notes into the exchange agent's account at the book-entry transfer facility) is received by the exchange agent, or (ii) the notice of guaranteed delivery or letter, telegram or facsimile transmissions to similar effect (as provided above) from an eligible institution is received by the exchange agent. Issuances of exchange notes in exchange for original notes tendered pursuant to a notice of guaranteed delivery or letter, telegram or facsimile transmission to similar effect (as provided above) by an eligible institution will be made only against deposit of the letter of transmittal (and any other required documents) and the tendered original notes.

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of original notes tendered for exchange will be determined by us in our sole discretion, which determination shall be final and binding. We reserve the absolute right to reject any and all tenders of any particular original notes not properly tendered or not to accept any particular original notes which acceptance might, in the judgment of us or our counsel, be unlawful. We also reserve the absolute right to waive any defects or irregularities or conditions of the exchange offer as to any particular original notes either before or after the expiration date (including the right to waive the ineligibility of any holder who seeks to tender original notes in the exchange offer). Our interpretation of the terms and conditions of the exchange offer (including the letter of transmittal and the instructions thereto) shall be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of original notes for exchange must be cured within such reasonable period of time as we shall determine. Neither we, the exchange agent nor any other person shall be under any duty to give notification of any defect or irregularity with respect to any tender of original notes for exchange, nor shall any of them incur any liability for failure to give such notification.

If a letter of transmittal is signed by a person or persons other than the registered holder or holders of original notes, such original notes must be endorsed or accompanied by appropriate powers of attorney, in either case signed exactly as the name or names of the registered holder or holders appear on the original notes.

If a letter of transmittal or any original notes or powers of attorney are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such person should so indicate when signing, and unless waived by us, proper evidence satisfactory to us of its authority to so act must be submitted.

By tendering, each holder will represent to us that, among other things, the exchange notes acquired pursuant to the exchange offer are being acquired in the ordinary course of business of the person receiving such exchange notes, whether or not such person is the holder, that neither the holder nor any such other person has an arrangement or understanding with any person to participate in the distribution of such exchange notes and that neither the holder nor any such other person is an "affiliate," as defined under Rule 405 of the Securities Act, of us or of WESCO International, or if it is an affiliate it will comply with the registration and prospectus requirements of the Securities Act to the extent applicable.

Each broker-dealer that receives exchange notes for its own account in exchange for original notes where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See "Plan of Distribution."

TERMS AND CONDITIONS OF THE LETTER OF TRANSMITTAL

The letter of transmittal contains, among other things, the following terms and conditions, which are part of the exchange offer.

The party tendering notes for exchange (the "transferor") exchanges assigns and transfers the original notes to us and irrevocably constitutes and appoints the exchange agent as the transferor's agent and attorney-in-fact to cause the original notes to be assigned, transferred and exchanged. The transferor represents and warrants that it has full power and authority to tender, exchange, assign and transfer the original notes and to acquire exchange notes issuable upon the exchange of such tendered notes, and that, when the same are accepted for exchange, we will acquire good and unencumbered title to the tendered notes, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim. The transferor also warrants that it will, upon request, execute and deliver any additional documents deemed by the exchange agent or us to be necessary or desirable to complete the exchange, assignment and transfer of tendered notes or transfer ownership of such original notes on the account books maintained by a book-entry transfer facility. The transferor further agrees that acceptance of any tendered original notes by us and the issuance of exchange notes in exchange therefore shall constitute performance in full by us of certain of our obligations under the exchange and registration rights agreement. All authority conferred by the transferor will survive the death or incapacity of the transferor and every obligation of the transferor shall be binding upon the heirs, legal representatives, successors, assigns, executors and administrators of such transferor.

The transferor certifies that it is not an "affiliate" of us or of WESCO International within the meaning of Rule 405 under the Securities Act and that it is acquiring the exchange notes offered hereby in the ordinary course of such transferor's business and that such transferor has no arrangement with any person to participate in the distribution of such exchange notes. Each holder, other than a broker-dealer, must acknowledge that it is not engaged in, and does not intend to engage in, a distribution of exchange notes. Each transferor which is a broker-dealer receiving exchange notes for its own account must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. By so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for original notes where such original notes were acquired by such broker-dealers as a result of market-making activities or other trading activities. We will, for a period of 180 days following the consummation of the exchange offer, make copies of this prospectus available to any broker-dealer for use in connection with any such resale.

WITHDRAWAL RIGHTS

Tenders of original notes may be withdrawn at any time prior to the expiration date.

For a withdrawal to be effective, a written notice of withdrawal sent by telegram, facsimile transmission (receipt confirmed by telephone) or letter must be received by the exchange agent at the address set forth herein prior to the expiration date. Any such notice of withdrawal must (i) specify the name of the person having tendered the original notes to be withdrawn (the "depositor"), (ii) identify the original notes to be withdrawn (including the certificate number or numbers and principal amount of such original notes), (iii) specify the principal amount of original notes to be withdrawn, (iv) include a statement that such holder is withdrawing his election to have such original notes exchanged, (v) be signed by the holder, in the same manner as the original signature on the letter of transmittal by which such original notes were tendered or as otherwise described above (including any required signature

guarantees) or be accompanies by documents of transfer sufficient to have the trustee under the indenture register the transfer of such original notes into the name of the person withdrawing the tender and (vi) specify the name in which any such original notes are to be registered, if different from that of the depositor. The exchange agent will return the properly withdrawn original notes promptly following receipt of notice of withdrawal.

If original notes have been tendered pursuant to the procedure for book-entry transfer, any notice of withdrawal must specify the name and number of the account at the book-entry transfer facility to be credited with the withdrawn original notes or otherwise comply with the book-entry transfer facility. All questions as to the validity of notices of withdrawals, including time of receipt, will be determined by us and such determination will be final and binding on all parties.

Any original notes so withdrawn will be deemed not to have been validly tendered for exchange for purposes of the exchange offer. Any original notes which have been tendered for exchange but which are not exchanged for any reason will be returned to the holder thereof without cost to such holder (or, in the case of original notes tendered by book-entry transfer into the exchange agent's account at the book-entry transfer facility pursuant to the book-entry transfer procedures described above, such original notes will be credited to an account with such book-entry transfer facility specified by the holder) as soon as practicable after withdrawal, rejection of tender or termination of the exchange offer. Properly withdrawn original notes may be retendered by following one of the procedures described under "-- Procedures for Tendering Original Notes" above at any time on or prior to the expiration date.

ACCEPTANCE OF ORIGINAL NOTES FOR EXCHANGE; DELIVERY OF EXCHANGE NOTES

Upon satisfaction or waiver of all of the conditions to the exchange offer, we will accept, promptly on the exchange date, all original notes properly tendered and will issue the exchange notes promptly after such acceptance. See "-- Certain Conditions to the Exchange Offer" below. For purposes of the exchange offer, we shall be deemed to have accepted properly tendered original notes for exchange when, as and if we have given oral or written notice thereof to the exchange agent.

For each original note accepted for exchange, the holder of such original note will receive an exchange note having a principal amount equal to that of the surrendered note.

In all cases, issuance of exchange notes for original notes that are accepted for exchange pursuant to the exchange offer will be made only after timely receipt by the exchange agent of certificates for such original notes or a timely book-entry confirmation of such original notes into the exchange agent's account at the book-entry transfer facility, a properly completed and duly executed letter of transmittal and all other required documents. If any tendered original notes are not accepted for any reason set forth in the terms and conditions of the exchange offer or if original notes are submitted for a greater principal amount than the holder desires to exchange, such unaccepted or non-exchanged original notes will be returned without expense to the tendering holder thereof (or, in the case of original notes tendered by book-entry transfer into the exchange agent's account at the book-entry transfer facility pursuant to the book-entry transfer procedures described above, such non-exchanged original notes will be credited to an account maintained with such book-entry transfer facility specified by holder) as promptly as practicable after the expiration of the exchange offer.

CERTAIN CONDITIONS TO THE EXCHANGE OFFER

Notwithstanding any other provision of the exchange offer, or any extension of the exchange offer, we shall not be required to accept for exchange, or to issue exchange notes in exchange for, original notes and may terminate or amend the exchange offer (by oral or

written notice to the exchange agent or by a timely press release) if at any time before the acceptance of such original notes for exchange or the exchange of the exchange offer for such original notes, any of the following conditions exist:

(a) any action or proceeding is instituted or threatened in any court or by or before any governmental agency or regulatory authority or any injunction, order or decree is issued with respect to the exchange offer which, in our sole judgment, might materially impair our ability to proceed with the exchange offer or have a material adverse effect on the contemplated benefits of the exchange offer to us; or

(b) any change (or any development involving a prospective change) shall have occurred or be threatened in our business, properties, assets, liabilities, financial condition, operations, results of operations or prospects that, in our sole judgment, is or may be adverse to us, or we shall have become aware of facts that have or may have adverse significance with respect to the value of the original notes or the exchange notes or that may, in our sole judgment, materially impair the contemplated benefits of the exchange offer to us; or

(c) any law, rule or regulation or applicable interpretations of the Staff of the SEC is issued or promulgated which, in our good faith determination, does not permit us to effect the exchange offer; or

(d) any governmental approval has not been obtained, which approval we, in our sole discretion, deem necessary for the consummation of the exchange offer; or

(e) there shall have been proposed, adopted or enacted any law, statute, rule or regulation (or an amendment to any existing law, statute, rule or regulation) which, in our sole judgment, might materially impair our ability to proceed with the exchange offer to have a material adverse effect on the contemplated benefits of the exchange offer to us; or

(f) there shall occur a change in the current interpretation by the Staff of the SEC which permits the exchange notes issued pursuant to the exchange offer in exchange for original notes to be offered for resale, resold and otherwise transferred by holders thereof (other than any such holder that is an "affiliate" of us or of WESCO International within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act provided that such exchange notes are acquired in the ordinary course of such holder's business and such holders have no arrangement with any person to participate in the distribution of such exchange offer; or

(g) there shall have occurred

- any general suspension of, shortening of hours for, or limitation on prices for, trading in securities on any national securities exchange or in the over-the-counter market (whether or not mandatory);

- any limitation by any governmental agency or authority which may adversely affect our ability to complete the transactions contemplated by the exchange offer;

- a declaration of a banking moratorium or any suspension of payments in respect of banks by Federal or state authorities in the United States (whether or not mandatory);

- a commencement of a war, armed hostilities or other international or national crisis directly or indirectly involving the United States;

- any limitation (whether or not mandatory) by any governmental authority on, or other event having a reasonable likelihood of affecting the extension of credit by banks or other lending institutions in the United States; or

- in the case of any of the foregoing existing at the time of the commencement of the exchange offer, a material acceleration or worsening thereof.

We expressly reserve the right to terminate the exchange offer and not accept for exchange any of the original notes upon the occurrence of any of the foregoing conditions (which represent all of the material conditions to our acceptance of the original notes which are properly tendered). In addition, we may amend the exchange offer at any time prior to the expiration date if any of the conditions set forth above occurs. Moreover, regardless of whether any of such conditions has occurred, we may amend the exchange offer in any manner which, in our good faith judgment, is advantageous to holders of the original notes.

The foregoing conditions are for our sole benefit and may be asserted by us regardless of the circumstances giving rise to any such condition or may be waived by us in whole or in part at any time and from time to time in our sole discretion. Our failure at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time. If we waive or amend the foregoing conditions, it will, if required by law, extend the exchange offer for a minimum of five business days from the date that we first give notice, by public announcement or otherwise, of such waiver or amendment, if the exchange offer would otherwise expire within such five business-day period. Any determination by us concerning the events described above will be final and binding upon all parties.

In addition, we will not accept for exchange any original notes tendered, and no exchange notes will be issued in exchange for any such original notes, if at such time any stop order shall be threatened or in effect with respect to the registration statement of which this prospectus constitutes a part or the qualification of the indenture under the Trust Indenture Act of 1939, as amended. In any such event, we are required to use every reasonable effort to obtain the withdrawal of any stop order at the earliest possible time.

The exchange offer is not conditioned upon any minimum principal amount of original notes being tendered for exchange.

EXCHANGE AGENT

Bank One, N.A. has been appointed as the exchange agent for the exchange offer. All executed letters of transmittal related to the exchange offer should be directed to the exchange agent at one of the addresses set forth in the letter of transmittal.

Questions and requests for assistance, requests for additional copies of this prospectus or of the letter of transmittal related to the original notes and requests for notices of guaranteed delivery related to the original notes should be directed to the exchange agent at the address and telephone number set forth in the letter of transmittal.

DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ON THE LETTER OF TRANSMITTAL, OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE NUMBER OTHER THAN THE ONE SET FORTH ON THE LETTER OF TRANSMITTAL, WILL NOT CONSTITUTE A VALID DELIVERY.

SOLICITATION OF TENDERS; FEES AND EXPENSES

We have not retained any dealer-manager in connection with the exchange offer and will not make any payments to broker-dealers or others soliciting acceptances of the exchange offer. We, however, will pay the exchange agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses in connection therewith. We will also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of this and other related documents to the beneficial owners of the original notes and in handling or forwarding tenders for their customers.

The estimated cash expenses to be incurred in connection with the exchange offer will be paid by us and are estimated in the aggregate to be approximately $100,000, including fees

and expenses of the exchange agent or the trustee, registration fees, and accounting, legal, printing and related fees and expenses.

No person has been authorized to give any information or to make any representations in connection with the exchange offer other than those contained in this prospectus. If given or made, such information or representations should not be relied upon as having been authorized by us. Neither the delivery of this prospectus nor any exchange made hereunder shall, under any circumstances, create any implication that there has been no change in our affairs since the respective dates as of which information is given herein. The exchange offer is not being made to (nor will tenders be accepted from or on behalf of) holders of original notes in any jurisdiction in which the making of the exchange offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. However, we may, at our discretion, take such action as we may deem necessary to make the exchange offer in any such jurisdiction and extend the exchange offer to holders of original notes in such jurisdiction. In any jurisdiction in which the securities or "blue sky" laws require the exchange offer to be made by a licensed broker or dealer, the exchange offer is being made on behalf of us by one or more registered brokers or dealers which are licensed under the laws of such jurisdiction.

TRANSFER TAXES

We will pay all transfer taxes, if any, to the exchange of original notes pursuant to the exchange offer. If, however, certificates representing exchange notes or original notes for principal amounts not tendered or accepted for exchange are to be delivered to, or are to be issued in the name of, any person other than the registered holder of the original notes tendered, or if tendered original notes are registered in the name of any person other than the person signing the letter of transmittal, or if a transfer tax is imposed for any reason other than the exchange of original notes pursuant to the exchange offer, then the amount of any such transfer taxes (whether imposed on the registered holder or any other persons) will be payable by the tendering holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the letter of transmittal, the amount of such transfer taxes will be billed directly to such tendering holder.

CONSEQUENCES OF FAILURE TO EXCHANGE

Holders of original notes who do not exchange their original notes for exchange notes pursuant to the exchange offer will continue to be subject to the restrictions on transfer of such original notes as set forth in the legend thereon. Original notes not exchanged pursuant to the exchange offer will continue to remain outstanding in accordance with their terms. In general, the original notes may not be offered or sold unless registered under the Securities Act, except pursuant to an exemption from, or in a transfer not subject to, the Securities Act and applicable state securities laws. We do not currently anticipate that we will register the original notes under the Securities Act.

Participation in the exchange offer is voluntary, and holders of original notes should carefully consider whether to participate. Holders of original notes are urged to consult their financial and tax advisors in making their own decision on what action to take.

As a result of the making of, and upon acceptance for exchange of all validly tendered original notes pursuant to the terms of, the exchange offer, we will have fulfilled an obligation under the exchange and registration rights agreement. Holders of original notes who do not tender their original notes in the exchange offer will continue to hold such original notes and will be entitled to all the rights and limitations applicable thereto under the indenture, except for any such rights under the exchange and registration rights agreement that by their terms terminate or cease to have further effectiveness as a result of the making of the exchange offer. All untendered original notes will continue to be subject to the restrictions on transfer

set forth in the indenture. To the extent that original notes are tendered and accepted in the exchange offer, the trading market for untendered original notes could be adversely affected.

We may in the future seek to acquire, subject to the terms of the indenture, untendered original notes in open-market or privately-negotiated transactions, through subsequent exchange offers or otherwise. We have no present plan to acquire any original notes which are not tendered in the exchange offer.

RESALE OF EXCHANGE NOTES

We are making the exchange offer in reliance on the position of the Staff of the SEC as set forth in certain interpretive letters addressed to third parties in other transactions. However, we have not sought our own interpretive letter and there can be no assurance that the Staff would make a similar determination with respect to the exchange offer as it has in such interpretive letters to third parties. Based on these interpretations by the Staff, we believe that the exchange notes issued pursuant to the exchange offer in exchange for original notes may be offered for resale, resold and otherwise transferred by a holder (other than any holder who is a broker-dealer or an "affiliate" of us or of WESCO International within the meaning of Rule 405 of the Securities Act) without further compliance with the registration and prospectus delivery requirements of the Securities Act, provided that such exchange notes are acquired in the ordinary course of such holder's business and that such holder is not participating, and has no arrangement or understanding with any person to participate, in a distribution (within the meaning of the Securities Act) of such exchange notes. However, any holder who is an "affiliate" of us or of WESCO International who has an arrangement or understanding with respect to the distribution of the exchange notes to be acquired pursuant to the exchange offer, or any broker-dealer who purchased original notes from us to resell pursuant to Rule 144A or any other available exemption under the Securities Act (i) could not rely on the applicable interpretations of the Staff and (ii) must comply with the registration and prospectus delivery requirements of the Securities Act. A broker-dealer who holds original notes that were acquired for its own account as a result of market-making or other trading activities may be deemed to be an "underwriter" within the meaning of the Securities Act and must, therefore, deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of exchange notes. Each such broker-dealer that receives exchange notes for its own account in exchange for original notes, where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge in the letter of transmittal that it will deliver a prospectus in connection with any resale of such exchange notes. Upon such notification by a broker-dealer, we have agreed to make this prospectus, as amended or supplemented, available to any such broker-dealer for use in connection with any such resales for 180 days following the consummation of the exchange offer. See "Plan of Distribution."

In addition, to comply with the securities laws of certain jurisdictions, if applicable, the exchange notes may not be offered or sold unless they have been registered or qualified for sale in such jurisdiction or an exemption from registration or qualification is available and is complied with. We have agreed, pursuant to the exchange and registration rights agreement and subject to certain specified limitations therein, to register or qualify the exchange notes for offer or sale under the securities or blue sky laws of such jurisdictions as any holder of the exchange notes reasonably requests. Such registration or qualification may require the imposition of restrictions or conditions (including suitability requirements for offerees or purchasers) in connection with the offer or sale of any exchange notes.

DESCRIPTION OF THE NOTES

GENERAL

The original notes were issued, and the exchange notes will be issued under an indenture dated as of August 23, 2001, among WESCO Distribution, WESCO International, as guarantor, and Bank One, N.A., as trustee (the "Indenture"), which has been filed as an exhibit to the registration statement of which this prospectus is part. Upon the effectiveness of this registration statement relating to the exchange offer, the Indenture will be subject to and governed by the TIA. The following summary of certain provisions of the Indenture does not purport to be complete and is qualified in its entirety by reference to the Indenture, including the definitions therein of certain terms used below. Capitalized terms used herein and not otherwise defined have the meanings set forth below under "-- Certain Definitions." For purposes of this "Description of the Notes," the term WESCO Distribution refers only to WESCO Distribution, Inc. and not to any of its Subsidiaries.

On August 23, 2001, we issued $100 million aggregate principal amount of original notes under the Indenture. The terms of the exchange notes are identical in all material respects to the original notes, except for certain transfer restrictions and registration and other rights relating to the exchange of the original notes for exchange notes. The trustee will authenticate and deliver exchange notes for original issue only in exchange for a like principal amount of original notes. Any original notes that remain outstanding after the consummation of the exchange offer, together with the exchange notes, will be treated as a single class of securities under the Indenture. Accordingly, all references herein to specified percentages in aggregate principal amount of the outstanding original notes shall be deemed to mean, at any time after the exchange offer is consummated, such percentage in aggregate principal amount of the original notes and exchange notes then outstanding.

Subject to the covenant described below under "-- Certain Covenants -- Limitation on Indebtedness," we may issue additional notes from time to time having identical terms and conditions to the notes (the "Additional Notes"). The notes and any Additional Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase.

Principal, premium, if any, and interest on the notes will be payable, and the notes may be exchanged or transferred, at the office or agency of WESCO Distribution in the Borough of Manhattan, the City of New York (which initially shall be the corporate trust office of the Trustee in New York, New York), except that, at our option, payment of interest may be made by check mailed to the registered holders of the notes at their registered addresses.

We will issue the notes only in fully registered form, without coupons, in denominations of $1,000 and any integral multiple of $1,000. We will not charge any service charge for any registration of transfer or exchange of notes, but may require payment of a sum sufficient to cover any transfer tax, assessment or other similar governmental charge payable in connection therewith.

TERMS OF THE NOTES

The notes will be unsecured senior subordinated obligations of WESCO Distribution and will mature on June 1, 2008. Each note will bear interest at a rate per annum shown on the front cover of this prospectus from August 23, 2001, or from the most recent date to which interest has been paid or provided for, payable semiannually to the Noteholders of record at the close of business on the May 15 or November 15 immediately preceding the interest payment date on June 1 and December 1 of each year, commencing December 1, 2001.

OPTIONAL REDEMPTION

Except as set forth in the following paragraph, we will not have the option to redeem the notes prior to June 1, 2003. After June 1, 2003, we will have the option to redeem the notes, in whole or in part, on not less than 30 or more than 60 days prior notice, at the following redemption prices (expressed as percentages of principal amount), plus accrued and unpaid interest and liquidated damages (if any) to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if we redeem during the 12-month period commencing on June 1 of the years set forth below:

YEAR	REDEMPTION PRICE
2003	104.563%
2004	103.042%
2005	101.521%
2006 and thereafter	100.000%

At any time prior to June 1, 2003, we may redeem the notes in whole but not in part within 180 days after a Change of Control, at a redemption price equal to the sum of:

- the principal amount thereof, plus

- accrued and unpaid interest and liquidated damages, if any, to the redemption date (subject to the right of Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date that is on or prior to the date of redemption), plus

- the Applicable Premium.

SELECTION

In the case of any partial redemption, the Trustee will select the notes for redemption on a pro rata basis or by lot although we will not redeem in part any note of $1,000 in original principal amount or less. If we are to redeem any note in part only, the notice of redemption relating to such note must state the certificate number and the portion of the principal amount of the note that we will redeem, and we will issue a new note in principal amount equal to the unredeemed portion thereof upon cancellation of the original note.

RANKING

The indebtedness evidenced by the notes will be unsecured Senior Subordinated Indebtedness of WESCO Distribution, will be subordinated in right of payment, as set forth in the Indenture, to all existing and future Senior Indebtedness of WESCO Distribution, will rank pari passu in right of payment with all existing and future Senior Subordinated Indebtedness of WESCO Distribution and will be senior in right of payment to all existing and future Subordinated Obligations of WESCO Distribution. The notes will also be effectively subordinated to any Secured Indebtedness of WESCO Distribution and its Subsidiaries to the extent of the value of the assets securing such Indebtedness and will also be effectively subordinated to all other obligations of the Subsidiaries of WESCO Distribution. However, payment from the money or the proceeds of U.S. Government obligations held in any defeasance trust described under "-- Defeasance" below is not subordinated to any Senior Indebtedness or subject to the restrictions described herein.

We conduct certain of our operations through Subsidiaries of WESCO Distribution. Claims of creditors of such Subsidiaries, including trade creditors, and claims of preferred stockholders

(if any) of such Subsidiaries generally will have priority with respect to the assets and earnings of such Subsidiaries over the claims of creditors of WESCO Distribution, including the Noteholders. The notes, therefore, will be effectively subordinated to creditors (including trade creditors) and preferred stockholders (if any) of Subsidiaries of WESCO Distribution. As of June 30, 2001 on an as adjusted basis, the Subsidiaries of WESCO Distribution had no Indebtedness, excluding Guarantees of $54.1 million of Indebtedness under the revolving credit facility, but had trade payables and other liabilities Incurred in the ordinary course of business. Although the Indenture will limit the Incurrence of Indebtedness by and the issuance of preferred stock of certain of WESCO Distribution's Subsidiaries, such limitation is subject to a number of significant qualifications.

As of June 30, 2001, on an as adjusted basis:

- the outstanding Senior Indebtedness of WESCO Distribution was $60.7 million, of which $54.1 million was Secured Indebtedness (exclusive of unused commitments under the revolving credit facility); and

- WESCO Distribution had no outstanding Senior Subordinated Indebtedness (other than the 9 1/8% senior subordinated notes due 2008 (the "1998 Notes")) and no outstanding Indebtedness that is subordinate or junior in right of repayment to the notes.

Although the Indenture will contain limitations on the amount of additional Indebtedness which WESCO Distribution may Incur, under certain circumstances the amount of such Indebtedness could be substantial and, in any case, such Indebtedness may be Senior Indebtedness. See "-- Certain Covenants -- Limitation on Indebtedness."

With respect to WESCO Distribution, "Senior Indebtedness" means the principal of, premium (if any) and accrued and unpaid interest on (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization of WESCO Distribution, regardless of whether or not a claim for post-filing interest is allowed in such proceedings), and fees and other amounts owing in respect of, Bank Indebtedness and all other Indebtedness of WESCO Distribution, whether outstanding on the Closing Date or thereafter Incurred, unless in the instrument creating or evidencing the same or pursuant to which the same is outstanding it is provided that such obligations are not superior in right of payment to the notes; provided, however, that Senior Indebtedness does not include:

- any obligation of WESCO Distribution to any Subsidiary;

- any liability for Federal, state, local or other taxes owed or owing by WESCO Distribution;

- any accounts payable or other liability to trade creditors arising in the ordinary course of business (including Guarantees thereof or instruments evidencing such liabilities);

- any Indebtedness or obligation of WESCO Distribution (and any accrued and unpaid interest in respect thereof) that by its terms is subordinate or junior in any respect to any other Indebtedness or obligation of WESCO Distribution, including any Senior Subordinated Indebtedness of WESCO Distribution and any Subordinated Obligations of WESCO Distribution;

- any payment obligations with respect to any Capital Stock; or

- any Indebtedness incurred in violation of the Indenture.

"Senior Indebtedness" of WESCO International has a correlative meaning.

Only Indebtedness of WESCO Distribution that is Senior Indebtedness will rank senior to the notes in accordance with the provisions of the Indenture. The notes will in all respects rank pari passu with all other Senior Subordinated Indebtedness of WESCO Distribution. WESCO

Distribution has agreed in the Indenture that it will not Incur, directly or indirectly, any Indebtedness which is subordinate or junior in ranking in any respect to Senior Indebtedness unless such Indebtedness is Senior Subordinated Indebtedness or is expressly subordinated in right of payment to Senior Subordinated Indebtedness. Unsecured Indebtedness is not deemed to be subordinate or junior to Secured Indebtedness merely because it is unsecured.

WESCO Distribution may not pay principal of, premium (if any) or interest on the notes, or any liquidated damages payable pursuant to the provisions set forth in the notes and the Exchange and Registration Rights Agreement, or make any deposit pursuant to the provisions described under "Defeasance" below, and may not otherwise repurchase, redeem or otherwise retire any notes (collectively, "pay the notes") if:

- any Designated Senior Indebtedness is not paid in cash or cash equivalents when due; or

- any other default on Designated Senior Indebtedness occurs and the maturity of such Designated Senior Indebtedness is accelerated in accordance with its terms unless, in either case the default has been cured or waived and any such acceleration has been rescinded or such Designated Senior Indebtedness has been paid in full in cash or cash equivalents.

However, WESCO Distribution may pay the notes without regard to the foregoing, if WESCO Distribution and the Trustee receive written notice approving such payment from the Representative of the Designated Senior Indebtedness with respect to which either of the events set forth above has occurred and is continuing. During the continuance of any default (other than a default described in the preceding paragraph) with respect to any Designated Senior Indebtedness pursuant to which the maturity thereof may be accelerated immediately without further notice (except such notice as may be required to effect such acceleration) or the expiration of any applicable grace periods, WESCO Distribution may not pay the notes for a period, referred to as "Payment Blockage Period," commencing upon the receipt by the Trustee (with a copy to WESCO Distribution) of written notice, or "Blockage Notice," of such default from the Representative of such Designated Senior Indebtedness specifying an election to effect a Payment Blockage Period and ending 179 days thereafter (or earlier if such Payment Blockage Period is terminated by written notice to the Trustee and WESCO Distribution from the Person or Persons who gave such Blockage Notice, by repayment in full in cash or cash equivalents of such Designated Senior Indebtedness or because the default giving rise to such Blockage Notice is no longer continuing). Notwithstanding the provisions described in the immediately preceding sentence (but subject to the provisions contained in the first sentence of this paragraph), unless the holders of such Designated Senior Indebtedness or the Representative of such holders have accelerated the maturity of such Designated Senior Indebtedness, WESCO Distribution may resume payments on the notes after the end of such Payment Blockage Period. Not more than one Blockage Notice may be given in any consecutive 360-day period, irrespective of the number of defaults with respect to Designated Senior Indebtedness during such period. However, if any Blockage Notice within such 360-day period is given by or on behalf of any holders of Designated Senior Indebtedness other than the Bank Indebtedness, the Representative of the Bank Indebtedness may give another Blockage Notice within such period. In no event, however, may the total number of days during which any Payment Blockage Period or Periods is in effect exceed 179 days in the aggregate during any 360 consecutive day period. For purposes of this paragraph, no default or event of default that existed or was continuing on the date of the commencement of any Payment Blockage Period with respect to the Designated Senior Indebtedness initiating such Payment Blockage Period shall be, or be made, the basis of the commencement of a subsequent Payment Blockage Period by the Representative of such Designated Senior Indebtedness, whether or not within a period of 360 consecutive days, unless such default or event of default has been cured or waived for a period of not less than 90 consecutive days.

Upon any payment or distribution of the assets of WESCO Distribution to creditors upon a total or partial liquidation or a total or partial dissolution of WESCO Distribution or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to WESCO Distribution or its property, (1) the holders of Senior Indebtedness of WESCO Distribution will be entitled to receive payment in full in cash or cash equivalents of such Senior Indebtedness before the Noteholders are entitled to receive any payment of principal of, interest, premium (if any) or liquidated damages on the notes and (2) until such Senior Indebtedness is paid in full in cash or cash equivalents, any payment or distribution to which Noteholders would be entitled but for the subordination provisions of the Indenture will be made to holders of such Senior Indebtedness as their interests may appear. If a distribution is made to Noteholders that due to the subordination provisions of the Indenture should not have been made to them, such Noteholders are required to hold it in trust for the holders of Senior Indebtedness of WESCO Distribution and pay it over to them as their interests may appear.

If payment of the notes is accelerated because of an Event of Default, WESCO Distribution or the Trustee shall promptly notify the holders of the Designated Senior Indebtedness (or their Representative) of the acceleration. If any Designated Senior Indebtedness is outstanding, WESCO Distribution may not pay the notes until five Business Days after such holders or the Representative of the Designated Senior Indebtedness receive notice of such acceleration and, thereafter, may pay the notes only if the subordination provisions of the Indenture otherwise permit payment at that time.

By reason of these subordination provisions contained in the Indenture, in the event of insolvency, creditors of WESCO Distribution who are holders of Senior Indebtedness of WESCO Distribution may recover more, ratably, than the Noteholders, and creditors of WESCO Distribution who are not holders of Senior Indebtedness of WESCO Distribution or of Senior Subordinated Indebtedness of WESCO Distribution (including the notes) may recover less, ratably, than holders of Senior Indebtedness of WESCO Distribution and may recover more, ratably, than the holders of Senior Subordinated Indebtedness of WESCO Distribution.

WESCO INTERNATIONAL GUARANTEE

WESCO International, as primary obligor and not merely as surety, will irrevocably and unconditionally Guarantee on an unsecured senior subordinated basis the performance and full and punctual payment when due, whether at Stated Maturity, by acceleration or otherwise, of all obligations of WESCO Distribution under the Indenture and the notes, whether for payment of principal of or interest on or liquidated damages in respect of the notes, expenses, indemnification or otherwise (all such obligations guaranteed by WESCO International are referred to herein as the "Guaranteed Obligations"). WESCO International has agreed to pay, in addition to the amount stated above, any and all costs and expenses (including reasonable counsel fees and expenses) incurred by the Trustee or the Noteholders in enforcing any rights under the WESCO International Guarantee. The WESCO International Guarantee will be limited in amount to an amount not to exceed the maximum amount that can be Guaranteed by WESCO International without rendering the Indenture, as it relates to WESCO International, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

The obligations of WESCO International under its Guarantee are senior subordinated obligations. As such, the rights of Noteholders to receive payment by WESCO International pursuant to the Guarantee will be subordinated in right of payment to the rights of holders of Senior Indebtedness of WESCO International. WESCO Investors should not rely on the WESCO International Guarantee in evaluating an investment in the notes. The terms of the subordination provisions described above with respect to WESCO Distribution's obligations under the notes apply equally to WESCO International and the obligations of WESCO International under the WESCO International Guarantee.

CHANGE OF CONTROL

Upon the occurrence of any of the following events, each of which is a "Change of Control," unless all notes have been called for redemption pursuant to the provisions described above under "-- Optional Redemption," each Noteholder will have the right to require WESCO Distribution to repurchase all or any part of such Noteholder's notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest and liquidated damages, if any, to the date of repurchase (subject to the right of Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date):

- (A) any "person" (as such term is used in Sections 13 (d) and 14 (d) of the Exchange Act), other than one or more Permitted Holders, is or becomes the "beneficial owner," as that term is defined in Rules 13d-3 and 13d-5 of the Exchange Act (except that for purposes of this clause, such person shall be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of the total voting power of the Voting Stock of WESCO Distribution or WESCO International and (B) the Permitted Holders "beneficially own" (as defined in Rules 13d-3 and 13d-5 of the Exchange Act), directly or indirectly, in the aggregate a lesser percentage of the total voting power of the Voting Stock of WESCO Distribution or WESCO International than such other person and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the board of directors of WESCO Distribution or WESCO International, as the case may be (for the purposes of this paragraph, (x) such other person shall be deemed to beneficially own any Voting Stock of a specified corporation held by a parent corporation, if such other person is the "beneficial owner" (as defined in subparagraph (A) above), directly or indirectly, of more than 35% of the voting power of the Voting Stock of such parent corporation and the Permitted Holders "beneficially own" (as defined in Rules 13d-3 and 13d-5 of the Exchange Act), directly or indirectly, in the aggregate a lesser percentage of the voting power of the Voting Stock of such parent corporation and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the board of directors of such parent corporation and (y) the Permitted Holders shall be deemed to beneficially own any Voting Stock of an entity (the "specified entity") held by any other entity (the "parent entity") so long as the Permitted Holders beneficially own (as so defined), directly or indirectly, in the aggregate a majority of the voting power of the Voting Stock of the parent entity);

- during any period of two consecutive years commencing on June 5, 1998, individuals who at the beginning of such period constituted the board of directors of WESCO Distribution or WESCO International, as the case may be (together with any new directors whose election by such board of directors of WESCO Distribution or WESCO International, as the case may be, or whose nomination for election by the shareholders of WESCO Distribution or WESCO International, as the case may be, was approved by a vote of 66 2/3% of the directors of WESCO Distribution or WESCO International, as the case may be, then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the board of directors of WESCO Distribution or WESCO International, as the case may be, then in office; or

- the merger or consolidation of WESCO Distribution or WESCO International with or into another Person or the merger of another Person with or into WESCO Distribution or WESCO International, or the sale of all or substantially all the assets of WESCO Distribution or WESCO International to another Person (other than a Person that is controlled by the Permitted Holders), and, in the case of any such merger or

consolidation, the securities of WESCO Distribution or WESCO International that are outstanding immediately prior to such transaction and which represent 100% of the aggregate voting power of the Voting Stock of WESCO Distribution or WESCO International are changed into or exchanged for cash, securities or property, unless pursuant to such transaction such securities are changed into or exchanged for, in addition to any other consideration, securities of the surviving Person that represent immediately after such transaction, at least a majority of the aggregate voting power of the Voting Stock of the surviving Person; provided, however, that any sale of accounts receivable in connection with a Qualified Receivables Transaction will not constitute a Change of Control.

Within 30 days following any Change of Control, unless all notes have been called for redemption pursuant to the provisions described above under "-- Optional Redemption," WESCO Distribution will, except as described below, mail a notice, referred to as a "Change in Control Offer," to each Noteholder with a copy to the Trustee stating:

- that a Change of Control has occurred and that such Noteholder has the right to require WESCO Distribution to purchase such Noteholder's notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest and liquidated damages, if any, to the date of repurchase (subject to the right of Noteholders of record on the relevant record date to receive interest on the relevant interest payment date);

- the circumstances and relevant facts regarding such Change of Control;

- the repurchase date (which can be no earlier than 30 days nor later than 60 days from the date such notice is mailed); and

- the instructions determined by WESCO Distribution, consistent with this covenant, that a Noteholder must follow in order to have its notes purchased.

WESCO Distribution will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by WESCO Distribution and purchases all notes validly tendered and not withdrawn under such Change of Control Offer.

The phrase "all or substantially all," as used with respect to a sale of assets in the definition in the Indenture of "Change of Control," varies according to the facts and circumstances of the subject transaction, has no clearly established meaning under New York law (the law governing such Indenture) and is subject to judicial interpretation. Accordingly, in certain circumstances, there may be a degree of uncertainty in ascertaining whether a particular transaction would involve a disposition of "all or substantially all" of the assets of a Person and therefore it may be unclear whether a Change of Control has occurred.

WESCO Distribution will comply, to the extent applicable, with the requirements of Section 14 (e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, WESCO Distribution will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue thereof.

Our management has no present intention to engage in a transaction involving a Change of Control, although it is possible that we would decide to do so in the future. Subject to the limitations discussed below, we could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of Indebtedness outstanding

at such time or otherwise affect WESCO Distribution's capital structure or credit ratings. Restrictions on the ability of WESCO Distribution to incur additional Indebtedness are contained in the covenants described under "-- Certain Covenants -- Limitation on Indebtedness" and "-- Limitation on Liens." Such restrictions can only be waived with the consent of the holders of at least a majority in principal amount of the notes then outstanding. Except for the limitations contained in such covenants, however, the Indenture will not contain any covenants or provisions that may afford holders of the notes protection in the event of a highly leveraged transaction.

The occurrence of certain of the events which would constitute a Change of Control would constitute a default under the Credit Agreement. Future Senior Indebtedness of WESCO Distribution may contain prohibitions of certain events which would constitute a Change of Control or require such Senior Indebtedness to be repurchased upon a Change of Control. Prior to the mailing of the notice referred to above, but in any event within 30 days following the date on which WESCO Distribution becomes aware that a Change of Control has occurred, if the purchase of the notes would violate or constitute a default under any other Indebtedness of WESCO Distribution, then WESCO Distribution must, to the extent needed to permit such purchase of notes, either repay all such Indebtedness and terminate all commitments outstanding thereunder or request the holders of such Indebtedness to give the requisite consents to permit the purchase of the notes as provided above. Until such time as WESCO Distribution is able to repay all such Indebtedness and terminate all commitments outstanding thereunder or such time as such requisite consents are obtained, WESCO Distribution will not be required to make the Change of Control Offer or purchase the notes pursuant to the provisions described above. Finally, WESCO Distribution's ability to pay cash to the Noteholders upon a repurchase may be limited by its then existing financial resources. We can make no assurance that sufficient funds will be available when necessary to make any required repurchases. See "-- Ranking." The provisions under the Indenture relative to WESCO Distribution's obligation to make an offer to repurchase the notes as a result of a Change of Control, if WESCO Distribution is permitted by the terms of the Credit Agreement and any other Indebtedness to make such offer and repurchase, may only be waived or modified with the written consent of the holders of a majority in principal amount of the notes.

CERTAIN COVENANTS

The Indenture contains covenants including, among others, the following:

Limitation on Indebtedness. (a) WESCO Distribution will not, and will not permit any Restricted Subsidiary to, Incur, directly or indirectly, any Indebtedness; provided, however, that WESCO Distribution may Incur Indebtedness if on the date of such Incurrence and after giving effect thereto the Consolidated Coverage Ratio would be greater than 2.00:1.00.

(b) Notwithstanding the foregoing paragraph (a), WESCO Distribution and its Restricted Subsidiaries may Incur the following Indebtedness:

(i) Indebtedness Incurred pursuant to the Credit Agreement or any other Credit Facility in an aggregate principal amount at any time outstanding not to exceed $400 million;

(ii) Indebtedness of WESCO Distribution owed to and held by any Wholly Owned Subsidiary or Indebtedness of a Restricted Subsidiary owed to and held by WESCO Distribution or any Wholly Owned Subsidiary; provided, however, that (A) any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Wholly Owned Subsidiary ceasing to be a Wholly Owned Subsidiary or any subsequent transfer of any such Indebtedness (except to WESCO Distribution or a Wholly Owned Subsidiary) will be deemed, in each case, to constitute the Incurrence of such Indebtedness by the issuer thereof and (B) if WESCO Distribution is the obligor on such Indebtedness, such

Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations with respect to the notes;

(iii) Indebtedness (A) represented by the notes (not including any Additional Notes) and the 1998 Notes, (B) outstanding on June 5, 1998 (other than the Indebtedness described in clauses (i) and (ii) above and Indebtedness Incurred prior to the Closing Date and outstanding pursuant to the provisions of the 1998 Notes Indenture corresponding to clause (a) of this covenant), (C) consisting of Refinancing Indebtedness Incurred in respect of any Indebtedness described in this clause (iii) (including Indebtedness that Refinances any Refinancing Indebtedness) or the foregoing paragraph (a) and (D) consisting of Guarantees of any Indebtedness permitted under clauses (i) and (ii) of this paragraph (b);

(iv) (A) Indebtedness of a Restricted Subsidiary Incurred and outstanding on or prior to the date on which such Restricted Subsidiary was acquired by WESCO Distribution (other than Indebtedness Incurred as consideration in, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Subsidiary of or was otherwise acquired by WESCO Distribution); provided, however, if the aggregate amount of all such Indebtedness of all such Restricted Subsidiaries would exceed $20.0 million, that on the date that such Restricted Subsidiary is acquired by WESCO Distribution, it would have been able to Incur $1.00 of additional Indebtedness pursuant to the foregoing paragraph (a) after giving effect to the Incurrence of such Indebtedness pursuant to this clause (iv) and (B) Refinancing Indebtedness Incurred by a Restricted Subsidiary in respect of Indebtedness Incurred by such Restricted Subsidiary pursuant to this clause (iv);

(v) Indebtedness (A) in respect of performance bonds, bankers' acceptances, letters of credit and surety or appeal bonds provided by WESCO Distribution and the Restricted Subsidiaries in the ordinary course of their business, and (B) under Hedging Obligations consisting of Interest Rate Agreements directly related (as determined in good faith by WESCO Distribution) to Indebtedness permitted to be Incurred by WESCO Distribution and its Restricted Subsidiaries pursuant to the Indenture and Currency Agreements Incurred in the ordinary course of business;

(vi) Indebtedness Incurred by WESCO Distribution or any Restricted Subsidiary (including Capitalized Lease Obligations) financing the purchase, lease or improvement of property (real or personal) or equipment (whether through the direct purchase of assets or the Capital Stock of the Person owning such assets), in each case Incurred no more than 180 days after such purchase, lease or improvement of such property and any Refinancing Indebtedness in respect of such Indebtedness; provided, however, that at the time of the Incurrence of such Indebtedness and after giving effect thereto, the aggregate principal amount of all such Indebtedness Incurred pursuant to this clause (vi) (or, prior to the Closing Date, pursuant to the corresponding provision of the 1998 Notes Indenture) and then outstanding shall not exceed the greater of $25.0 million and 5% of Adjusted Consolidated Assets;

(vii) Indebtedness Incurred by WESCO Distribution in connection with the acquisition of a Related Business and any Refinancing Indebtedness in respect of such Indebtedness; provided, however, that the aggregate amount of all such Indebtedness Incurred and outstanding pursuant to this clause (vii) (or, prior to the Closing Date, pursuant to the corresponding provision of the 1998 Notes Indenture) shall not exceed $50.0 million at any one time;

(viii) Attributable Debt Incurred by WESCO Distribution in respect of Sale/Leaseback Transactions; provided, however, that the aggregate amount of any such Attributable Debt Incurred and outstanding pursuant to this clause (viii) (or, prior to the Closing Date,

pursuant to the corresponding provision of the 1998 Notes Indenture) shall not exceed $75.0 million at any one time;

(ix) Indebtedness arising from agreements of WESCO Distribution or a Restricted Subsidiary providing for indemnification, purchase price adjustment or similar obligations, in each case, Incurred or assumed in connection with the disposition of any business, assets or a Subsidiary, other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition; provided, however, that the maximum assumable liability in respect of all such Indebtedness shall at no time exceed the gross proceeds actually received by WESCO Distribution and its Restricted Subsidiaries in connection with such disposition;

(x) any Guarantee by WESCO Distribution of Indebtedness or other obligations of any of its Restricted Subsidiaries so long as the Incurrence of such Indebtedness Incurred by such Restricted Subsidiary is permitted under the terms of the Indenture;

(xi) Indebtedness arising from Guarantees to suppliers, lessors, licensees, contractors, franchisees or customers Incurred in the ordinary course of business;

(xii) Indebtedness Incurred by a Receivables Entity in a Qualified Receivables Transaction that is not recourse to WESCO Distribution or any other Restricted Subsidiary of WESCO Distribution (except for Standard Securitization Undertakings); and

(xiii) Indebtedness (other than Indebtedness permitted to be Incurred pursuant to the foregoing paragraph (a) or any other clause of this paragraph (b)) in an aggregate principal amount on the date of Incurrence that, when added to all other such Indebtedness Incurred pursuant to this clause (xiii) (or, prior to the Closing Date, pursuant to the corresponding provision of the 1998 Notes Indenture) and then outstanding, shall not exceed $50.0 million.

(c) WESCO Distribution will not Incur any Indebtedness if such Indebtedness is subordinate or junior in ranking in any respect to any Senior Indebtedness unless such Indebtedness is Senior Subordinated Indebtedness or is expressly subordinated in right of payment to Senior Subordinated Indebtedness.

(d) Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that WESCO Distribution or any Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rates of currencies. For purposes of determining the outstanding principal amount of any particular Indebtedness Incurred pursuant to this covenant, (i) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness and (ii) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in this covenant, WESCO Distribution, in its sole discretion, shall classify or reclassify such Indebtedness and only be required to include the amount of such Indebtedness in one of such clauses.

Limitation on Restricted Payments. (a) WESCO Distribution will not, and will not permit any Restricted Subsidiary, directly or indirectly, to (i) declare or pay any dividend or make any distribution on or in respect of its Capital Stock (including any payment in connection with any merger or consolidation involving WESCO Distribution) or similar payment to the direct or indirect holders of its Capital Stock except dividends or distributions payable solely in its Capital Stock (other than Disqualified Stock) and except dividends or distributions payable to WESCO Distribution or another Restricted Subsidiary (and, if such Restricted Subsidiary has equity holders other than WESCO Distribution or other Restricted Subsidiaries, to its other equity holders on a pro rata basis), (ii) purchase, redeem, retire or otherwise acquire for value any Capital Stock of WESCO International, WESCO Distribution or any Restricted Subsidiary held by

Persons other than WESCO Distribution or another Restricted Subsidiary, (iii) purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment any Subordinated Obligations (other than the purchase, repurchase or other acquisition of Subordinated Obligations purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of acquisition) or (iv) make any Investment (other than a Permitted Investment) in any Person (any such dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Investment being herein referred to as a "Restricted Payment") if at the time WESCO Distribution or such Restricted Subsidiary makes such Restricted Payment: (1) a Default will have occurred and be continuing (or would result therefrom); (2) WESCO Distribution could not Incur at least $1.00 of additional Indebtedness under paragraph (a) of the covenant described under "Limitation on Indebtedness"; or (3) the aggregate amount of such Restricted Payment and all other Restricted Payments (the amount so expended, if other than in cash, to be determined in good faith by the Board of Directors, whose determination will be conclusive and evidenced by a resolution of the Board of Directors) declared or made subsequent to June 5, 1998 would exceed the sum of: (A) 50% of the Consolidated Net Income accrued during the period (treated as one accounting period) from the beginning of the fiscal quarter beginning July 1, 1998 to the end of the most recent fiscal quarter for which internal financial statements are available prior to the date of such Restricted Payment (or, in case such Consolidated Net Income will be a deficit, minus 100% of such deficit); (B) the aggregate Net Cash Proceeds or fair market value of assets or property received by WESCO Distribution as a contribution to its equity capital or from the issue or sale of its Capital Stock (in each case other than Disqualified Stock and Excluded Contributions) subsequent to June 5, 1998 (other than an issuance or sale to (x) a Subsidiary of WESCO Distribution or (y) an employee stock ownership plan or other trust established by WESCO Distribution or any of its Subsidiaries); (C) the amount by which Indebtedness or Disqualified Stock of WESCO Distribution or its Restricted Subsidiaries is reduced on WESCO Distribution's balance sheet upon the conversion or exchange (other than by a Subsidiary of WESCO Distribution) subsequent to June 5, 1998 of any Indebtedness or Disqualified Stock of WESCO Distribution or its Restricted Subsidiaries issued after June 5, 1998 for Capital Stock (other than Disqualified Stock) of WESCO Distribution (less the amount of any cash or the fair market value of other property distributed by WESCO Distribution or any Restricted Subsidiary upon such conversion or exchange); and (D) the amount equal to the net reduction in Investments in any Person (other than a Restricted Subsidiary) since June 5, 1998 resulting from (i) payments of dividends, repayments of the principal of loans or advances or other transfers of assets to WESCO Distribution or any Restricted Subsidiary from such Person, (ii) the sale or liquidation for cash of such Investment or (iii) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued in each case as provided in the definition of "Investment") not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by WESCO Distribution or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount was included in the calculation of the amount of Restricted Payments.

(b) The provisions of the foregoing paragraph (a) will not prohibit: (i) any Restricted Payment made by exchange for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of WESCO Distribution (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary of WESCO Distribution or an employee stock ownership plan or other trust established by WESCO Distribution or any of its Subsidiaries); provided, however, that (A) such Restricted Payment will be excluded in the calculation of the amount of Restricted Payments and (B) the Net Cash Proceeds from such sale applied in the manner set forth in this clause (i) will be excluded from the calculation of amounts under clause (3)(B) of paragraph (a) above; (ii) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Obligations of WESCO Distribution made by exchange

for, or out of the proceeds of the substantially concurrent sale of, Indebtedness of WESCO Distribution that is permitted to be Incurred pursuant to paragraph (b) of the covenant described under "-- Limitation on Indebtedness"; provided, however, that such purchase, repurchase, redemption, defeasance or other acquisition or retirement for value will be excluded in the calculation of the amount of Restricted Payments; (iii) any purchase or redemption of Subordinated Obligations from Net Available Cash to the extent permitted by the covenant described under "-- Limitation on Sales of Assets and Subsidiary Stock"; provided, however, that such purchase or redemption will be excluded in the calculation of the amount of Restricted Payments; (iv) dividends paid within 60 days after the date of declaration thereof if at such date of declaration such dividend would have complied with this covenant; provided, however, that such dividend will be included in the calculation of the amount of Restricted Payments; (v) any Restricted Payment made for the repurchase, redemption or other acquisition or retirement for value of any Capital Stock of WESCO International, WESCO Distribution or any of their respective Subsidiaries held by any employee, former employee, director or former director of WESCO International, WESCO Distribution or any of their respective Subsidiaries (and any permitted transferees thereof) pursuant to any equity subscription agreement, stock option agreement or plan or other similar agreement; provided, however, that the aggregate amount of such Restricted Payments shall not exceed $5.0 million in any calendar year and $20.0 million in the aggregate, in each case since June 5, 1998; provided further, however, that such Restricted Payments shall be included in the calculation of the amount of Restricted Payments; (vi) payment of dividends, other distributions or other amounts by WESCO Distribution for the purposes set forth in clauses (A) through (E) below; provided, however, that such dividend, distribution or amount shall be excluded in the calculation of the amount of Restricted Payments: (A) to WESCO International in amounts equal to the amounts required for WESCO International to pay franchise taxes and other fees required to maintain its corporate existence and provide for other operating costs of up to $2.0 million per calendar year; (B) to WESCO International in amounts equal to amounts required for WESCO International to pay Federal, state and local income taxes that are then actually due and owing by WESCO International to the extent such items relate to WESCO Distribution and its Subsidiaries; (C) to WESCO International to permit WESCO International to pay financial advisory, financing, underwriting or placement fees to Cypress and its Affiliates; (D) to WESCO International to permit WESCO International to pay any employment, noncompetition, compensation or confidentiality arrangements entered into with its employees in the ordinary course of business to the extent such employees are primarily engaged in activities which relate to WESCO Distribution and its Subsidiaries; and (E) to WESCO International to permit WESCO International to pay customary fees and indemnities to directors and officers of WESCO International to the extent such directors and officers are primarily engaged in activities which relate to WESCO Distribution and its Subsidiaries; (vii) following the initial Equity Offering by WESCO International, any payment of dividends or common stock buybacks by WESCO Distribution in an aggregate amount in any year not to exceed 6% of the aggregate Net Cash Proceeds actually received by WESCO Distribution in connection with such initial Equity Offering and any subsequent Equity Offering by WESCO Distribution or WESCO International; provided, however, that no Default or Event of Default shall have occurred and be continuing immediately before or after any such payment; provided further, however, that such dividends or common stock buybacks shall be included in the calculation of the amount of Restricted Payments; (viii) any repurchase of Capital Stock deemed to occur upon exercise of stock options if such Capital Stock represents a portion of the exercise price of such option; provided, however, that such repurchase shall be included in the calculation of the amount of Restricted Payments; (ix) the payment of any dividend or the making of any distribution to WESCO International in amounts sufficient to permit WESCO International (A) to pay interest when due on the 11 1/8% senior discount notes due 2008 and (B) to make any mandatory redemptions, repurchases or principal or accreted value payments in respect of such senior discount notes; provided, however, that such payments, dividends and distributions shall be excluded in the

calculation of the amount of Restricted Payments; (x) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of WESCO Distribution issued in accordance with the covenant described under "-- Limitation on Indebtedness" to the extent such dividends are included in the definition of Consolidated Interest Expense; provided, however, that such dividends shall be included in the calculation of the amount of Restricted Payments; (xi) Investments made with Excluded Contributions; provided, however, that such Investments shall be excluded in the calculation of the amount of Restricted Payments; (xii) any Restricted Payment made to fund the Recapitalization (including fees and expenses); provided, however, that such Restricted Payment shall be excluded in the calculation of the amount of Restricted Payments; or (xiii) other Restricted Payments in an aggregate amount not to exceed $10.0 million since June 5, 1998; provided, however, that such payments shall be included in the calculation of the amount of Restricted Payments.

Limitation on Restrictions on Distributions from Restricted Subsidiaries. WESCO Distribution will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (i) pay dividends or make any other distributions on its Capital Stock or pay any Indebtedness or other obligations owed to WESCO Distribution, (ii) make any loans or advances to WESCO Distribution or (iii) transfer any of its property or assets to WESCO Distribution, except: (1) any encumbrance or restriction pursuant to an agreement in effect at or entered into on June 5, 1998; (2) any encumbrance or restriction with respect to a Restricted Subsidiary pursuant to an agreement relating to any Indebtedness Incurred by such Restricted Subsidiary on or prior to the date on which such Restricted Subsidiary was acquired by WESCO Distribution (other than Indebtedness Incurred as consideration in, in contemplation of, or to provide all or any portion of the funds or credit support utilized to consummate the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Restricted Subsidiary or was otherwise acquired by WESCO Distribution) and outstanding on such date; (3) any encumbrance or restriction pursuant to an agreement effecting a Refinancing of Indebtedness Incurred pursuant to an agreement referred to in clause (1) or (2) of this covenant or this clause (3) or contained in any amendment to an agreement referred to in clause (1) or (2) of this covenant or this clause (3); provided, however, that the encumbrances and restrictions contained in any such Refinancing agreement or amendment are no less favorable to the Noteholders than the encumbrances and restrictions contained in such predecessor agreements; (4) in the case of clause (iii), any encumbrance or restriction (A) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, (B) contained in security agreements or mortgages securing Indebtedness of a Restricted Subsidiary to the extent such encumbrance or restriction restricts the transfer of the property subject to such security agreements or mortgages or (C) in connection with purchase money obligations for property acquired in the ordinary course of business; (5) with respect to a Restricted Subsidiary, any restriction imposed pursuant to an agreement entered into for the sale or disposition of all or substantially all the Capital Stock or assets of such Restricted Subsidiary pending the closing of such sale or disposition; (6) any encumbrance or restriction of a Receivables Entity effected in connection with a Qualified Receivables Transaction; provided, however, that such restrictions apply only to such Receivables Entity; and (7) any encumbrance or restriction existing pursuant to other Indebtedness permitted to be Incurred subsequent to the Closing Date pursuant to the provisions of the covenant described under "-- Limitations on Indebtedness"; provided, however, that any such encumbrance or restrictions are ordinary and customary with respect to the type of Indebtedness being Incurred (under the relevant circumstances).

Limitation on Sales of Assets and Subsidiary Stock. (a) WESCO Distribution will not, and will not permit any Restricted Subsidiary to, make any Asset Disposition unless (i) WESCO Distribution or such Restricted Subsidiary receives consideration (including by way of relief from, or by any other Person assuming sole responsibility for, any liabilities, contingent or

otherwise) at the time of such Asset Disposition at least equal to the fair market value (as determined in good faith by WESCO Distribution) of the shares and assets subject to such Asset Disposition, (ii) at least 75% of the consideration thereof received by WESCO Distribution or such Restricted Subsidiary is in the form of cash or cash equivalents (provided that the amount of (w) any liabilities (as shown on WESCO Distribution's or such Restricted Subsidiary's most recent balance sheet or in the notes thereto) of WESCO Distribution or any Restricted Subsidiary (other than liabilities that are by their terms subordinated to the notes) that are assumed by the transferee of any such assets without recourse to WESCO Distribution or any of the Restricted Subsidiaries, (x) any notes or other obligations received by WESCO Distribution or such Restricted Subsidiary from such transferee that are converted by WESCO Distribution or such Restricted Subsidiary into cash (to the extent of the cash received) within 180 days following the closing of such Asset Disposition, (y) any Designated Noncash Consideration received by WESCO Distribution or any of its Restricted Subsidiaries in such Asset Disposition having an aggregate fair market value, taken together with all other Designated Noncash Consideration received pursuant to this clause (y) and the corresponding provision of the 1998 Notes Indenture that is at that time outstanding, not to exceed 5% of Adjusted Consolidated Assets at the time of the receipt of such Designated Noncash Consideration (with the fair market value of each item of Designated Noncash Consideration being measured at the time received and without giving effect to subsequent changes in value) and (z) any assets received in exchange for assets related to a Related Business of comparable market value in the good faith determination of the Board of Directors shall be deemed to be cash for purposes of this provision) and (iii) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by WESCO Distribution (or such Restricted Subsidiary, as the case may be) (A) first, to the extent WESCO Distribution elects (or is required by the terms of any Indebtedness), to prepay, repay, redeem or purchase Senior Indebtedness of WESCO Distribution or Indebtedness (other than any Disqualified Stock and other than any Preferred Stock) of a Wholly Owned Subsidiary (in each case other than Indebtedness owed to WESCO Distribution or an Affiliate of WESCO Distribution) within 365 days after the later of the date of such Asset Disposition or the receipt of such Net Available Cash; (B) second, to the extent of the balance of Net Available Cash after application in accordance with clause (A), to the extent WESCO Distribution or such Restricted Subsidiary elects, to reinvest in Additional Assets (including by means of an Investment in Additional Assets by a Restricted Subsidiary with Net Available Cash received by WESCO Distribution or another Restricted Subsidiary) within 365 days from the later of such Asset Disposition or the receipt of such Net Available Cash; and (C) third, to the extent of the balance of such Net Available Cash after application in accordance with clauses (A) and (B), to make an Offer (as defined below) to purchase notes pursuant to and subject to the conditions set forth in section (b) of this covenant; provided, however, that if WESCO Distribution elects (or is required by the terms of any other Senior Subordinated Indebtedness), such Offer may be made ratably to purchase the notes and other Senior Subordinated Indebtedness of WESCO Distribution; provided, however, that in connection with any prepayment, repayment or purchase of Indebtedness pursuant to clause (A) or (C) above, WESCO Distribution or such Restricted Subsidiary will retire such Indebtedness and will cause the related loan commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased. Notwithstanding the foregoing provisions of this covenant, WESCO Distribution and the Restricted Subsidiaries will not be required to apply any Net Available Cash in accordance with this covenant except to the extent that the aggregate Net Available Cash from all Asset Dispositions that is not applied in accordance with this covenant exceeds $20.0 million (provided that such amount shall be reduced by the aggregate Net Available Cash from all Asset Dispositions not applied in accordance with the corresponding provision of the 1998 Notes Indenture prior to the Closing Date).

(b) In the event of an Asset Disposition that requires the purchase of notes (and other Senior Subordinated Indebtedness) pursuant to clause (a)(iii)(C) of this covenant, WESCO

Distribution will be required to purchase notes (and other Senior Subordinated Indebtedness) tendered pursuant to an offer by WESCO Distribution for the notes (and other Senior Subordinated Indebtedness) (the "Offer") at a purchase price of 100% of their principal amount plus accrued and unpaid interest and liquidated damages, if any, to the date of purchase in accordance with the procedures (including prorating in the event of oversubscription), set forth in the Indenture. If the aggregate purchase price of notes (and other Senior Subordinated Indebtedness) tendered pursuant to the Offer is less than the Net Available Cash allotted to the purchase of the notes (and other Senior Subordinated Indebtedness), WESCO Distribution may apply the remaining Net Available Cash for any purpose permitted by the terms of the Indenture. WESCO Distribution will not be required to make an Offer for notes (and other Senior Subordinated Indebtedness) pursuant to this covenant if the Net Available Cash available therefor (after application of the proceeds as provided in clauses (A) and (B) of paragraph (a)(iii)) of this covenant is less than $10.0 million for any particular Asset Disposition (which lesser amount will be carried forward for purposes of determining whether an Offer is required with respect to the Net Available Cash from any subsequent Asset Disposition).

(c) WESCO Distribution will comply, to the extent applicable, with the requirements of Section 14 (e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, WESCO Distribution will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue thereof.

Limitations on Transactions with Affiliates. (a) WESCO Distribution will not, and will not cause or permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or Guarantee with, or for the benefit of, any Affiliate (each of the foregoing, an "Affiliate Transaction") involving aggregate consideration in excess of $5.0 million, unless (i) such Affiliate Transaction is on terms that are not materially less favorable to WESCO Distribution or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by WESCO Distribution or such Restricted Subsidiary with an unrelated Person and (ii) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $10.0 million, WESCO Distribution delivers to the Trustee a resolution adopted by the majority of the Board of Directors, approving such Affiliate Transaction and set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with clause (i) above.

(b) The provisions of the foregoing paragraph (a) will not prohibit (i) any Restricted Payment permitted to be paid pursuant to the covenant described under "-- Limitation on Restricted Payments", (ii) any issuance of securities, or other payments, Guarantees, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock options and stock ownership plans approved by the Board of Directors, (iii) the grant of stock options or similar rights to employees and directors of WESCO Distribution pursuant to plans approved by the Board of Directors, (iv) loans or advances to employees in the ordinary course of business in accordance with past practices of WESCO Distribution, but in any event not to exceed $5.0 million in the aggregate outstanding at any one time, (v) the payment of reasonable fees to directors of WESCO Distribution and its Restricted Subsidiaries who are not employees of WESCO Distribution or its Subsidiaries, (vi) any transaction between WESCO Distribution and a Restricted Subsidiary or between Restricted Subsidiaries, (vii) any transaction effected as part of a Qualified Receivables Transaction, (viii) any payment by WESCO Distribution to WESCO International to permit WESCO International to pay any Federal, state, local or other taxes that are then actually due and owing by WESCO International, (ix) indemnification agreements with, and the payment of

fees and indemnities to, directors, officers and employees of WESCO Distribution and its Restricted Subsidiaries, in each case, in the ordinary course of business, (x) any employment, compensation, noncompetition or confidentiality agreement entered into by WESCO Distribution and its Restricted Subsidiaries with its employees in the ordinary course of business, (xi) the payment by WESCO Distribution of fees, expenses and other amounts to Cypress and its Affiliates in connection with the Recapitalization, (xii) payments by WESCO Distribution or any of its Restricted Subsidiaries to Cypress and its Affiliates made pursuant to any financial advisory, financing, underwriting or placement agreement, or in respect of other investment banking activities, in each case, as determined by the Board of Directors in good faith, (xiii) any issuance of Capital Stock of WESCO Distribution (other than Disqualified Stock), (xiv) any agreement as in effect as of June 5, 1998 or any amendment or replacement thereto so long as any such amendment or replacement agreement is not more disadvantageous to the Noteholders of the notes in any material respect than the original agreement as in effect on June 5, 1998 and (xv) transactions in which WESCO Distribution or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to WESCO Distribution or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (a) of the preceding paragraph.

Limitation on the Sale or Issuance of Capital Stock of Restricted Subsidiaries. WESCO Distribution will not sell or otherwise dispose of any shares of Capital Stock of a Restricted Subsidiary, and will not permit any Restricted Subsidiary, directly or indirectly, to issue or sell or otherwise dispose of any shares of its Capital Stock except: (i) to WESCO Distribution or a Wholly Owned Subsidiary or to any director of a Restricted Subsidiary to the extent required as director's qualifying shares; (ii) if, immediately after giving effect to such issuance, sale or other disposition, neither WESCO Distribution nor any of its Subsidiaries own any Capital Stock of such Restricted Subsidiary or (iii) if, immediately after giving effect to such issuance or sale, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any Investment in such Person remaining after giving effect thereto would have been permitted to be made under the covenant described under "-- Limitation on Restricted Payments" if made on the date of such issuance, sale or other disposition. The provisions of this covenant will not prohibit any transaction effected as part of a Qualified Receivables Transaction. The proceeds of any sale of such Capital Stock permitted hereby will be treated as Net Available Cash from an Asset Disposition and must be applied in accordance with the terms of the covenant described under "-- Limitation on Sales of Assets and Subsidiary Stock."

Limitation on Liens. WESCO Distribution will not, and will not permit any Restricted Subsidiary to, directly or indirectly, Incur or permit to exist any Lien of any nature whatsoever that secures Senior Subordinated Indebtedness or Subordinated Obligations on any of its property or assets (including capital Stock of a Restricted Subsidiary), whether owned at the Closing Date or thereafter acquired, other than Permitted Liens, without effectively providing that the notes shall be secured equally and ratably with (or on a senior basis to in the case of Subordinated Obligations) the obligations so secured for so long as such obligations are so secured.

SEC Reports. WESCO International shall continue to file with the SEC and provide the Trustee and any Noteholder or prospective Noteholder (upon the request of such Noteholder or prospective Noteholder) with such annual reports and such information, documents and other reports as are specified in Sections 13 and 15 (d) of the Exchange Act and applicable to a U.S. corporation subject to such Sections, such information, documents and other reports to be so filed and provided at the times specified for the filing of such information, documents and reports under such Sections.

MERGER AND CONSOLIDATION

WESCO Distribution will not consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless: (i) the resulting, surviving or transferee Person (the "Successor Company") will be a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and the Successor Company (if not WESCO Distribution) will expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of WESCO Distribution under the notes and the Indenture; (ii) immediately after giving effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Company or any Restricted Subsidiary as a result of such transaction as having been Incurred by the Successor Company or such Restricted Subsidiary at the time of ouch transaction), no Default will have occurred and be continuing; (iii) immediately after giving effect to such transaction, (A) the Successor Company would be able to Incur an additional $1.00 of Indebtedness under paragraph (a) of the covenant described under "-- Certain Covenants -- Limitation on Indebtedness" or (B) the Consolidated Coverage Ratio for the Successor Company and its Restricted Subsidiaries would be greater than such ratio for WESCO Distribution and its Restricted Subsidiaries immediately prior to such transaction; (iv) immediately after giving effect to such transaction, the Successor Company will have Consolidated Net Worth in an amount which is not less than the Consolidated Net Worth of WESCO Distribution immediately prior to such transaction; and (v) WESCO Distribution will have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the Indenture. Notwithstanding clause (iii) above, a Wholly Owned Subsidiary may be consolidated with or merged into WESCO Distribution and WESCO Distribution may consolidate with or merge with or into (A) another Person, if such Person is a single purpose corporation that has not conducted any business or incurred any Indebtedness or other liabilities and such transaction is being consummated solely to change the state of incorporation of WESCO Distribution and (B) WESCO International; provided, however, that, in the case of clause (B), (x) WESCO International shall not have owned any assets other than the Capital Stock of WESCO Distribution (and other immaterial assets incidental to its ownership of such Capital Stock) or conducted any business other than owning the Capital Stock of WESCO Distribution, (y) WESCO International shall not have any Indebtedness or other liabilities (other than ordinary course liabilities incidental to its ownership of the Capital Stock of WESCO Distribution) and (z) immediately after giving effect to such consolidation or merger, the Successor Company shall have a pro forma Consolidated Coverage Ratio that is not less than the Consolidated Coverage Ratio of WESCO Distribution immediately prior to such consolidation or merger.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, WESCO Distribution under the notes indenture, but the predecessor Company in the case of a conveyance, transfer or lease of all or substantially all its assets will not be released from the obligation to pay the principal of and interest on the notes.

DEFAULTS

An Event of Default is defined in the Indenture as (i) a default in any payment of interest on any note when due and payable, whether or not prohibited by the provisions described under "-- Ranking", continued for 30 days, (ii) a default in the payment of principal of any note when due and payable at its Stated Maturity, upon required redemption or repurchase, upon declaration or otherwise, whether or not such payment is prohibited by the provisions described under "-- Ranking", (iii) the failure by WESCO Distribution to comply with its obligations under the covenant described under "-- Merger and Consolidation", (iv) the failure by WESCO Distribution to comply for 30 days after notice with any of its obligations under the

covenants described under "-- Change of Control" or "-- Certain Covenants" (in each case, other than a failure to purchase notes), (v) the failure by WESCO Distribution to comply for 60 days after notice with any other agreements contained in the notes or the Indenture, (vi) the failure by WESCO Distribution or any Significant Subsidiary to pay any Indebtedness within any applicable grace period after final maturity or the acceleration of any such Indebtedness by the holders thereof because of a default if the total amount of such Indebtedness unpaid or accelerated exceeds $25 million or its foreign currency equivalent (the "cross acceleration provision") and such failure continues for 10 days after receipt of the notice specified in the Indenture, (vii) certain events of bankruptcy, insolvency or reorganization of WESCO Distribution or a Significant Subsidiary (the "bankruptcy provisions") or (viii) the rendering of any judgment or decree for the payment of money in excess of $25 million or its foreign currency equivalent against WESCO Distribution or a Significant Subsidiary if (A) an enforcement proceeding thereon is commenced by any creditor or (B) such judgment or decree remains outstanding for a period of 60 days following such judgment and is not discharged, waived or stayed within 10 days after notice (the "judgment default provision").

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

However, a default under clauses (iv), (v), (vi) or (viii) will not constitute an Event of Default until the Trustee or the Noteholders of at least 25% in principal amount of the outstanding notes notify WESCO Distribution of the default and WESCO Distribution does not cure such default within the time specified in clauses (iv), (v), (vi) or (viii) hereof after receipt of such notice.

If an Event of Default (other than an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of WESCO Distribution) occurs and is continuing, the Trustee or the Noteholders of at least 25% in principal amount of the outstanding notes by notice to WESCO Distribution may declare the principal of and accrued but unpaid interest on all the notes to be due and payable. Upon such a declaration, such principal and interest will be due and payable immediately. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of WESCO Distribution occurs, the principal of and interest on all the notes will become immediately due and payable without any declaration or other act on the part of the Trustee or any Noteholders. Under certain circumstances, the Noteholders of a majority in principal amount of the outstanding notes may rescind any such acceleration with respect to the notes and its consequences.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Noteholders unless such Noteholders have offered to the Trustee reasonable indemnity or security against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no Noteholder may pursue any remedy with respect to the Indenture or the notes unless (i) such Noteholder has previously given the Trustee notice that an Event of Default is continuing, (ii) Noteholders of at least 25% in principal amount of the outstanding notes have requested the Trustee in writing to pursue the remedy, (iii) such Noteholders have offered the Trustee reasonable security or indemnity against any loss, liability or expense, (iv) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity and (v) the Noteholders of a majority in principal amount of the outstanding notes have not given the Trustee a direction inconsistent with such request within such 60-day period. Subject to certain restrictions, the Noteholders of a majority in principal amount of the outstanding notes are given the right to direct the time, method and place of conducting any proceeding for any

remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Noteholder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

The Indenture provides that if a Default occurs and is continuing and is known to the Trustee, the Trustee must mail to each Noteholder notice of the Default within the earlier of 90 days after it occurs or 30 days after it is known to a Trust Officer or written notice of it is received by the Trustee. Except in the case of a Default in the payment of principal of, premium (if any) or interest on any note (including payments pursuant to the redemption provisions of such note), the Trustee may withhold notice if and so long as a committee of its Trust Officers in good faith determines that withholding notice is in the interests of the Noteholders. In addition, WESCO Distribution is required to deliver to the Trustee, within 120 days after the end of each fiscal year of WESCO Distribution, a certificate indicating whether the signers thereof know of any Default that occurred during the previous year. WESCO Distribution also is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any event which would constitute certain Events of Default, their status and what action WESCO Distribution is taking or proposes to take in respect thereof.

AMENDMENTS AND WAIVERS

Subject to certain exceptions, the Indenture or the notes may be amended with the written consent of the Noteholders of at least a majority in principal amount of the notes then outstanding and any past default or compliance with any provisions may be waived with the consent of the Noteholders of a majority in principal amount of the notes then outstanding. However, without the consent of each Noteholder of an outstanding note affected, no amendment may, among other things, (i) reduce the principal amount of notes whose Noteholders must consent to an amendment, (ii) reduce the rate of or extend the time for payment of interest or any liquidated damages on any note, (iii) reduce the principal of or extend the Stated Maturity of any note, (iv) reduce the premium payable upon the redemption of any note or change the time at which any note may be redeemed as described under "-- Optional Redemption", (v) make any note payable in money other than that stated in the note, (vi) make any change to the subordination provisions of the Indenture that adversely affects the rights of any Noteholder, or (vii) make any change in the amendment provisions which require each Noteholder's consent or in the waiver provisions.

Without the consent of any Noteholder, WESCO Distribution, WESCO International and the Trustee may amend the Indenture to cure any ambiguity, omission, defect or inconsistency, to provide for the assumption by a successor corporation of the obligations of WESCO Distribution under the Indenture, to provide for uncertificated notes in addition to or in place of certificated notes (provided that the uncertificated notes are issued in registered form for purposes of Section 163 (f) of the Code, or in a manner such that the uncertificated notes are described in Section 163 (f)(2)(B) of the Code), to make any change in the subordination provisions of the Indenture that would limit or terminate the benefits available to any holder of Senior Indebtedness of WESCO Distribution (or any representative thereof) under such subordination provisions, to add additional Guarantees with respect to the notes, to secure the notes, to add to the covenants of WESCO Distribution for the benefit of the Noteholders or to surrender any right or power conferred upon WESCO Distribution, to make any change that does not adversely affect the rights of any Noteholder, subject to the provisions of the Indenture, to provide for the issuance of the exchange notes or Additional Notes or to comply with any requirement of the SEC in connection with the qualification of the Indenture under

the TIA. However, no amendment may be made to the subordination provisions of the Indenture that adversely affects the rights of any holder of Senior Indebtedness of WESCO Distribution then outstanding unless the holders of such Senior Indebtedness (or any group or representative thereof authorized to give a consent) consent to such change.

The consent of the Noteholders is not necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

After an amendment under the Indenture becomes effective, WESCO Distribution is required to mail to Noteholders a notice briefly describing such amendment. However, the failure to give such notice to all Noteholders, or any defect therein, will not impair or affect the validity of the amendment.

TRANSFER AND EXCHANGE

A Noteholder may transfer or exchange notes in accordance with the Indenture. Upon any transfer or exchange, the Registrar and the Trustee may require a Noteholder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes required by law or permitted by the Indenture. The Registrar is not required to register the transfer of or exchange any note selected for redemption (except, in the case of a note to be redeemed in part, the portion of the note not to be redeemed) or to transfer or exchange any note for a period of 15 days prior to a selection of notes to be redeemed or 15 days before an interest payment date. The notes will be issued in registered form and the registered holder of a note will be treated as the owner of such note for all purposes.

DEFEASANCE

WESCO Distribution at any time may terminate all its obligations under the notes and the Indenture ("legal defeasance"), except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer or exchange of the notes, to replace mutilated, destroyed, lost or stolen notes and to maintain a registrar and paying agent in respect of the notes. WESCO Distribution at any time may terminate its obligations under the covenants described under "-- Certain Covenants", the operation of the cross acceleration provision, the bankruptcy provisions with respect to Significant Subsidiaries and the judgment default provision described under "-- Defaults" and the limitations contained in clauses (iii) and (iv) under the first paragraph of "-- Merger and Consolidation" ("covenant defeasance"). In the event that WESCO Distribution exercises its legal defeasance option or its covenant defeasance option, WESCO International will be released from all of its obligations with respect to its WESCO International Guarantee.

WESCO Distribution may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If WESCO Distribution exercises its legal defeasance option, payment of the notes may not be accelerated because of an Event of Default with respect thereto. If WESCO Distribution exercises its covenant defeasance option, payment of the notes may not be accelerated because of an Event of Default specified under "-- Defaults" in clause (iv), (vi), (vii) (with respect only to Significant Subsidiaries) or (viii)(with respect only to Significant Subsidiaries) or because of the failure of WESCO Distribution to comply with clause (iii) or (iv) under the first paragraph of "-- Merger and Consolidation."

In order to exercise either defeasance option, WESCO Distribution must irrevocably deposit in trust with the Trustee money or U.S. Government Obligations for the payment of principal, premium (if any) and interest on the notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of an Opinion of Counsel to the effect that holders of the notes will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit and defeasance and will be subject to

Federal income tax on the same amounts and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and, in the case of legal defeasance only, such Opinion of Counsel must be based on a ruling of the Internal Revenue Service or other change in applicable Federal income tax law).

CONCERNING THE NOTES TRUSTEE

Bank One, N.A. is the Trustee under the Indenture and has been appointed by WESCO Distribution as Registrar and Paying Agent with regard to the notes.

GOVERNING LAW

The Indenture provides that it and the notes will be governed by, and construed in accordance with, the laws of the State of New York without giving effect to applicable principles of conflicts of law to the extent that the application of the law of another jurisdiction would be required thereby.

CERTAIN DEFINITIONS

"Additional Assets" means (i) any property or assets (other than Indebtedness and Capital Stock) to be used by WESCO Distribution or a Restricted Subsidiary in a Related Business; (ii) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by WESCO Distribution or another Restricted Subsidiary; or (iii) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary; provided, however, that any such Restricted Subsidiary described in clauses (ii) or (iii) above is primarily engaged in a Related Business.

"Adjusted Consolidated Assets" means at any time the total amount of assets of WESCO Distribution and its Restricted Subsidiaries (less applicable depreciation, amortization and other valuation reserves), after deducting therefrom all current liabilities of WESCO Distribution and its Restricted Subsidiaries (excluding intercompany items), all as set forth on the Consolidated balance sheet of WESCO Distribution and its Restricted Subsidiaries as of the end of the most recent fiscal quarter for which financial statements are available prior to the date of determination.

"Affiliate" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Applicable Premium" means, with respect to a note at any redemption date, the greater of (i) 1.0% of the principal amount of such note and (ii) the excess of (A) the present value at such time of (1) the redemption price of such note at June 1, 2003 (such redemption price being set forth in the table set forth under "-- Optional Redemption") plus (2) all required interest payments due on such note through June 1, 2003 (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate plus 50 basis points, over (B) the then-outstanding principal amount of such note.

"Asset Disposition" means any sale, lease, transfer or other disposition (or series of related sales, leases, transfers or dispositions) by WESCO Distribution or any Restricted Subsidiary, including any disposition by means of a merger, consolidation, or similar transaction (each referred to for the purposes of this definition as a "disposition"), of (i) any shares of Capital Stock of a Restricted Subsidiary (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than WESCO Distribution or a Restricted

Subsidiary), (ii) all or substantially all the assets of any division or line of business of WESCO Distribution or any Restricted Subsidiary or (iii) any other assets of WESCO Distribution or any Restricted Subsidiary outside the ordinary course of business of WESCO Distribution or such Restricted Subsidiary (other than, in the case of (i), (ii) and (iii) above, (A) a disposition by a Restricted Subsidiary to WESCO Distribution or by WESCO Distribution or a Restricted Subsidiary to a Wholly Owned Subsidiary, (B) for purposes of the provisions described under "Certain Covenants -- Limitation on Sales of Assets and Subsidiary Stock" only, a disposition subject to the covenant described under "-- Certain Covenants -- Limitation on Restricted Payments", (C) a disposition of assets with a fair market value of leas than $1,000,000, (D) a sale of accounts receivables and related assets of the type specified in the definition of "Qualified Receivables Transaction" to a Receivables Entity in a Qualified Receivables Transaction, (E) a transfer of accounts receivables and related assets of the type specified in the definition of "Qualified Receivables Transaction" (or a fractional undivided interest therein) by a Receivables Entity in a Qualified Receivables Transaction, (F) the disposition of all or substantially all of the assets of WESCO Distribution in a manner permitted pursuant to the provisions described above under "Merger and Consolidation" or any disposition that constitutes a Change of Control pursuant to the Indenture, (G) any exchange of like property pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended, for use in a Related Business, and (H) any sale of Capital Stock in, or Indebtedness or other securities of, an Unrestricted Subsidiary).

"Attributable Debt" in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate borne by the notes, compounded annually) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended).

"Average Life" means, as of the date of determination, with respect to any Indebtedness or Preferred Stock, the quotient obtained by dividing (i) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment by (ii) the sum of all such payments.

"Bank Indebtedness" means any and all amounts payable under or in respect of the Credit Agreement and any Refinancing Indebtedness with respect thereto, as amended from time to time, including principal, premium (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to WESCO Distribution whether or not a claim for post-filing interest is allowed in such proceedings), fees, charges, expenses, reimbursement obligations, Guarantees and all other amounts payable thereunder or in respect thereof.

"Board of Directors" means the Board of Directors of WESCO Distribution or any committee thereof duly authorized to act on behalf of such Board.

"Business Day" means each day which is not a Legal Holiday.

"Capital Stock" of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"Capitalized Lease Obligations" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with GAAP, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with GAAP; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such

lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"Closing Date" means the date of the Indenture.

"Code" means the Internal Revenue Code of 1986, as amended.

"Consolidated Coverage Ratio" as of any date of determination means the ratio of (i) the aggregate amount of EBITDA for the period of the most recent four consecutive fiscal quarters for which internal financial statements are available prior to the date of such determination to (ii) Consolidated Interest Expense for such four fiscal quarters; provided, however, that (A) if WESCO Distribution or any Restricted Subsidiary has Incurred any Indebtedness since the beginning of such period that remains outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is an Incurrence of Indebtedness, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving effect on a pro forma basis to such Indebtedness as if such Indebtedness had been Incurred on the first day of such period and the discharge of any other Indebtedness repaid, repurchased, defeased or otherwise discharged with the proceeds of such new Indebtedness as if such discharge had occurred on the first day of such period (except that, in making such computation, the amount of Indebtedness under any revolving credit facility outstanding on the date of such calculation shall be computed based on (1) the average daily balance of such Indebtedness (and any Indebtedness under a revolving credit facility replaced by such Indebtedness) during such four fiscal quarters or such shorter period when such facility and any replaced facility was outstanding or (2) if such facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness (and any Indebtedness under a revolving credit facility replaced by such Indebtedness) during the period from the date of creation of such facility to the date of the calculation), (B) if WESCO Distribution or any Restricted Subsidiary has repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of such period or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Consolidated Coverage Ratio, EBITDA and Consolidated Interest Expense for such period shall be calculated on a pro forma basis as if such discharge had occurred on the first day of such period and as if WESCO Distribution or such Restricted Subsidiary has not earned the interest income actually earned during such period in respect of cash or Temporary Cash Investments used to repay, repurchase, defease or otherwise discharge such Indebtedness, (C) if since the beginning of such period WESCO Distribution or any Restricted Subsidiary shall have made any Asset Disposition, the EBITDA for such period shall be reduced by an amount equal to the EBITDA (if positive) directly attributable to the assets that are the subject of such Asset Disposition for such period or increased by an amount equal to the EBITDA (if negative) directly attributable thereto for such period and Consolidated Interest Expense for such period shall be reduced by an amount equal to the Consolidated Interest Expense directly attributable to any Indebtedness of WESCO Distribution or any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to WESCO Distribution and its continuing Restricted Subsidiaries in connection with such Asset Disposition for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Interest Expense for such period directly attributable to the Indebtedness of such Restricted Subsidiary to the extent WESCO Distribution and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such sale), (D) if since the beginning of such period WESCO Distribution or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person that becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of an operating unit

of a business, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition occurred on the first day of such period and (E) if since the beginning of such period any Person (that subsequently became a Restricted Subsidiary or was merged with or into WESCO Distribution or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Disposition or any Investment or acquisition of assets that would have required an adjustment pursuant to clause (C) or (D) above if made by WESCO Distribution or a Restricted Subsidiary during such period, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto as if such Asset Disposition, Investment or acquisition of assets occurred on the first day of such period. For purposes of this definition, whenever pro forma effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness Incurred in connection therewith, the pro forma calculations shall be determined in good faith by a responsible financial or accounting Officer of WESCO Distribution, and such pro forma calculations shall include (A)(x) the savings in cost of goods sold that would have resulted from using WESCO Distribution's actual costs for comparable goods and services during the comparable period and (y) other savings in cost of goods sold or eliminations of selling, general and administrative expenses as determined by a responsible financial or accounting officer of WESCO Distribution in good faith in connection with WESCO Distribution's consideration of such acquisition and consistent with WESCO Distribution's experience in acquisitions of similar assets, less (B) the incremental expenses that would be included in cost of goods sold and selling, general and administrative expenses that would have been incurred by WESCO Distribution in the operation of such acquired assets during such period. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest expense on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term as at the date of determination in excess of 12 months).

"Consolidated Interest Expense" means, for any period, the total interest expense (net of interest income) of WESCO Distribution and its Consolidated Restricted Subsidiaries, plus, to the extent Incurred by WESCO Distribution and its Restricted Subsidiaries in such period but not included in such interest expense, (i) interest expense attributable to Capitalized Lease Obligations and the interest expense attributable to leases constituting part of a Sale/Leaseback Transaction, (ii) amortization of debt discount, (iii) capitalized interest, (iv) non-cash interest expense, (v) commissions, discounts and other fees and charges attributable to letters of credit and bankers' acceptance financing, (vi) interest accruing on any Indebtedness of any other Person to the extent such Indebtedness is Guaranteed by WESCO Distribution or any Restricted Subsidiary, (vii) net costs associated with Hedging Obligations (including amortization of fees), (viii) dividends in respect of all Preferred Stock of WESCO Distribution and any of the Restricted Subsidiaries of WESCO Distribution (other than pay in kind dividends and accretions to liquidation value) to the extent held by Persons other than WESCO Distribution or a Wholly Owned Subsidiary, (ix) interest Incurred in connection with investments in discontinued operations and (x) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any Person (other than WESCO Distribution) in connection with Indebtedness Incurred by such plan or trust, less, to the extent included in such total interest expense, the amortization during such period of capitalized financing costs. Notwithstanding anything to the contrary contained herein, interest expense, commissions, discounts, yield and other fees and charges Incurred in connection with any Qualified Receivables Transaction pursuant to which WESCO Distribution or any Subsidiary may sell, convey or otherwise transfer or grant a security interest in any accounts receivable or related assets of the type specified in the definition of "Qualified Receivables Transaction" shall not be included in Consolidated Interest Expense; provided that

any interest expense, commissions, discounts, yield and other fees and charges Incurred in connection with any receivables financing or securitization that does not constitute a Qualified Receivables Transaction shall be included in Consolidated Interest Expense.

"Consolidated Net Income" means, for any period, the net income of WESCO Distribution and its Consolidated Subsidiaries for such period; provided, however, that there shall not be included in such Consolidated Net Income: (i) any net income of any Person (other than WESCO Distribution) if such Person is not a Restricted Subsidiary, except that (A) subject to the limitations contained in clause (iv) below, WESCO Distribution's equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to WESCO Distribution or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution made to a Restricted Subsidiary, to the limitations contained in clause (iii) below) and (B) WESCO Distribution's equity in a net loss of any such Person for such period shall be included in determining such Consolidated Net Income; (ii) any net income (or loss) of any person acquired by WESCO Distribution or a Subsidiary in a pooling of interests transaction for any period prior to the date of such acquisition; (iii) any net income (or loss) of any Restricted Subsidiary if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to WESCO Distribution, except that (A) subject to the limitations contained in clause (iv) below, WESCO Distribution's equity in the net income of any such Restricted Subsidiary for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash which could have been distributed by such Restricted Subsidiary during such period to WESCO Distribution or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution made to another Restricted Subsidiary, to the limitation contained in this clause) and (B) WESCO Distribution's equity in a net loss of any such Restricted Subsidiary for such period shall be included in determining such Consolidated Net Income; (iv) any gain (or loss) realized upon the sale or other disposition of any asset of WESCO Distribution or its Consolidated Subsidiaries (including pursuant to any Sale/Leaseback Transaction) that is not sold or otherwise disposed of in the ordinary course of business and any gain (or loss) realized upon the sale or other disposition of any Capital Stock of any Person; (v) any extraordinary gain or loss; (vi) the cumulative effect of a change in accounting principles; and (vii) any expenses or charges paid to third parties related to any Equity Offering, Permitted Investment, acquisition, recapitalization or Indebtedness permitted to be Incurred by the Indenture (whether or not successful) (including such fees, expenses, or charges related to the Recapitalization). Notwithstanding the foregoing, for the purpose of the covenant described under "Certain Covenants -- Limitation on Restricted Payments" only, there shall be excluded from Consolidated Net Income any dividends, repayments of loans or advances or other transfers of assets from Unrestricted Subsidiaries to WESCO Distribution or a Restricted Subsidiary to the extent such dividends, repayments or transfers increase the amount of Restricted Payments permitted under such covenant pursuant to clause (a)(3)(D) thereof.

"Consolidated Net Worth" means the total of the amounts shown on the balance sheet of WESCO Distribution and its Restricted Subsidiaries, determined on a Consolidated basis, as of the end of the most recent fiscal quarter of WESCO Distribution for which internal financial statements are available, as (i) the par or stated value of all outstanding Capital Stock of WESCO Distribution plus (ii) paid-in capital or capital surplus relating to such Capital Stock plus (iii) any retained earnings or earned surplus less (A) any accumulated deficit and (B) any amounts attributable to Disqualified Stock.

"Consolidation" means the consolidation of the amounts of each of the Restricted Subsidiaries with those of WESCO Distribution in accordance with GAAP consistently applied; provided, however, that "Consolidation" will not include consolidation of the accounts of any

Unrestricted Subsidiary, but the interest of WESCO Distribution or any Restricted Subsidiary in an Unrestricted Subsidiary will be accounted for as an investment. The term "Consolidated" has a correlative meaning.

"Credit Agreement" means the credit agreement dated as of June 29, 1999, as amended, waived or otherwise modified from time to time, among WESCO International, WESCO Distribution, WESCO Distribution -- Canada, Inc., certain financial institutions to be party thereto, The Chase Manhattan Bank, as U.S. administrative agent, syndication agent and U.S. collateral agent, The Chase Manhattan Bank of Canada, as Canadian administrative agent and Canadian collateral agent, and Lehman Commercial Paper Inc., as documentation agent.

"Credit Facilities" means, with respect to WESCO Distribution, one or more debt facilities, or commercial paper facilities with banks or other institutional lenders or indentures providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against receivables), letters of credit or other long-term Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time.

"Currency Agreement" means with respect to any Person any foreign exchange contract, currency swap agreement or other similar agreement or arrangement to which such Person is a party or of which it is a beneficiary.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Designated Noncash Consideration" means the fair market value of noncash consideration received by WESCO Distribution or any of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Noncash Consideration pursuant to an officers, Certificate, setting forth the basis of such valuation, less the amount of cash or cash equivalents received in connection with a subsequent sale of such Designated Noncash Consideration.

"Designated Senior Indebtedness" of WESCO Distribution means (i) the Bank Indebtedness and (ii) any other Senior Indebtedness of WESCO Distribution that, at the date of determination, has an aggregate principal amount outstanding of, or under which, at the date of determination, the holders thereof are committed to lend up to at least $25.0 million and is specifically designated by WESCO Distribution in the instrument evidencing or governing such Senior Indebtedness as "Designated Senior Indebtedness" for purposes of the Indenture. "Designated Senior Indebtedness" of WESCO International has a correlative meaning.

"Disqualified Stock" means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable) or upon the happening of any event (i) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise, (ii) is convertible or exchangeable for Indebtedness or Disqualified Stock or (iii) is redeemable at the option of the holder thereof, in whole or in part, in each case on or prior to the 91st day following the Stated Maturity of the notes; provided, however, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the first anniversary of the Stated Maturity of the Securities shall not constitute Disqualified Stock if the "asset sale" or "change of control" provisions applicable to such Capital Stock are not more favorable to the holders of such Capital Stock than the provisions of the covenants described under "-- Change of Control" and "-- Certain Covenants -- Limitation on Sale of Assets and Subsidiary Stock."

"EBITDA" for any period means the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income: (i) income tax expense of WESCO Distribution and its Consolidated Restricted Subsidiaries, (ii) Consolidated Interest Expense, (iii) depreciation expense of WESCO Distribution and its Consolidated Restricted Subsidiaries, (iv) amortization expense of WESCO Distribution and its Consolidated Restricted Subsidiaries (excluding amortization expense attributable to a prepaid cash item that was paid in a prior period), (v) all other non-cash charges of WESCO Distribution and its Consolidated Restricted Subsidiaries (excluding any such non-cash charge to the extent it represents an accrual of or reserve for cash expenditures in any future period) in each case for such period and (vi) income attributable to discontinued operations. Notwithstanding the foregoing, the provision for taxes based on the income or profits of, and the depreciation and amortization and non-cash charges of, a Restricted Subsidiary of WESCO Distribution shall be added to Consolidated Net Income to compute EBITDA only to the extent (and in the same proportion) that the net income of such Restricted Subsidiary was included in calculating Consolidated Net Income and only if a corresponding amount would be permitted at the date of determination to be dividended to WESCO Distribution by such Restricted Subsidiary without prior approval (that has not been obtained), pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to such Restricted Subsidiary or its stockholders.

"Equity Offering" means a private sale or public offering of Capital Stock (other than Disqualified Stock) of WESCO Distribution or WESCO International.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Excluded Contribution" means the Net Cash Proceeds received by WESCO Distribution from (a) contributions to its common equity capital and (b) the sale (other than to a Subsidiary or to any Company or Subsidiary management equity plan or stock option plan or any other management or employee benefit plan or agreement) of Capital Stock (other than Disqualified Stock) of WESCO Distribution, in each case designated as Excluded Contributions pursuant to an Officers' Certificate executed by the principal executive officer and the principal financial officer of WESCO Distribution on the date such capital contributions are made or the date such Capital Stock is sold.

"GAAP" means generally accepted accounting principles in the United States of America as in effect as of June 5, 1998, including those set forth in (i) the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants, (ii) statements and pronouncements of the Financial Accounting Standards Board, (iii) such other statements by such other entity as approved by a significant segment of the accounting profession and (iv) the rules and regulations of the SEC governing the inclusion of financial statements (including pro forma financial statements) in periodic reports required to be filed pursuant to Section 13 of the Exchange Act, including opinions and pronouncements in staff accounting bulletins and similar written statements from the accounting staff of the SEC. All ratios and computations based on GAAP contained in the Indenture shall be computed in conformity with GAAP.

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided, however, that the term "Guarantee" shall not include

endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning. The term "Guarantor" shall mean any Person Guaranteeing any obligation.

"Hedging Obligations" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement or Currency Agreement.

"Incur" means issue, assume, Guarantee, incur or otherwise become liable for; provided, however, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Subsidiary. The term "Incurrence" when used as a noun shall have a correlative meaning. The accretion of principal of a non-interest bearing or other discount security shall not be deemed the Incurrence of Indebtedness.

"Indebtedness" means, with respect to any Person on any date of determination (without duplication), (i) the principal of and premium (if any) in respect of indebtedness of such Person for borrowed money; (ii) the principal of and premium (if any) in respect of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (iii) all obligations of such Person in respect of letters of credit or other similar instruments (including reimbursement obligations with respect thereto) (other than obligations with respect to letters of credit securing obligations (other than obligations described in clauses (i), (ii), (iv) and (v) hereof) to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the 30th day following payment on the letter of credit so long as such letter of credit is entered into in the ordinary course of business); (iv) all obligations of such Person to pay the deferred and unpaid purchase price of property or services (except Trade Payables), which purchase price is due more than six months after the date of placing such property in service or taking delivery and title thereto or the completion of such services; (v) all Capitalized Lease Obligations and all Attributable Debt of such Person; (vi) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any Subsidiary of such Person, any Preferred Stock (but excluding, in each case, any accrued dividends); (vii) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided, however, that the amount of Indebtedness of such Person shall be the lesser of (A) the fair market value of such asset at such date of determination and (B) the amount of such Indebtedness of such other Persons; (viii) to the extent not otherwise included in this definition, Hedging Obligations of such Person; and (ix) all obligations of the type referred to in clauses (i) through (viii) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guarantee. The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date; provided, however, that the amount outstanding at any time of any Indebtedness Incurred with original issue discount is the face amount of such Indebtedness leas the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP. Any "Qualified Receivables Transaction", whether or not such transfer constitutes a sale for the purposes of GAAP, shall not constitute Indebtedness hereunder; provided that any receivables financing or securitization that does not constitute a Qualified Receivables Transaction and does not qualify as a sale under GAAP shall constitute Indebtedness hereunder.

"Independent Financial Advisor" means an accounting, appraisal, investment banking firm or consultant of nationally recognized standing that is, in the good faith determination of WESCO Distribution, qualified to perform the task for which it has been engaged.

"Interest Rate Agreement" means with respect to any Person any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement as to which such Person is party or a beneficiary.

"Investment" in any Person means any direct or indirect advance, loan (other than advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of the lender) or other extension of credit (including by way of Guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by such Person. For purposes of the definition of "Unrestricted Subsidiary" and the covenant described under "-- Certain Covenants -- Limitation on Restricted Payments", (i) "Investment" shall include the portion (proportionate to WESCO Distribution's equity interest in such Subsidiary) of the fair market value of the net assets of any Subsidiary of WESCO Distribution at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, WESCO Distribution shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to (x) WESCO Distribution's "Investment" in such Subsidiary at the time of such redesignation less (y) the portion (proportionate to WESCO Distribution's equity interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time of such redesignation; and (ii) any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"Net Available Cash" from an Asset Disposition means cash payments received (including (a) any cash payments received upon the sale or other disposition of any Designated Noncash Consideration received in any Asset Disposition, (b) any cash proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and (c) any cash proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of (i) all legal, title and recording tax expenses, commissions and other fees and expenses incurred (including, without limitation, all broker's and finder's fees and expenses, all investment banking fees and expenses, employee severance and termination costs, and trade payable and similar liabilities solely related to the assets sold or otherwise disposed of and required to be paid by the seller as a result thereof), and all Federal, state, provincial, foreign and local taxes required to be paid or accrued as a liability under GAAP, as a consequence of such Asset Disposition, (ii) all relocation expenses incurred as a result thereof, (iii) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon or other security agreement of any kind with respect to such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law be repaid out of the proceeds from such Asset Disposition, (iv) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Disposition and (v) appropriate amounts to be provided by the seller as a reserve, in accordance with GAAP, against any liabilities associated with the property or other assets

disposed of in such Asset Disposition and retained by WESCO Distribution or any Restricted Subsidiary after such Asset Disposition.

"Net Cash Proceeds", with respect to any issuance or sale of Capital Stock, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"1998 Notes" means the $300,000,000 aggregate principal amount of WESCO Distribution's 9 1/8% Senior Subordinated Notes due 2008 issued under the 1998 Notes Indenture.

"1998 Notes Indenture" means the indenture dated as of June 5, 1998, among WESCO Distribution, Inc., WESCO International, Inc. and Bank One, N.A., under which the 1998 Notes were issued.

"Noteholder" means the Person in whose name a note is registered on the registrar's books.

"Officer" means the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of WESCO Distribution.

"Officers' Certificate" means a certificate signed by two Officers.

"Opinion of Counsel" means a written opinion from legal counsel who is acceptable to the Trustee. The counsel may be an employee of or counsel to WESCO Distribution or the Trustee.

"Permitted Holders" means: (i) The Cypress Group L.L.C., Cypress Merchant Banking Partners L.P., Cypress Offshore Partners L.P., Chase Equity Associates, L.P., Co-Investment Partners, L.P. and any Person who on June 5, 1998 was an Affiliate of any of the foregoing; (ii) any Person who is a member of the senior management of WESCO Distribution or WESCO International and a stockholder of WESCO International on June 5, 1998; and (iii) any Person acting in the capacity of an underwriter in connection with a public or private offering of WESCO Distribution's or WESCO International's Capital Stock.

"Permitted Investment" means an Investment by WESCO Distribution or any Restricted Subsidiary in (i) WESCO Distribution, a Restricted Subsidiary or a Person that will, upon the making of such Investment, become a Restricted Subsidiary; (ii) another Person if as a result of such Investment such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, WESCO Distribution or a Restricted Subsidiary; (iii) Temporary Cash Investments; (iv) receivables owing to WESCO Distribution or any Restricted Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; provided, however, that such trade terms may include such concessionary trade terms as WESCO Distribution or any such Restricted Subsidiary deems reasonable under the circumstances; (v) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business; (vi) loans or advances to employees made in the ordinary course of business consistent with past practices of WESCO Distribution or such Restricted Subsidiary and not exceeding $5.0 million in the aggregate outstanding at any one time; (vii) stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to WESCO Distribution or any Restricted Subsidiary or in satisfaction of judgments; (viii) any Person to the extent such Investment represents the non-cash portion of the consideration received for an Asset Disposition that was made pursuant to and in compliance with the covenant described under "-- Certain Covenants -- Limitation on Sale of Assets and Subsidiary Stock"; (ix) Investments made in connection with any Asset Disposition or other sale, lease, transfer or

other disposition permitted under the Indenture; (x) a Receivables Entity or any Investment by a Receivables Entity in any other Person in connection with a Qualified Receivables Transaction, including Investments of funds held in accounts permitted or required by the arrangements governing such Qualified Receivables Transaction or any related Indebtedness; provided that any Investment in a Receivables Entity is in the form of a Purchase Money Note, contribution of additional receivables or an equity interest; (xi) Investments in a Related Business having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (xi) that are at that time outstanding (and not including any Investments outstanding on the Closing Date, but including Investments made on or after June 5, 1998 pursuant to the corresponding clause of the definition of "Permitted Investment" in the 1998 Notes Indenture), not to exceed 5% of Adjusted Consolidated Assets at the time of such Investments (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value); and (xii) additional Investments in an aggregate amount which, together with all other Investments made pursuant to this clause that are then outstanding, does not exceed $10.0 million (provided that such amount shall be reduced by all outstanding Investments made pursuant to the corresponding clause of the definition of "Permitted Investment" in the 1998 Notes Indenture prior to the Closing Date).

"Permitted Liens" means (a) Liens of WESCO Distribution and its Restricted Subsidiaries securing Indebtedness of WESCO Distribution or any of its Restricted Subsidiaries Incurred under the Credit Agreement or other Credit Facilities to the extent permitted to be Incurred under clause (b)(i) and (xiii) of the description of the "Limitation on Indebtedness" covenant; (b) Liens in favor of WESCO Distribution or its Wholly Owned Restricted Subsidiaries; (c) Liens on property of a Person existing at the time such Person becomes a Restricted Subsidiary of WESCO Distribution or is merged into or consolidated with WESCO Distribution or any Restricted Subsidiary of WESCO Distribution; provided that such Liens were not Incurred in connection with, or in contemplation of, such merger or consolidation and such Liens do not extend to or cover any property other than such property, improvements thereon and any proceeds therefrom; (d) Liens of WESCO Distribution securing Indebtedness of WESCO Distribution Incurred under clause (b)(v) of the description of the "-- Limitation on Indebtedness" covenant; (e) Liens of WESCO Distribution and its Restricted Subsidiaries securing Indebtedness of WESCO Distribution or any of its Restricted Subsidiaries (including under a Sale/ Leaseback Transaction) permitted to be Incurred under clause (b)(vi), (vii) and (viii) of the description of the "-- Limitation on Indebtedness" covenant so long as the Capital Stock, property (real or personal) or equipment to which such Lien attaches solely consists of the Capital Stock, property or equipment which is the subject of such acquisition, purchase, lease, improvement, Sale/Leaseback Transaction and additions and improvements thereto (and the proceeds therefrom); (f) Liens on property existing at the time of acquisition thereof by WESCO Distribution or any Restricted Subsidiary of WESCO Distribution; provided that such Liens were not Incurred in connection with, or in contemplation of, such acquisition and such Liens do not extend to or cover any property other than such property, additions and improvements thereon and any proceeds therefrom; (g) Liens Incurred or deposits made to secure the performance of tenders, bids, leases, statutory obligations, surety or appeal bonds, government contracts, performance and return of money bonds or other obligations of a like nature Incurred in the ordinary course of business; (h) Liens existing on June 5, 1998 and any additional Liens created under the terms of the agreements relating to such Liens existing on June 5, 1998; (i) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings; provided that any reserve or other appropriate provision as shall be required in conformity with GAAP shall have been made therefor; (j) Liens Incurred in the ordinary course of business of WESCO Distribution or any Restricted Subsidiary with respect to obligations that do not exceed $20.0 million in the aggregate at any one time outstanding and that (1) are not Incurred in connection with or in contemplation of the borrowing of money or the obtaining of advances

or credit (other than trade credit in the ordinary course of business) and (2) do not in the aggregate materially detract from the value of the property or materially impair the use thereof in the operation of the business by WESCO Distribution or such Restricted Subsidiary; (k) statutory Liens of landlords and warehousemen's, carrier's, mechanics', suppliers', materialmen's, repairmen's or other like Liens (including contractual landlords' liens) arising in the ordinary course of business of WESCO Distribution and its Restricted Subsidiaries; (l) Liens Incurred or deposits made in the ordinary course of business of WESCO Distribution and its Restricted Subsidiaries in connection with workers' compensation, unemployment insurance and other types of social security; (m) easements, rights of way, restrictions, minor defects or irregularities in title and other similar charges or encumbrances not interfering in any material respect with the business of WESCO Distribution or any of its Restricted Subsidiaries; (n) Liens securing reimbursement obligations with respect to letters of credit permitted under the covenant entitled "Limitation on Indebtedness" which encumber only cash and marketable securities and documents and other property relating to such letters of credit and the products and proceeds thereof; (o) judgment and attachment Liens not giving rise to an Event of Default; (p) any interest or title of a lessor in the property subject to any Capitalized Lease Obligation permitted under the covenant entitled "Limitation on Indebtedness"; (q) Liens on accounts receivable and related assets of the type specified in the definition of "Qualified Receivables Transaction" Incurred in connection with a Qualified Receivables Transaction; (r) Liens securing Refinancing Indebtedness to the extent such Liens do not extend to or cover any property of WESCO Distribution not previously subjected to Liens relating to the Indebtedness being refinanced; or (s) Liens on pledges of the capital stock of any Unrestricted Subsidiary securing any Indebtedness of such Unrestricted Subsidiary.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Preferred Stock", as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) that is preferred as to the payment of dividends, or as to the WESCO Distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"principal" of a note means the principal of the note plus the premium, if any, payable on the note which is due or overdue or is to become due at the relevant time.

"Purchase Money Note" means a promissory note of a Receivables Entity evidencing a line of credit, which may be irrevocable, from WESCO Distribution or any Subsidiary of WESCO Distribution in connection with a Qualified Receivables Transaction to a Receivables Entity, which note (a) shall be repaid from cash available to the Receivables Entity, other than (i) amounts required to be established as reserves pursuant to agreements, (ii) amounts paid to investors in respect of interest, (iii) principal and other amounts owing to such investors and amounts owing to such investors, (iv) amounts required to pay expenses in connection with such Qualified Receivables Transaction and (v) amounts paid in connection with the purchase of newly generated receivables and (b) may be subordinated to the payments described in (a).

"Qualified Receivables Transaction" means any financing by WESCO Distribution or any of its Subsidiaries of accounts receivable in any transaction or series of transactions that may be entered into by WESCO Distribution or any of its Subsidiaries pursuant to which (a) WESCO Distribution or any of its Subsidiaries sells, conveys or otherwise transfers to a Receivables Entity and (b) a Receivables Entity sells, conveys or otherwise transfers to any other Person or grants a security interest to any Person in, any accounts receivable (whether now existing or arising in the future) of WESCO Distribution or any of its Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such accounts receivable, all contracts and all Guarantees or other obligations in respect of such accounts receivable,

proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable; provided that (i) the Board of Directors shall have determined in good faith that such Qualified Receivables Transaction is economically fair and reasonable to WESCO Distribution and the Receivables Entity and (ii) all sales of accounts receivable and related assets to the Receivables Entity are made at fair market value (as determined in good faith by WESCO Distribution). The grant of a security interest in any accounts receivable of WESCO Distribution or any of its Restricted Subsidiaries to secure Bank Indebtedness shall not be deemed a Qualified Receivables Transaction.

"Receivables Entity" means any Wholly Owned Subsidiary of WESCO Distribution (or another Person in which WESCO Distribution or any Subsidiary of WESCO Distribution makes an Investment and to which WESCO Distribution or any Subsidiary of WESCO Distribution transfers accounts receivable and related assets) (i) which engages in no activities other than in connection with the financing of accounts receivable, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, (ii) which is designated by the Board of Directors (as provided below) as a Receivables Entity and (iii) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (A) is Guaranteed by WESCO Distribution or any other Subsidiary of WESCO Distribution (excluding Guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (B) is recourse to or obligates WESCO Distribution or any other Subsidiary of WESCO Distribution in any way other than pursuant to Standard Securitization Undertakings or (C) subjects any property or asset of WESCO Distribution or any other Subsidiary of WESCO Distribution, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings. Any such designation by the Board of Directors shall be evidenced to the Trustee by filing with the Trustee a certified copy of the resolution of the Board of Directors giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing conditions.

"Refinance" means, in respect of any Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue other Indebtedness exchange or replacement for, such Indebtedness. "Refinanced" and "Refinancing" shall have correlative meanings.

"Refinancing Indebtedness" means Indebtedness that is Incurred to refund, refinance, replace, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness of WESCO Distribution or any Restricted Subsidiary existing on June 5, 1998 or Incurred in compliance with the Indenture (including Indebtedness of WESCO Distribution that Refinances Refinancing Indebtedness); provided, however, that (i) the Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being Refinanced, (ii) the Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Average Life of the Indebtedness being refinanced and (iii) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being Refinanced (plus any accrued interest and premium thereon and reasonable expenses Incurred in connection therewith); provided further, however, that Refinancing Indebtedness shall not include (x) Indebtedness of a Restricted Subsidiary that Refinances Indebtedness of WESCO Distribution or (y) Indebtedness of WESCO Distribution or a Restricted Subsidiary that Refinances Indebtedness of an Unrestricted Subsidiary.

"Related Business" means any businesses of WESCO Distribution and the Restricted Subsidiaries on June 5, 1998 and any business related, ancillary or complementary thereto.

"Representative" means the trustee, agent or representative (if any) for an issue of Senior Indebtedness of WESCO Distribution.

"Restricted Subsidiary" means any Subsidiary of WESCO Distribution other than an Unrestricted Subsidiary.

"Sale/Leaseback Transaction" means an arrangement relating to property now owned or hereafter acquired by WESCO Distribution or a Restricted Subsidiary whereby WESCO Distribution or a Restricted Subsidiary transfers such property to a Person and WESCO Distribution or such Restricted Subsidiary leases it from such Person, other than leases between WESCO Distribution and a Wholly Owned Subsidiary or between Wholly Owned Subsidiaries.

"SEC" means the Securities and Exchange Commission.

"Secured Indebtedness" means any indebtedness of WESCO Distribution secured by a Lien. "Secured Indebtedness" of WESCO International has a correlative meaning.

"Securities Act" means the Securities Act of 1933, as amended.

"Senior Subordinated Indebtedness" of WESCO Distribution means the 1998 Notes, the notes and any other Indebtedness of WESCO Distribution that specifically provides that such Indebtedness is to rank pari passu with the notes in right of payment and is not subordinated by its terms in right of payment to any Indebtedness or other obligation of WESCO Distribution which is not Senior Indebtedness. "Senior Subordinated Indebtedness" of WESCO International has a correlative meaning.

"Significant Subsidiary" means any Restricted Subsidiary that would be a "Significant Subsidiary" of WESCO Distribution within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC, but shall in no event include a Receivables Entity.

"Standard Securitization Undertakings" means representations, warranties, covenants and indemnities entered into by WESCO Distribution or any Subsidiary of WESCO Distribution which WESCO Distribution has determined in good faith to be customary in an accounts receivable transaction including, without limitation, those relating to the servicing of the assets of a Receivables Entity.

"Stated Maturity" means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of ouch security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency beyond the control of the issuer unless such contingency has occurred).

"Subordinated Obligation" means any Indebtedness of WESCO Distribution (whether outstanding on the Closing Date or thereafter Incurred) that is subordinate or junior in right of payment to the notes pursuant to a written agreement. "Subordinated Obligation" of WESCO International has a correlative meaning.

"Subsidiary" of any Person means any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Capital Stock or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by (i) such Person, (ii) such Person and one or more Subsidiaries of such Person or (iii) one or more Subsidiaries of such Person.

"Temporary Cash Investments" means any of the following: (i) any investment in direct obligations of the United States of America or any agency thereof or obligations Guaranteed by the United States of America or any agency thereof, (ii) investments in time deposit accounts, certificates of deposit and money market deposits maturing within one year of the

date of acquisition thereof issued by a bank or trust company that is organized under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America having capital, surplus and undivided profits aggregating in excess of $100,000,000 (or the foreign currency equivalent thereof) and whose long-term debt is rated "A" (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) or any money market fund sponsored by a registered broker-dealer or mutual fund distributor, (iii) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (i) above entered into with a financial institution meeting the qualifications described in clause (ii) above, (iv) investments in commercial paper, maturing not more than one year after the date of acquisition, issued by a corporation (other than an Affiliate of WESCO Distribution) organized and in existence under the laws of the United States of America or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of "P-1" (or higher) according to Moody's Investors Service, Inc. or "A-1" (or higher) according to Standard and Poor's Ratings Service, a division of The McGraw-Hill Companies, Inc. ("S&P"), and (v) investments in securities with maturities of one year or less from the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least "A" by S&P or "A" by Moody's Investors Service, Inc.

"TIA" means the Trust Indenture Act of 1939 (15 U.S.C. sec.sec. 77aaa-77bbbb) as in effect on the date of the Indenture.

"Trade Payables" means, with respect to any Person, any accounts payable or any indebtedness or monetary obligation to trade creditors created, assumed or Guaranteed by such Person arising in the ordinary course of business in connection with the acquisition of goods or services.

"Treasury Rate" means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled by, and published in, the moat recent Federal Reserve Statistical Release H.15 (519) which has become publicly available at least two Business Days prior to the date fixed for redemption of the notes following a Change of Control (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to June 1, 2003; provided, however, that if the period from the redemption date to June 1, 2003 is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the redemption date to June 1, 2003 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

"Trustee" means the party named as such in the Indenture until a successor replaces it and, thereafter, means the successor.

"Trust Officer" means the Chairman of the Board, the President or any other officer or assistant officer of the Trustee assigned by the Trustee to administer its corporate trust matters.

"Unrestricted Subsidiary" means (i) any Subsidiary of WESCO Distribution that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided below and (ii) any Subsidiary of an Unrestricted Subsidiary. The Board of Directors may designate any Subsidiary of WESCO Distribution (including any newly acquired or newly formed Subsidiary of WESCO Distribution) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Capital Stock or Indebtedness of, or owns or holds any Lien on any property of, WESCO Distribution or any other Subsidiary of WESCO Distribution that is not a Subsidiary of the Subsidiary to be so designated; provided, however,

that either (A) the Subsidiary to be so designated has total Consolidated assets of $1,000 or less or (B) if such Subsidiary has Consolidated assets greater than $1,000, then such designation would be permitted under the covenant entitled "Certain Covenants -- Limitation on Restricted Payments." The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided, however, that immediately after giving effect to such designation (x) WESCO Distribution could Incur $1.00 of additional Indebtedness under paragraph (a) of the covenant described under "Certain Covenants -- Limitation on Indebtedness" and (y) no Default shall have occurred and be continuing. Any such designation of a Subsidiary as a Restricted Subsidiary or Unrestricted Subsidiary by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors giving effect to ouch designation and an Officers' Certificate certifying that such designation complied with the foregoing provisions.

"U.S. Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable or redeemable at the issuer's option.

"Voting Stock" of a Person means all classes of Capital Stock or other interests (including partnership interests) of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

"WESCO International Guarantee" means the Guarantee of WESCO International of the obligations with respect to the notes issued by WESCO Distribution pursuant to the terms of the Indenture. Such WESCO International Guarantee will have subordination provisions equivalent to those contained in the Indenture and will be substantially in the form prescribed in the Indenture.

"Wholly Owned Subsidiary" means a Restricted Subsidiary of WESCO Distribution all the Capital Stock of which (other than directors' qualifying shares) is owned by WESCO Distribution or another Wholly Owned Subsidiary.

BOOK-ENTRY; DELIVERY AND FORM

THE GLOBAL NOTES

The certificates representing the exchange notes will be issued in fully registered form. The exchange notes will initially be represented by a single, permanent global exchange note, in definitive, fully registered form without interest coupons (each a "global exchange note") and will be deposited with the trustee as custodian for The Depository Trust Company, New York, New York ("DTC") and registered in the name of a nominee of DTC.

BOOK-ENTRY PROCEDURES FOR THE GLOBAL NOTES

The descriptions of the operations and procedures of DTC, Euroclear and Clearstream set forth below are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to change by them from time to time. Neither we nor any of the initial purchasers takes any responsibility for these operations or procedures, and investors are urged to contact the relevant system or its participants directly to discuss these matters.

DTC has advised us that it is (i) a limited purpose trust company organized under the laws of the State of New York; (ii) a "banking organization" within the meaning of the New York Banking Law; (iii) a member of the Federal Reserve System; (iv) a "clearing corporation" within the meaning of the Uniform Commercial Code, as amended; and (v) a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC was created to hold securities for its participants (collectively, the "participants") and facilitates the clearance and settlement of securities transactions between participants through electronic book-entry changes to the accounts of its participants, thereby eliminating the need for physical transfer and delivery of certificates. DTC's participants include securities brokers and dealers (including the initial purchasers), banks and trust companies, clearing corporations and certain other organizations. Indirect access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies (collectively, the "indirect participants") that clear through or maintain a custodial relationship with a participant, either directly or indirectly. Investors who are not participants may beneficially own securities held by or on behalf of DTC only through participants or indirect participants.

We expect that pursuant to procedures established by DTC (i) upon deposit of the global exchange note, DTC will credit the accounts of participants designated by the initial purchasers with an interest in the global exchange note and (ii) ownership of the exchange notes will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC (with respect to the interests of participants) and the records of participants and the indirect participants (with respect to the interests of persons other than participants).

The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. Accordingly, the ability to transfer interests in the exchange notes represented by a global exchange note to such persons may be limited. In addition, because DTC can act only on behalf of its participants, who in turn act on behalf of persons who hold interests through participants, the ability of a person having an interest in exchange notes represented by a global exchange note to pledge or transfer such interest to persons or entities that do not participate in DTC's system, or to otherwise take actions in respect of such interest, may be affected by the lack of a physical definitive security in respect of such interest.

So long as DTC or its nominee is the registered owner of a global exchange note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the exchange notes represented by the global exchange note for all purposes under the indenture. Except as provided below, owners of beneficial interests in a global exchange note will not be entitled to

have exchange notes represented by such global exchange note registered in their names, will not receive or be entitled to receive physical delivery of certificated exchange notes, and will not be considered the owners or holders thereof under the indenture for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee thereunder. Accordingly, each holder owning a beneficial interest in a global exchange note must rely on the procedures of DTC and, if such holder is not a participant or an indirect participant, on the procedures of the participant through which such holder owns its interest, to exercise any rights of a holder of notes under the indenture or such global exchange note. We understand that under existing industry practice, in the event that we request any action of holders of exchange notes, or a holder that is an owner of a beneficial interest in a global exchange note desires to take any action that DTC, as the holder of such global exchange note, is entitled to take, DTC would authorize the participants to take such action and the participants would authorize holders owning through such participants to take such action or would otherwise act upon the instruction of such holders. Neither we nor the trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of exchange notes by DTC, or for maintaining, supervising or reviewing any records of DTC relating to such exchange notes.

Payments with respect to the principal of, and premium, if any, liquidated damages, if any, and interest on, any exchange notes represented by a global exchange note registered in the name of DTC or its nominee on the applicable record date will be payable by the trustee to or at the direction of DTC or its nominee in its capacity as the registered holder of the global exchange note representing such exchange notes under the indenture. Under the terms of the indenture, we and the trustee may treat the persons in whose names the exchange notes, including the global exchange notes, are registered as the owners thereof for the purpose of receiving payment thereon and for any and all other purposes whatsoever. Accordingly, neither we nor the trustee has or will have any responsibility or liability for the payment of such amounts to owners of beneficial interests in a global exchange note (including principal, premium, if any, liquidated damages, if any, and interest). Payments by the participants and the indirect participants to the owners of beneficial interests in a global exchange note will be governed by standing instructions and customary industry practice and will be governed by standing instructions and customary industry practice and will be the responsibility of the participants or the indirect participants and DTC.

Transfers between participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds. Transfers between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the exchange notes, cross-market transfers between the participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant global exchange notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositaries for Euroclear or Clearstream.

Because of the time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a global exchange note from a participant in DTC will be credited, and any crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. Cash received in Euroclear or Clearstream as a result of sales of interest in a global exchange note by or through a Euroclear or Clearstream participant to a participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the global exchange notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. Neither we nor the trustee will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

CERTIFICATED NOTES

If (i) we notify the trustee in writing that DTC is no longer willing or able to act as a depositary or DTC ceases to be registered as a clearing agency under the Exchange Act and a successor depositary is not appointed within 90 days of such notice or cessation; (ii) we, at our option, notify the trustee in writing that we elect to cause the issuance of the exchange notes in definitive form under the indenture; or (iii) upon the occurrence of certain other events as provided in the indenture, then, upon surrender by DTC of such global exchange note, certificated notes will be issued to each person that DTC identifies a s the beneficial owner of the exchange notes represented by the global exchange note. Upon any such issuance, the trustee is required to register the certificated notes in the name of that person or persons (or their nominee) and cause the certificated notes to be delivered thereto.

Neither we nor the trustee shall be liable for any delay by DTC or any participant or indirect participant in identifying the beneficial owners of the related exchange notes and each such person may conclusively rely on, and shall be protected in relying on, instructions from DTC for all purposes, principal amounts, of the exchange notes to be issued.

EXCHANGE AND REGISTRATION RIGHTS AGREEMENT

We and WESCO International entered into an exchange and registration rights agreement with the initial purchasers concurrently with the issuance of the original notes. Pursuant to the exchange and registration rights agreement, we and WESCO International have agreed to (i) file with the Commission within 90 days after the date of issuance of the original notes (the "issue date") a registration statement on an appropriate form under the Securities Act (the "exchange offer registration statement"), to register under the Securities Act the exchange notes offered in this prospectus in exchange for the outstanding notes pursuant to the exchange offer and (ii) use our reasonable best efforts to cause the exchange offer registration statement to be declared effective under the Securities Act within 180 days after the issue date. As soon as practicable after the effectiveness of this exchange offer registration statement, we and WESCO International will offer to the holders of transfer restricted securities (as defined below) who are not prohibited by any law or policy of the SEC from participating in the exchange offer the opportunity to exchange their transfer restricted securities for the exchange notes. We and WESCO International will keep the exchange offer open for not less than 20 business days (or longer, if required by applicable law) after the date on which notice of the exchange offer is mailed to the holders of the original notes.

If (i) because of any change in law or applicable interpretations thereof by the staff of the SEC, we and WESCO International are not permitted to effect the exchange offer as contemplated hereby, (ii) any notes validly tendered pursuant to the exchange offer are not exchanged for exchange notes prior to 225 days after the issue date, (iii) any initial purchaser so requests with respect to notes not eligible to be exchanged for exchange notes in the exchange offer, (iv) any applicable law or interpretations do not permit any holder of notes to participate in the exchange offer, (v) any holder of notes that participates in an exchange offer does not receive freely transferable exchange notes in exchange for tendered notes, or (vi) we and WESCO International so elect, then we and WESCO International will file with the SEC a shelf registration statement (a "shelf registration statement") to cover sales of transfer restricted securities by such holders who satisfy certain conditions relating to the provision of information in connection with such shelf registration statement. For purposes of the foregoing, "transfer restricted securities" means each note until (i) the date on which such note has been exchanged for a freely transferable exchange note in the exchange offer, (ii) the date on which such note has been effectively registered under the securities act and disposed of in accordance with a shelf registration statement; or (iii) the date on which such note is distributed to the public pursuant to Rule 144 under the Securities Act or is salable pursuant to Rule 144(k) under the Securities Act.

We and WESCO International will each use our reasonable best efforts to have the exchange offer registration statement or, if applicable, the shelf registration statement (each a "registration statement") declared effective by the SEC as promptly as practicable after the filing thereof. Unless the exchange offer would not be permitted by a policy of the SEC, we and WESCO International will commence the exchange offer and will each use our reasonable best efforts to consummate the exchange offer as promptly as practicable, but in any event prior to 225 days after the issue date of the original notes. If applicable, we and WESCO International will each use our reasonable best efforts to keep the shelf registration statement effective for a period of two years after the issue date.

If (i) the registration statement is not filed with the SEC within 90 days after the issue date (or, in the case of a shelf registration statement required to be filed in response to a change in law or applicable interpretations of the SEC's staff, if later, within 45 days after publication of the change in law or interpretations, but in no event before 90 days after the issue date); (ii) the exchange offer registration statement or the shelf registration statement, as the case may be, is not declared effective within 180 days after the issue date (or in the case of a shelf registration statement required to be filed in response to a change in law or the

interpretations of the SEC's staff, if later, within 90 days after publication of the change in law or interpretation, but in no event before 180 days after the issue date); (iii) the exchange offer is not consummated prior to 225 days after the issue date (other than in the event we and WESCO International file a shelf registration statement); or (iv) the shelf registration statement is filed and declared effective within 180 days after the issue date (or in the case of a shelf registration statement required to be filed in response to a change in law or the applicable interpretations of the SEC's staff, if later, within 90 days after publication of the change in law or interpretation, but in no event before 180 days after the issue date) but shall thereafter cease to be effective (at any time that the issuer is obligated to maintain the effectiveness thereof) without being succeeded within 90 days by an additional registration statement filed and declared effective (each such event referred to in clauses (i) through (iv), a "registration default"), we and WESCO International will be obligated to pay liquidated damages to each holder of transfer restricted securities, during the period of one or more such registration defaults, in an amount equal to $.0192 per week per $1,000 principal amount of the notes constituting transfer restricted securities held by such holder until the registration statement is filed, the exchange offer registration statement is declared effective and the exchange offer is consummated or the shelf registration statement is declared effective or again becomes effective, as the case may be. All accrued liquidated damages shall be paid to holders in the same manner as interest payment on the notes on semi-annual payment dates which correspond to interest payment dates for the notes. Following the cure of all registration defaults, the accrual of liquidated damages will cease. Notwithstanding the foregoing, we and WESCO International may issue a notice that the shelf registration statement is unusable pending the announcement of a material development or event and may issue any notice suspending use of the shelf registration statement required under securities laws to be issued and, in the event that the aggregate number of days in any consecutive twelve-month period for which all such notices are issued and effective exceeds 45 days in the aggregate, we and WESCO International will be obligated to pay liquidated damages to each holder of transfer restricted securities in an amount equal to $.0192 per week per $1,000 principal amount of transfer restricted securities held by such holder. Upon the issuer declaring that the shelf registration statement is usable after the period of time described in the preceding sentence the accrual of liquidated damages shall cease; provided, however, that if after any such cessation of the accrual of liquidated damages the shelf registration statement again ceases to be usable beyond the period permitted above, liquidated damages will again accrue pursuant to the foregoing provisions.

By filing this registration statement with the SEC within the time period prescribed in the exchange and registration rights agreement, we have satisfied that obligation under the exchange and registration rights agreement and there will be no liquidated damages payable by us with respect to such obligation.

The exchange and registration rights agreement also provides that we and WESCO International (i) shall make available for a period of 180 days following the consummation of the exchange offer a prospectus meeting the requirements of the Securities Act to any broker-dealer for use in connection with any resale of any exchange notes and (ii) shall pay all expenses incident to the exchange offer (including the expense of one counsel to the holders of the notes) and will indemnify certain holders of the notes (including any broker-dealer) against certain liabilities, including liabilities under the Securities Act. A broker-dealer which delivers such a prospectus to purchasers in connection with such resales will be subject to certain of the civil liability provisions under the Securities Act and will be bound by the provisions of the exchange and registration rights agreement (including certain indemnification rights and obligations).

Each holder of notes who wishes to exchange such notes for exchange notes in the exchange offer will be required to make certain representations, including representations that

(i) any exchange notes to be received by it will be acquired in the ordinary course of its business; (ii) it has no arrangement or understanding with any person to participate in the distribution of the exchange notes; and (iii) it is not an "affiliate" (as defined in Rule 405 under the Securities Act) of us or WESCO International, or if it is an affiliate, that it will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable.

If the holder is not a broker-dealer, it will be required to represent that it is not engaged in, and does not intend to engage in, the distribution of the exchange notes. If the holder is a broker-dealer that will receive exchange notes for its own account in exchange for notes that were acquired as a result of the market-making activities or other trading activities, it will be required to acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes.

Holders of the notes will be required to make certain representations to us and WESCO International (as described above) in order to participate in the exchange offer and will be required to deliver information to be used in connection with a shelf registration statement in order to have their notes included in such shelf registration statement and benefit from the provisions regarding liquidated damages set forth in the preceding paragraphs. A holder who sells notes pursuant to a shelf registration statement generally will be required to be named as a selling security holder in the related prospectus and to deliver a prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with such sales and will be bound by the provisions of the exchange and registration rights agreement which are applicable to such a holder (including certain indemnification obligations).

For so long as the notes are outstanding, we and WESCO International will continue to provide to holders of the notes and to prospective purchasers of the notes the information required by Rule 144(d)(4) under the Securities Act.

The foregoing description of the exchange and registration rights agreement is a summary only, does not purport to be complete and is qualified in its entirety by reference to all provisions of the exchange and registration rights agreement, which has been filed as an exhibit to the registration statement of which this prospectus is a part.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is based upon the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), the applicable treasury regulations promulgated and proposed thereunder, judicial authority and current administrative rulings and practice, all of which are subject to change, possibly with retroactive effect. The following general discussion summarizes certain material U.S. federal income tax aspects of the acquisition, ownership, and disposition of the notes and the exchange of notes for exchange notes pursuant to the exchange offer as of the date hereof. This discussion is a summary for general information only and does not consider all aspects of U.S. federal income taxation that may be relevant to the acquisition, ownership, and disposition of the notes by a prospective investor in light of his or her or its own personal circumstances. This discussion is limited to the U.S. federal income tax consequences to persons who are beneficial owners of the notes, who acquired the notes upon their initial issuance and who will hold the notes as capital assets within the meaning of Section 1221 of the Code. This discussion does not purport to deal with all aspects of U.S. federal income taxation that might be relevant to particular holders in light of their personal investment circumstances or status, nor does it discuss the U.S. federal income tax consequences to certain types of holders subject to special treatment under the U.S. federal income tax laws (for example, financial institutions, insurance companies, dealers in securities or foreign currency, tax-exempt organizations, banks, thrifts, insurance companies, taxpayers holding the notes through a partnership or similar pass-through entity or as part of a "straddle," "hedge" or "conversion transaction," or taxpayers that have a "functional currency" other than the U.S. dollar). The Company will treat the notes as indebtedness for U.S. federal income tax purposes, and the balance of the discussion is based on the assumption that such treatment will be respected . We have not obtained a ruling from the Internal Revenue Service or an opinion of counsel regarding the tax treatment of the notes.

PROSPECTIVE HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSIDERATIONS OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE NOTES AND THE EXCHANGE OF NOTES FOR EXCHANGE NOTES PURSUANT TO THE EXCHANGE OFFER AS OF THE DATE HEREOF.

U.S. HOLDERS

The following discussion is limited to the U.S. federal income tax consequences to a holder of a note that is:

- a citizen or resident of the United States, including an alien resident who is a lawful permanent resident of the United States or who meets the "substantial presence" test under Section 7701 (b) of the Code;
- a corporation created or organized under the laws of the United States, or any political subdivision thereof;
- an estate whose income is subject to United States federal income taxation regardless of its source; and
- a trust, if a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust (each a "U.S. Holder").

Exchange Offer

The exchange of the notes for publicly registered exchange notes pursuant to the exchange offer should not constitute a material modification of the terms of the notes and therefore should not constitute a taxable event for U.S. federal income tax purposes. Consequently, the exchange should have no U.S. federal income tax consequences to a U.S.

Holder so that the U.S. Holder's holding period and adjusted tax basis for a note should not be affected, and the U.S. Holder should continue to take into account income (including OID) in respect of a note in the same manner as before the exchange.

Stated Interest and OID

The stated interest on the notes will be treated as "qualified stated interest" and will be included in income by a U.S. Holder in accordance with such holder's usual method of accounting for U.S. federal income tax purposes. Because the stated redemption price at maturity of the notes (which amount is the face amount of the notes) exceeds the issue price of the notes (which equals the price paid by the holder for the note), the notes will be treated as obligations that have original issue discount ("OID") in an amount equal to such excess. The tax rules that govern debt instruments that are issued with OID are complex and holders are urged to consult their tax advisor about the application of these rules to the holder.

U.S. Holders of the notes will be required to include the OID in ordinary income for U.S. federal income tax purposes as it accrues regardless of whether the U.S. Holder uses the cash or accrual method of accounting. The OID will accrue daily in accordance with a constant yield method based on a compounding of interest. The OID allocable to any accrual period will equal the product of the adjusted issue price of the notes as of the beginning of such period and the notes' yield to maturity, less any qualified stated interest allocable to that accrual period. The "adjusted issue price" of the notes as of the beginning of any accrual period will equal the issue price of the notes increased by the amount of OID previously includible in the gross income of any holder and decreased by the amount of any payment made on the notes other than payments of qualified stated interest. Because OID will accrue and be includible in income at least annually and no payments other than stated interest will be made on the notes, the adjusted issue price of the notes will increase throughout their life. OID includible in income, if any, will, therefore, increase during each accrual period.

Liquidated Damages

Any liquidated damages payable to a U.S. Holder of the notes in the event of a registration default should be includible in the gross income of such holder at the time such payment is paid or accrued as ordinary income in accordance with such holder's usual method of accounting for U.S. income tax purposes. Liquidated Damages are payable with respect to the notes in certain circumstances as further described under "Exchange and Registration Rights Agreement."

Sale, Exchange, Redemption or Repayment

Upon the disposition of a note by sale, exchange or redemption, a U.S. Holder will generally recognize gain or loss equal to the difference between the amount realized on the disposition, other than amounts attributable to accrued interest not yet taken into income which will be taxed as ordinary income, and the U.S. Holder's tax basis in the note. A U.S. Holder's adjusted tax basis in a note generally will equal the cost of the note to such holder increased by any OID previously accrued by the U.S. Holder, less any principal payments or payments of accrued OID received by such holder.

Assuming the note is held as a capital asset, any gain, except to the extent that the market discount rules otherwise provide, will generally constitute capital gain, and will be long-term capital gain if the U.S. Holder has held the note for longer than 12 months. Long-term capital gain is taxed, in the case of non-corporate taxpayers, at a maximum statutory rate of 20%. Any loss will be long-term capital loss if the U.S. Holder has held the note for longer than 12 months. The deductibility of capital losses is subject to limitations.

Backup Withholding and Information Reporting

Under the Code, U.S. Holders of notes may be subject, under certain circumstances, to information reporting and "backup withholding" at a rate of up to 30.5% (or 30% with respect to cash payments made after December 31, 2001) with respect to cash payments in respect of principal (and premium, if any), OID, interest, and the gross proceeds from dispositions thereof. Backup withholding applies only if the U.S. Holder (i) fails to furnish its social security or other taxpayer identification number ("TIN") within a reasonable time after a request therefor, (ii) furnishes an incorrect TIN, (iii) fails to report properly interest or dividends, or (iv) fails under certain circumstances, to provide a certified statement, signed under penalty of perjury, that the TIN provided is its correct number and that it is not subject to backup withholding. Any amount withheld from a payment to a U.S. Holder under the backup withholding rules is allowable as a credit (and may entitle such holder to a refund) against such U.S. Holder's U.S. federal income tax liability, provided that the required information is furnished to the Internal Revenue Service. Certain persons are exempt from backup withholding including corporations and financial institutions. U.S. Holders of notes should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining such exemption.

NON-U.S. HOLDERS

The following discussion is limited to the U.S. federal income and estate tax consequences to a holder of a note that is a beneficial owner of a note and that is an individual, corporation, estate or trust other than a U.S. Holder (a "Non-U.S. Holder"). For purposes of the discussion below, interest (including OID and Liquidated Damages) and gain on the sale, exchange or other disposition of notes will be considered to be "U.S. trade or business income" if such income or gain is:

- effectively connected with the conduct of a U.S. trade or business or

- in the case of a treaty resident, attributable to a U.S. permanent establishment (or, in the case of an individual, a fixed base) in the United States.

Interest

Generally, interest (including OID and Liquidated Damages) paid to a Non-U.S. Holder will not be subject to United States federal income or withholding tax if such interest is not U.S. trade or business income and is "portfolio interest." Generally, interest on the notes will qualify as portfolio interest if the Non-U.S. Holder:

- does not actually or constructively own 10% or more of the total combined voting power of all classes of our stock;

- is not a controlled foreign corporation with respect to which we are a "related person" within the meaning of the Code;

- is not a bank receiving interest on the extension of credit made pursuant to a loan agreement made in the ordinary course of its trade or business; and

- certifies, under penalties of perjury, that such holder is not a United States person and provides such holder's name and address.

The gross amount of payments of interest that do not qualify for the portfolio interest exception and that are not U.S. trade or business income will be subject to U.S. withholding tax at a rate of 30% unless a treaty applies to reduce or eliminate withholding. U.S. trade or business income will be taxed at regular graduated U.S. rates rather than the 30% gross rate. In the case of a Non-U.S. Holder that is a corporation, such U.S. trade or business income also may be subject to the branch profits tax. To claim an exemption from withholding in the case of U.S. trade or business income, or to claim the benefits of a treaty, a Non-U.S. Holder must

provide a properly executed Form W-ECI (in the case of U.S. trade or business income) or Form W-8BEN (in the case of a treaty), or any successor form, as applicable, prior to the payment of interest. These forms must be periodically updated. A Non-U.S. Holder who is claiming the benefits of a treaty may be required, in certain instances, to obtain a U.S. taxpayer identification number and to provide certain documentary evidence issued by foreign governmental authorities to prove residence in the foreign country. Also, special procedures are provided under applicable regulations for payments through qualified intermediaries.

Sale, Exchange or Redemption of Notes

Except as described below and subject to the discussion concerning backup withholding, any gain realized by a Non-U.S. Holder on the sale, exchange or redemption of notes generally will not be subject to U.S. federal income tax, unless:

- such gain is U.S. trade or business income;

- subject to certain exceptions, the Non-U.S. Holder is an individual who holds the notes as a capital asset and is present in the United States for 183 days or more in the taxable year of the disposition; or

- the Non-U.S. Holder is subject to tax pursuant to the provisions of U.S. tax law applicable to certain U.S. expatriates.

Upon a sale, exchange or redemption of a note, no U.S. tax withholding will apply to accrued and unpaid interest or OID to the extent that such interest or OID qualifies as portfolio interest as described above under the heading "Interest." If the accrued and unpaid interest or OID does not so qualify, U.S. tax withholding will apply in the manner described above under the heading "Interest" upon a redemption of a note, and in certain circumstances, upon a sale or exchange of a note.

Federal Estate Tax

The notes held (or treated as held) by an individual who is a Non-U.S. Holder at the time of his death will not be subject to U.S. federal estate tax, provided that the individual does not actually or constructively own 10% or more of the total voting power of our voting stock and income on the notes was not U.S. trade or business income.

Information Reporting and Backup Withholding

We must report annually to the IRS and to each Non-U.S. Holder any interest that is subject to U.S. withholding tax or that is exempt from withholding pursuant to a tax treaty or the portfolio interest exception. Copies of these information returns may also be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides.

Backup withholding and information reporting will not apply to payments of principal on the notes to a Non-U.S. Holder, if the holder certifies as to its non-U.S. status under penalties of perjury or otherwise establishes an exemption, provided that neither we nor its paying agent has actual knowledge that the holder is a U.S. Holder or that the conditions of any other exemption are not, in fact, satisfied.

Payments of the proceeds from the sale of the notes to or through a foreign office or broker will not be subject to information reporting or backup withholding, except that if the broker is (i) a United States person, (ii) a foreign person that derives 50% or more of its gross income for certain periods from activities that are effectively connected with the conduct of a trade or business in the United States, (iii) a controlled foreign corporation for United States federal income tax purposes or (iv) a foreign partnership more than 50% of the capital or

profits of which is owned by one or more U.S. persons or which engages in a U.S. trade or business. Payment of the proceeds of any such sale effected outside the United States by a foreign office of any broker that is described in (i), (ii), (iii), or (iv) of the preceding sentence may be subject to backup withholding tax, and will be subject to information reporting requirements unless such broker has documentary evidence in its records that the beneficial owner is a non-U.S. Holder and certain other conditions are met, or the beneficial owner otherwise establishes an exemption. Payment of the proceeds of any such sale to or through the United States office of a broker is subject to information reporting and backup withholding requirements, unless the broker has documentary evidence in its files that the owner is a Non-U.S. Holder and the broker has no knowledge to the contrary.

Any amounts withheld under the backup withholding rules from a payment to a Non-U.S. Holder will be allowed as a refund or a credit against such Non-U.S. Holder's U.S. federal income tax liability, provided that the requisite procedures are followed.

THE PRECEDING DISCUSSION OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES IS FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT HIS, HER OR ITS OWN TAX ADVISOR AS TO PARTICULAR TAX CONSEQUENCES TO IT OF PURCHASING, HOLDING AND DISPOSING OF NOTES AND THE EXCHANGE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN TAX LAWS, AND OF ANY PROPOSED CHANGES IN APPLICABLE LAW.

PLAN OF DISTRIBUTION

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange officer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resale of exchange notes received in exchange for notes where such original notes were acquired as a result of market-making activities or other trading activities. A broker-dealer may not participate in the exchange offer with respect to original notes acquired other than as a result of market-making activities or other trading activities. To the extent any such broker-dealer participates in the exchange offer and so notifies us, or causes us to be so notified in writing, we have agreed that for a period of 180 days following the consummation of the exchange offer we will make this prospectus, as amended or supplemented, available to such broker-dealer for use in connection with any such resale, and will promptly send additional copies of this prospectus and any amendment or supplement to this prospectus to any broker-dealer that requests such documents in the applicable Letter of Transmittal. In addition, until (90 days after the date of this prospectus), all dealers effecting transactions in the exchange notes may be required to deliver a prospectus.

We will not receive any proceeds from any sale of exchange notes by broker-dealers. Exchange notes received by broker-dealers for their own account pursuant to the exchange offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the exchange notes or a combination of such methods of resale, at prevailing market prices at the time of resale, at prices related to such prevailing market prices or at negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such exchange notes. Any broker-dealer that resells exchange notes that were received by it for its own account pursuant to the exchange offer and any broker or dealer that participates in a distribution of such exchange notes may be deemed to be an "underwriter" within the meaning of the Securities Act, and any profit on any such resale of exchange notes and any commissions or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. Each Letter of Transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

We have agreed to pay all expenses incident to the exchange offer (other than commissions and concessions of any broker-dealers), subject to certain prescribed limitations, and will indemnify the holders of the original notes against certain liabilities, including certain liabilities that may arise under the Securities Act.

By its acceptance of the exchange offer, any broker-dealer that receives exchange notes pursuant to the exchange offer hereby agrees to notify us prior to using the prospectus in connection with the sale of transfer of exchange notes, and acknowledges and agrees that, upon receipt of notice from us of the happening of any event which makes any statement in the prospectus untrue in any material respect or which requires the making of any changes in the prospectus in order to make the statements therein not misleading or which may impose upon us disclosure obligations that may have a material adverse effect on us (which notice we agree to deliver promptly to such broker-dealer), such broker-dealer will suspend use of the prospectus until we have notified such broker-dealer that delivery of the prospectus may resume and have furnished copies of any amendment or supplement to the prospectus to such broker-dealer.

LEGAL MATTERS

Certain legal matters with respect to the exchange offer will be passed upon for us by Kirkpatrick & Lockhart LLP, Pittsburgh, Pennsylvania.

EXPERTS

The consolidated balance sheets of WESCO International as of December 31, 1999 and 2000 and the consolidated statements of income, stockholders' equity and cash flows of WESCO International for each of the three years in the period ended December 31, 2000 included in this prospectus have been included herein in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of that firm as experts in accounting and auditing.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT ACCOUNTANTS

To the Stockholders and Board of Directors
of WESCO International, Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, stockholders' equity and redeemable common stock and cash flows present fairly, in all material respects, the financial position of WESCO International, Inc. and its subsidiaries at December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

600 Grant Street
Pittsburgh, Pennsylvania
February 9, 2001

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	DECEMBER 31	
	2000	1999
	(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 21,079	$ 8,819
Trade accounts receivable, net of allowance for doubtful accounts of $9,794 and $7,023 in 2000 and 1999, respectively (Note 6)	259,988	188,307
Other accounts receivable	31,365	31,829
Inventories	421,083	397,669
Income taxes receivable	10,951	10,667
Prepaid expenses and other current assets	5,602	4,930
Deferred income taxes (Note 12)	14,157	11,580
Total current assets	764,225	653,801
Property, buildings and equipment, net (Note 9)	123,477	116,638
Goodwill and other intangibles, net of accumulated amortization of $29,053 and $18,956 in 2000 and 1999, respectively (Note 7)	277,763	249,240
Other assets	4,568	9,114
Total assets	$1,170,033	$1,028,793
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 460,535	$ 406,963
Accrued payroll and benefit costs	27,027	18,171
Current portion of long-term debt	585	3,831
Other current liabilities	35,695	25,820
Total current liabilities	523,842	454,785
Long-term debt (Note 10)	482,740	422,539
Other noncurrent liabilities	6,823	7,504
Deferred income taxes (Note 12)	31,641	26,660
Total liabilities	1,045,046	911,488
Commitments and contingencies (Note 16)		
STOCKHOLDERS' EQUITY (Notes 3 and 11):		
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, 44,093,664 and 43,291,319 shares issued in 2000 and 1999, respectively	441	433
Class B nonvoting convertible common stock, $.01 par value; 20,000,000 shares authorized, 4,653,131 issued in 2000 and 1999	46	46
Additional capital	569,288	565,897
Retained earnings (deficit)	(410,144)	(443,582)
Treasury stock, at cost; 3,976,897 and 637,259 shares in 2000 and 1999, respectively	(33,406)	(4,790)
Accumulated other comprehensive income (loss)	(1,238)	(699)
Total stockholders' equity	124,987	117,305
Total liabilities and stockholders' equity	$1,170,033	$1,028,793

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

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	YEAR ENDED DECEMBER 31		
	2000	1999	1998
	(IN THOUSANDS, EXCEPT SHARE DATA)		
Net sales	$3,881,096	$3,423,858	$3,025,439
Cost of goods sold	3,196,952	2,807,240	2,487,780
Gross profit	684,144	616,618	537,659
Selling, general and administrative expenses	524,309	471,275	415,028
Depreciation and amortization	24,993	20,350	14,805
Restructuring charge (Note 4)	9,404	--	--
Recapitalization costs (Note 5)	--	--	51,800
Income from operations	125,438	124,993	56,026
Interest expense, net	43,780	46,968	45,121
Other expenses (Note 6)	24,945	19,547	10,122
Income before income taxes and extraordinary item	56,713	58,478	783
Provision for income taxes (Note 12)	23,275	23,333	8,519
Income (loss) before extraordinary item	33,438	35,145	(7,736)
Extraordinary item, net of tax benefit of $6,711 (Note 10)	--	(10,507)	--
Net income (loss)	$ 33,438	$ 24,638	$ (7,736)
Earnings (loss) per share (Note 13)			
Basic:			
Income (loss) before extraordinary item	$ 0.74	$ 0.82	$ (0.17)
Extraordinary item	--	(0.25)	--
Net income (loss)	$ 0.74	$ 0.57	$ (0.17)
Diluted:			
Income (loss) before extraordinary item	$ 0.70	$ 0.75	$ (0.17)
Extraordinary item	--	(0.22)	--
Net income (loss)	$ 0.70	$ 0.53	$ (0.17)

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

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
AND REDEEMABLE COMMON STOCK

	COMPREHENSIVE INCOME	COMMON STOCK	CLASS B COMMON STOCK	ADDITIONAL CAPITAL	RETAINED EARNINGS (DEFICIT)	COMMON STOCK TO BE ISSUED UNDER OPTION	TREASURY STOCK	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	REDEEMABLE COMMON STOCK
				(IN THOUSANDS)					
BALANCE, DECEMBER 31, 1997		$ 539	$--	$ 92,789	$ 89,366	$2,500	$ --	$ (659)	$ 8,978
Recapitalization, net		(287)	46	231,326	(549,143)	(2,500)			1,271
Issuance of common stock									16,759
Repurchase of common stock					(707)				(1,427)
Exercise of stock options, including tax benefit				888					
Forfeiture and repurchase of stock options				1,780					(4,075)
Net loss	$(7,736)				(7,736)				
Translation adjustment	(763)							(763)	
Comprehensive income	$(8,499)								
BALANCE, DECEMBER 31, 1998		252	46	326,783	(468,220)	--	--	(1,422)	21,506
Issuance of common stock		112		186,662					
Termination of redemption rights		49		21,457					(21,506)
Conversion of convertible notes		17		29,574					
Repurchase of common stock							(4,756)		
Exercise of stock options, including tax benefit		3		1,421			(34)		
Net income	$24,638				24,638				
Translation adjustment	723							723	
Comprehensive income	$25,361								
BALANCE, DECEMBER 31, 1999		433	46	565,897	(443,582)	--	(4,790)	(699)	--
Repurchase of common stock							(28,064)		
Exercise of stock options, including tax benefit		8		3,391			(552)		
Net income	$33,438				33,438				
Translation adjustment	(539)							(539)	
Comprehensive income	$32,899								
BALANCE, DECEMBER 31, 2000		$ 441	$46	$569,288	$(410,144)	$ --	$(33,406)	$(1,238)	$ --

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

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31		
	2000	1999	1998
	(IN THOUSANDS)		
OPERATING ACTIVITIES:			
Net income (loss)	$ 33,438	$ 24,638	$ (7,736)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:			
Restructuring charge	9,404	--	--
Extraordinary item, net of tax benefits	--	10,507	--
Recapitalization costs	--	--	40,500
Depreciation and amortization	24,993	20,350	14,805
Accretion of original issue and amortization of purchase discounts	1,147	4,441	6,300
Amortization of debt issuance and interest rate cap costs	608	1,153	1,276
(Gain) loss on sale of property, buildings and equipment	(841)	314	(1,404)
Deferred income taxes	2,760	13,718	2,370
Changes in assets and liabilities, excluding the effects of acquisitions:			
Sale of trade accounts receivable	40,000	60,000	274,245
Trade and other receivables	(97,570)	(66,725)	(23,644)
Inventories	(16,047)	(44,964)	(5,645)
Prepaid expenses and other current assets	151	2,553	(2,151)
Other assets	(99)	417	191
Accounts payable	39,345	41,788	(8,445)
Accrued payroll and benefit costs	8,488	(1,443)	(8,380)
Other current and noncurrent liabilities	1,134	(391)	(5,428)
Net cash provided by operating activities	46,911	66,356	276,854
INVESTING ACTIVITIES:			
Capital expenditures	(21,552)	(21,230)	(10,694)
Proceeds from the sale of property, buildings and equipment	1,543	650	2,039
Receipts from (advances to) affiliate	224	8,667	(1,461)
Acquisitions, net of cash acquired	(40,904)	(59,983)	(173,976)
Net cash used by investing activities	(60,689)	(71,896)	(184,092)
FINANCING ACTIVITIES:			
Proceeds from issuance of long-term debt	724,038	683,772	1,064,288
Repayments of long-term debt	(670,734)	(858,072)	(797,555)
Debt issuance costs	(475)	(2,160)	(10,693)
Proceeds from issuance of common stock, net of offering costs, and exercise of options	1,273	187,482	332,795
Repurchase of common stock	(28,064)	(4,756)	(657,956)
Recapitalization costs	--	--	(28,974)
Proceeds from contributed capital	--	--	5,806
Net cash provided (used) by financing activities	26,038	6,266	(92,289)
Net change in cash and cash equivalents	12,260	726	473
Cash and cash equivalents at the beginning of period	8,819	8,093	7,620
Cash and cash equivalents at the end of period	$ 21,079	$ 8,819	$ 8,093

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

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 currently operates over 350 branch locations 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 consolidated financial statements include the accounts of WESCO International, Inc. and all of its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. These may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements. They may also affect the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates upon subsequent resolution of some matters.

Revenue Recognition

Revenues are recognized when title, ownership and risk of loss pass to the customer, or services are rendered.

Shipping and Handling Costs and Fees

WESCO records all costs and fees associated with transporting its products to customers as a component of selling, general and administrative expenses.

Cash Equivalents

Cash equivalents are defined as highly liquid investments with original maturities of 90 days or less when purchased.

Asset Securitization

WESCO accounts for the securitization of accounts receivable in accordance with Statement of Financial Accounting Standards ("SFAS") No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities", as amended by SFAS No. 140. At the time the receivables are sold the balances are removed from the balance sheet. SFAS No. 125 also requires retained interests in the transferred assets to be measured by allocating the previous carrying amount between the assets sold and retained interests based on their relative fair values at the date of transfer. The Company estimates fair value based on the present value of expected future cash flows discounted at a rate commensurate with the risks involved.

Inventories

Inventories primarily consist of merchandise purchased for resale and are stated at the lower of cost or market. Cost is determined principally under the average cost method.

Property, Buildings and Equipment

Property, buildings and equipment are recorded at cost. Depreciation expense is determined using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over either their respective lease terms or their estimated lives, whichever is shorter. Estimated useful lives range from five to forty years for buildings and leasehold improvements, three to seven years for furniture, fixtures and equipment and two to five years for software costs.

Expenditures for new facilities and improvements that extend the useful life of an asset are capitalized. Ordinary repairs and maintenance are expensed as incurred. When property is retired or otherwise disposed of, the cost and the related accumulated depreciation are removed from the accounts and any related gains or losses are recorded.

Intangible Assets

Goodwill arising from acquisitions and other intangible assets are amortized on a straight-line basis over periods ranging from 25 to 35 years. The carrying values of individual components of intangible assets are regularly reviewed by evaluating the estimated future undiscounted cash flows to determine recoverability of the assets. Any decrease in value is recognized on a current basis.

Income Taxes

Income taxes are accounted for under the liability method. Deferred tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Valuation allowances, if any, are provided when a portion or all of a deferred tax asset may not be realized.

Foreign Currency Translation

The local currency is the functional currency for all of WESCO's operations outside the United States. Assets and liabilities of these operations are translated to U.S. dollars at the exchange rate in effect at the end of each period. Income statement accounts are translated at the average exchange rate prevailing during the period. Translation adjustments arising from the use of differing exchange rates from period to period are included as a component of stockholders' equity. Gains and losses from foreign currency transactions are included in net income for the period.

Treasury Stock

Common stock purchased for treasury is recorded at cost. At the date of subsequent reissue, the treasury stock account is reduced by the cost of such stock on the weighted average cost basis.

Financial Instruments

WESCO's current financial instruments include cash and cash equivalents, accounts receivable and accounts payable. Due to their short-term nature, carrying value approximates fair value for these financial instruments. The fair value of WESCO's long-term debt approximates its carrying value at December 31, 2000, with the exception of the senior subordinated notes. At December 31, 2000, the carrying amount of the senior subordinated notes was $291.5 million compared to an approximate fair value based on quoted market prices of $264.0 million.

Additionally, WESCO periodically enters into interest rate cap, floor and collar agreements to mitigate the exposure that changes in interest rates have on variable-rate borrowings. If the requirements for hedge accounting are met, amounts paid or received under these agreements are recognized over the life of the agreements as adjustments to interest expense. Otherwise, the instruments are marked to market and the gains and losses from changes in the market value of the contracts are recorded in the current period. The market value of the interest rate caps in effect at December 31, 2000 approximated the carrying value. These agreements did not have a material impact on WESCO's consolidated financial statements for any of the three years ended December 31, 2000.

Environmental Expenditures

WESCO has facilities and operations which distribute certain products that must comply with environmental regulations and laws. Expenditures for current operations are expensed or capitalized, as appropriate. Expenditures relating to existing conditions caused by past operations, and which do not contribute to future revenue, are expensed. Liabilities are recorded when remedial efforts are probable and the costs can be reasonably estimated.

Reclassifications

Certain prior period amounts have been reclassified to conform with the current year presentation. Pursuant to Emerging Issues Task Force Issue ("EITF") No. 00-10, "Accounting for Shipping and Handling Fees and Costs", WESCO has reclassified freight billed to customers from selling, general and administrative expenses to net sales for all periods presented.

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 December 1999, the staff of the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin (SAB) No. 101, "Revenue Recognition in Financial Statements". SAB No. 101 outlines the basic criteria that must be met to recognize revenue, and provides guidelines for disclosure related to revenue recognition policies. The application of this guidance did not have a material impact on WESCO's consolidated financial statements in 2000.

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.

3. INITIAL PUBLIC OFFERING

On May 17, 1999, WESCO completed its initial public offering of 11,183,750 shares of common stock ("Offering") at $18.00 per share. In connection with the Offering, certain employee rights to require WESCO to repurchase outstanding redeemable common stock were terminated and approximately $31.5 million of convertible notes were converted into 1,747,228 shares of common stock. Proceeds from the Offering (after deducting Offering costs of

$14.5 million) totaling $186.8 million and borrowings of approximately $65 million were used to redeem all of the 11 1/8% senior discount notes ($62.8 million) and to repay the existing revolving credit and term loan facilities ($188.8 million).

In connection with the Offering, the Board of Directors approved a 57.8 to one stock split effected in the form of a stock dividend of WESCO's common stock. The Board of Directors also reclassified the Class A common stock into common stock, increased the authorized common stock to 210,000,000 shares and the authorized Class B common stock to 20,000,000 shares and authorized 20,000,000 shares of $.01 par value preferred stock, all effective May 11, 1999. In this report, all share and per share data have been restated to reflect the stock split.

4. RESTRUCTURING CHARGE

In the fourth quarter of 2000, WESCO commenced certain programs to reduce costs, improve productivity and exit certain operations. Total costs under these programs were $9.4 million, and were comprised of $5.4 million related to the closure of fourteen branch operations in the United States, Canada and the Balkans, and $4.0 million related to the write-down of an investment in an affiliate. The $5.4 million charge related to the closure of fourteen branch operations is principally comprised of an inventory write-down of approximately $4.0 million and lease termination costs of approximately $1.0 million, the majority of which will be paid in 2001. The $4.0 million investment write-down is a result of management's decision to no longer pursue its business strategy with an affiliate.

5. RECAPITALIZATION

On June 5, 1998, WESCO repurchased and retired all of the common stock of WESCO held by Clayton, Dubilier & Rice ("CD&R") (48,163,584 shares), the former Westinghouse Electric Corporation ("Westinghouse") (11,560,000 shares), and certain other management and nonmanagement stockholders (2,138,484 shares). All shares were issued and repurchased at $10.75 per share for net consideration of approximately $653.5 million ("Equity Consideration"). In addition, WESCO repaid approximately $379.1 million of then outstanding indebtedness, and sold 29,604,351 shares of common stock to an investor group led by affiliates of the Cypress Group LLC ("Cypress") representing approximately 88.7% of WESCO at that time for an aggregate cash consideration of $318.1 million ("Cash Equity Contribution") (collectively, "Recapitalization"). Existing management retained approximately an 11.3% interest in WESCO immediately following the Recapitalization. WESCO funded the Equity Consideration and the repayment of indebtedness from proceeds of the Cash Equity Contribution, issuance of approximately $351 million of senior subordinated and senior discount notes, a $170 million credit facility and the sale of approximately $250 million of accounts receivable. Given the 11.3% retained ownership, the transaction was treated as a recapitalization for financial reporting purposes and, accordingly, the historical bases of WESCO's assets and liabilities were not affected.

In connection with the Recapitalization, WESCO recorded a one-time charge of $51.8 million related to investment banking fees of $13.8 million, compensation charges of $11.3 million associated with one-time bonuses paid to certain members of management, transaction fees of $9.5 million paid to Cypress, compensation charges of $6.2 million associated with the cash settlement of certain stock options, compensation charges of $4.1 million associated with the acceleration of vesting of one former executive's stock options issued at a discount and other non-capitalized transaction fees and expenses amounting to $6.9 million.

In connection with the Recapitalization, WESCO paid Cypress $9.5 million in transaction fees and WESCO received $5.8 million from CD&R as contributed capital.

6. ACCOUNTS RECEIVABLE SECURITIZATION

In June 1999, WESCO and certain of its subsidiaries terminated its previous accounts receivable securitization program and entered into a new $350 million accounts receivable securitization program ("Receivables Facility"), which was subsequently increased to $375 million. Under the Receivables Facility, WESCO sells, on a continuous basis, to WESCO Receivables Corporation, a wholly-owned, special purpose company ("SPC"), an undivided interest in all eligible accounts receivable. The SPC sells without recourse to a third-party conduit all the receivables while maintaining a subordinated interest, in the form of overcollateralization, in a portion of the receivables. WESCO has agreed to continue servicing the sold receivables for the financial institution at market rates; accordingly, no servicing asset or liability has been recorded.

As of December 31, 2000 and 1999, securitized accounts receivable totaled approximately $479 million and $391 million, respectively, of which the subordinated retained interest was approximately $101 million and $53 million, respectively. Accordingly, approximately $378 million and $338 million of accounts receivable balances were removed from the consolidated balance sheets at December 31, 2000 and 1999, respectively. Net proceeds from the transactions totaled $40.0 million and $60.0 million in 2000 and 1999, respectively. Costs associated with the Receivables Facility totaled $24.9 million and $19.5 million in 2000 and 1999, respectively. These amounts are recorded as other expenses in the consolidated statement of operations and are primarily related to the discount and loss on the sale of accounts receivables, partially offset by related servicing revenue.

The key economic assumptions used to measure the retained interest at the date of the securitization for securitizations completed in 2000 were a discount rate of 7% and an estimated life of 1.5 months. At December 31, 2000, an immediate adverse change in the discount rate or estimated life of 10% and 20% would result in a reduction in the fair value of the retained interest of $0.4 million and $0.7 million, respectively. These sensitivities are hypothetical and should be used with caution. As the figures indicate, changes in fair value based on a 10% variation in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, in this example, the effect of a variation in a particular assumption on the fair value of the retained interest is calculated without changing any other assumption. In reality, changes in one factor may result in changes in another.

7. ACQUISITIONS

On September 11, 1998, WESCO acquired substantially all the assets and assumed substantially all liabilities and obligations relating to the operations of Bruckner Supply Company, Inc. ("Bruckner"), a privately owned company headquartered in Port Washington, New York. Bruckner is a provider of integrated supply procurement and outsourcing activities for large industrial companies.

The Bruckner purchase price was $105.1 million, consisting of $78.5 million in cash and a non-interest bearing convertible note discounted to a value of $26.6 million for financial reporting purposes, resulting in goodwill of $94.0 million. In connection with the Offering, the note was converted into WESCO common stock.

The Bruckner purchase agreement provides for additional contingent consideration, not to exceed $130 million, of which $30 million was paid in 1999. Additional contingent consideration, if any, is to be paid based on a multiple of increases in earnings before interest, taxes, depreciation and amortization of Bruckner with respect to calendar years 2001 through 2004. Up to 50% of the additional future contingent consideration, if any, may be converted at the election of the holder into common stock at the then market value.

The following unaudited pro forma information assumes that the Bruckner acquisition had occurred at the beginning of the period presented. Adjustments to arrive at the pro forma information include, among others, those related to acquisition financing, amortization of goodwill and the related tax effects of such adjustments at an assumed rate of 39%.

	YEAR ENDED DECEMBER 31, 1998 (UNAUDITED) (IN THOUSANDS, EXCEPT SHARE DATA)
Net sales	$3,205,333
Net income (loss)	(3,102)
Basic earnings (loss) per share	(0.07)
Diluted earnings (loss) per share	(0.07)

The pro forma financial information does not purport to present what WESCO's results of operations would have been if the Bruckner acquisition had actually occurred at the beginning of the period, or to project WESCO's results of operations for any future period.

In addition to the Bruckner acquisition, WESCO acquired five other distributors in 1998, the largest of which were Avon Electric Supply (acquired January 1998), Brown Wholesale Electric Company (acquired January 1998) and Reily Electric Supply, Inc. (acquired May 1998). In 2000 and 1999, WESCO acquired three and four electrical distributors, respectively. Certain acquisitions also contain contingent consideration provisions that are not material to the consolidated financial statements of WESCO. A summary of certain information with respect to all acquisitions follows:

	YEAR ENDED DECEMBER 31		
	2000	1999	1998
	(IN THOUSANDS)		
Aggregate purchase price, including contingent consideration	$47,801	$40,076	$250,218
Recorded goodwill	38,223	25,455	162,743

All of the acquisitions were accounted for under the purchase method of accounting for business combinations. The results of operations of these companies are included in the consolidated financial statements prospectively from the acquisition dates. Pro forma results of these acquisitions, excluding Bruckner, assuming they had been made at the beginning of each year presented, would not be materially different from the consolidated results reported herein.

8. CONCENTRATIONS OF CREDIT RISK AND SIGNIFICANT SUPPLIERS

WESCO distributes its products and services and extends credit to a large number of customers in the industrial, construction, utility and manufactured structures markets. In addition, one supplier accounted for approximately 13%, 13% and 15% of WESCO's purchases for each of the three years, 2000, 1999 and 1998, respectively.

9. PROPERTY, BUILDINGS AND EQUIPMENT

The following table sets forth the components of property, buildings and equipment:

	DECEMBER 31	
	2000	1999
	(IN THOUSANDS)	
Land	$ 18,699	$ 19,210
Buildings and leasehold improvements	62,905	59,485
Furniture, fixtures and equipment	67,210	51,680
Software costs	18,406	14,409
	167,220	144,784
Accumulated depreciation and amortization	(55,984)	(42,714)
	111,236	102,070
Construction in progress	12,241	14,568
	$123,477	$116,638

10. LONG TERM DEBT

The following table sets forth WESCO's outstanding indebtedness:

	DECEMBER 31	
	2000	1999
	(IN THOUSANDS)	
Revolving credit facility	$189,624	$132,033
Senior subordinated notes (1)	291,489	290,342
Other	2,212	3,995
	483,325	426,370
Less current portion	(585)	(3,831)
	$482,740	$422,539

---

(1) Net of original issue discount of $723 and $820 and purchase discount of $7,788 and $8,838 in 2000 and 1999, respectively.

During the second quarter of 1999, WESCO completed the Offering and refinanced the majority of its long-term debt facilities. The proceeds of the Offering of $186.8 million and additional borrowings of $65 million were used to redeem the $62.8 million senior discount notes and repay the existing revolving credit and term loan facilities of $188.8 million. In conjunction with these transactions and the termination of its previous accounts receivable securitization program, approximately $8.9 million of deferred financing and other related charges were written off and redemption costs of $8.3 million were incurred which resulted in an extraordinary loss of $10.5 million, net of income tax benefits of $6.7 million. Additionally, $31.5 million of convertible notes were converted into 1,747,228 shares of WESCO common stock.

Revolving Credit Facility

In June 1999, WESCO Distribution, Inc., a wholly-owned subsidiary of WESCO, entered into a $400 million revolving credit facility with certain financial institutions. The revolving credit facility, which matures in June 2004, consists of up to $365 million of revolving loans

denominated in U.S. dollars and a Canadian sublimit totaling $35 million. Borrowings under the revolving credit facility are collateralized by substantially all the assets, excluding real property, of WESCO Distribution, Inc. and are guaranteed by WESCO International, Inc. and certain subsidiaries.

Borrowings bear rates of interest equal to various indices, at WESCO's option, such as LIBOR, Prime Rate or the Federal Funds Rate, plus a borrowing margin based on WESCO's financial performance. At December 31, 2000, the interest rate on revolving credit facility borrowings was 8.4%. A commitment fee of 30 to 50 basis points per year is due on unused portions of the revolving credit facility.

At December 31, 2000, WESCO had three interest rate cap agreements with aggregate notional amounts of $125 million that expire in May and August 2001. The aggregate cost of these agreements is being amortized to interest expense on a straight-line basis over the period of the agreements. The agreements effectively provide a ceiling for LIBOR at rates between 7.0% and 7.25%.

Senior Subordinated Notes

The senior subordinated notes in an aggregate principal amount of $300 million were issued by WESCO Distribution, Inc. The notes are unsecured obligations and are fully and unconditionally guaranteed by WESCO International, Inc.

The senior subordinated notes bear interest at a stated rate of 9 1/8% payable semiannually on June 1 and December 1 through June 1, 2008. The effective interest rate for the senior subordinated notes is 9.2%.

The senior subordinated notes are redeemable by WESCO Distribution, Inc. at any time prior to June 1, 2001, up to a maximum of 35% of the original aggregate principal amount of the senior subordinated notes, with proceeds of an equity offering at a redemption price equal to 109.125% of the principal amount provided plus accrued and unpaid interest. In addition, the senior subordinated notes are redeemable at the option of WESCO Distribution, Inc. in whole or in part, at any time after June 1, 2003 at the following prices:

	REDEMPTION PRICE
2003	104.563%
2004	103.042
2005	101.521
2006 and thereafter	100.000

At any time prior to June 1, 2003, the senior subordinated notes may be redeemed, in whole but not in part, at the option of the Company at any time within 180 days after a change of control, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest and the then applicable premium. In addition, the noteholders have the right to require WESCO, upon a change of control, to repurchase all or any part of the senior subordinated notes at a redemption price equal to 101% of the principal amount provided plus accrued and unpaid interest.

Other

At December 31, 2000 and 1999, other borrowings primarily consisted of notes issued to sellers in connection with acquisitions.

The following table sets forth the aggregate principal repayment requirements for all indebtedness for the next five years:

	(IN THOUSANDS)
2001	$ 585
2002	1,530
2003	30
2004	189,654
2005	30

WESCO's credit agreements contain various restrictive covenants that, among other things, impose limitations on (i) dividend payments or certain other restricted payments or investments; (ii) the incurrence of additional indebtedness and guarantees or issuance of additional stock; (iii) creation of liens; (iv) mergers, consolidation or sales of substantially all of WESCO's assets; (v) certain transactions among affiliates; (vi) payments by certain subsidiaries to WESCO; and (vii) capital expenditures. In addition, the agreements require WESCO to meet certain leverage, working capital and interest coverage ratios.

In December 2000, WESCO amended its revolving credit facility which provided additional operating flexibility and increased the maximum amount allowable under the accounts receivable securitization program to $475 million from $375 million and also amended certain financial covenants. Receivables sold under the accounts receivable securitization program in excess of $375 million will permanently reduce the amount available under the revolving credit facility on a dollar for dollar basis.

WESCO is permitted to pay dividends under certain limited circumstances. At December 31, 2000 and 1999, no retained earnings were available for dividend payments.

WESCO had $0.5 million and $4.2 million of outstanding letters of credit at December 31, 2000 and 1999, respectively. These letters of credit are used as collateral for performance and bid bonds. The fair value of the letters of credit approximates the contract value.

11. CAPITAL STOCK

Preferred Stock

There are 20,000,000 shares of preferred stock authorized at a par value of $.01 per share. The Board of Directors has the authority, without further action by the stockholders, to issue all authorized preferred shares in one or more series and to fix the number of shares, designations, voting powers, preferences, optional and other special rights and the restrictions or qualifications thereof. The rights, preferences, privileges and powers of each series of preferred stock may differ with respect to dividend rates, liquidation values, voting rights, conversion rights, redemption provisions and other matters.

Common Stock

There are 210,000,000 shares of common stock and 20,000,000 shares of Class B common stock authorized at a par value of $.01 per share. The Class B common stock is identical to the common stock, except for voting and conversion rights. The holders of Class B common stock have no voting rights. With certain exceptions, Class B common stock may be converted, at the option of the holder, into the same number of shares of common stock.

Redeemable Common Stock

Prior to the Offering, certain employees and key management of WESCO held common stock and options that required WESCO to repurchase, under certain conditions, death,

disability or termination without cause during the term of employment, all of the shares and the exercisable portion of the options held. In connection with these redemption features, WESCO had classified outside of permanent equity, an amount representing the initial fair value of the redeemable shares. These shares and exercisable options were not marked to market since the events of redemption were considered remote. This repurchase right terminated upon the consummation of the Offering and as a result, the redeemable shares were reclassified to stockholders' equity.

The following table sets forth capital stock share activity:

	COMMON STOCK	TREASURY STOCK	CLASS B COMMON STOCK	REDEEMABLE COMMON STOCK
December 31, 1997	53,943,584	--	--	5,161,887
Recapitalization, net	(28,816,421)	--	4,653,131	(1,621,059)
Shares issued	--	--	--	1,559,675
Shares repurchased	--	--	--	(556,961)
Options exercised	82,654	--	--	358,360
December 31, 1998	25,209,817	--	4,653,131	4,901,902
Shares issued	11,183,750	--	--	--
Termination of redemption rights	4,901,902	--	--	(4,901,902)
Conversion of convertible notes	1,747,228	--	--	--
Treasury shares purchased	--	(632,700)	--	--
Options exercised	248,622	(4,559)	--	--
December 31, 1999	43,291,319	(637,259)	4,653,131	--
Treasury shares purchased	--	(3,265,300)	--	--
Options exercised	802,345	(74,338)	--	--
December 31, 2000	44,093,664	(3,976,897)	4,653,131	--

In May 2000, WESCO's board of directors authorized an additional $25 million to be added to its existing $25 million share repurchase program which was authorized in November 1999. WESCO's common stock may be purchased at management's discretion, subject to certain financial ratios, in open market transactions and the program may be discontinued at any time. As of December 31, 2000, the Company had purchased 3,898,000 shares of its common stock for $32.8 million pursuant to this program.

12. INCOME TAXES

The following table sets forth the components of the provision for income taxes before extraordinary item:

	YEAR ENDED DECEMBER 31		
	2000	1999	1998
	(IN THOUSANDS)		
Current taxes:			
Federal	$19,097	$ 8,850	$4,843
State	1,030	(311)	1,229
Foreign	388	1,076	77
Total current	20,515	9,615	6,149
Deferred taxes:			
Federal	1,332	10,767	1,926
State	183	2,779	431
Foreign	1,245	172	13
Total deferred	2,760	13,718	2,370
	$23,275	$23,333	$8,519

The following table sets forth the components of income before income taxes and extraordinary item by jurisdiction:

	YEAR ENDED DECEMBER 31		
	2000	1999	1998
	(IN THOUSANDS)		
United States	$52,963	$54,070	$ 71
Foreign	3,750	4,408	712
	$56,713	$58,478	$783

The following table sets forth the reconciliation between the federal statutory income tax rate and the effective rate:

	YEAR ENDED DECEMBER 31		
	2000	1999	1998
Federal statutory rate	35.0%	35.0%	35.0%
State taxes, net of federal tax benefit	1.4	2.7	137.8
Nondeductible expenses	3.4	2.9	206.2
Recapitalization costs	--	--	657.8
Foreign taxes	0.3	(0.3)	(51.1)
Other(1)	0.9	(0.4)	102.3
	41.0%	39.9%	1,088.0%

---

(1) Includes the impact of adjustments for certain tax liabilities and the effect of differences between the recorded provision and the final filed tax return for the prior year.

The following table sets forth deferred tax assets and liabilities:

	DECEMBER 31	
	2000	1999
	(IN THOUSANDS)	
Accounts receivable	$ 6,512	$ 5,185
Inventory	6,077	5,591
Other	1,568	804
Deferred tax assets	14,157	11,580
Intangibles	(14,539)	(11,874)
Property, buildings and equipment	(8,497)	(6,203)
Other	(8,605)	(8,583)
Deferred tax liabilities	(31,641)	(26,660)
	$(17,484)	$(15,080)

13. EARNINGS PER SHARE

Basic earnings per share is computed by dividing net income by the weighted average common shares outstanding during the periods. Diluted earnings per share are computed by dividing net income by the weighted average common shares and common share equivalents outstanding during the periods. The dilutive effect of common share equivalents is considered in the diluted earnings per share computation using the treasury stock method.

The following table sets forth the details of basic and diluted earnings per share:

	YEAR ENDED DECEMBER 31		
	2000	1999	1998
	(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)		
Income (loss) before extraordinary item	$ 33,438	$ 35,145	$ (7,736)
Interest on convertible debt	--	595	--
Earnings (loss) used in diluted earnings (loss) per share	$ 33,438	$ 35,740	$ (7,736)
Weighted average common shares outstanding used in computing basic earnings (loss) per share	45,326,475	43,057,894	45,051,632
Common shares issuable upon exercise of dilutive stock options	2,420,132	3,516,733	--
Assumed conversion of convertible debt	--	949,912	--
Weighted average common shares outstanding and common share equivalents used in computing diluted earnings (loss) per share	47,746,607	47,524,539	45,051,632
Earnings (loss) per share before extraordinary item			
Basic	$ 0.74	$ 0.82	$ (0.17)
Diluted	0.70	0.75	(0.17)

Options to purchase 3.8 million shares of common stock at a weighted average exercise price of $10.62 per share were outstanding as of December 31, 2000 but were not included in

the computation of diluted earnings per share because the option exercise prices were greater than the average market price of WESCO common stock.

Interest on convertible debt of $1.3 million and common share equivalents outstanding of 6,630,180 were anti-dilutive and, accordingly, were not considered in the computation of diluted loss per share for the year ended December 31, 1998.

14. EMPLOYEE BENEFIT PLANS

A majority of WESCO's employees are covered by defined contribution retirement savings plans for their service rendered subsequent to WESCO's formation. U.S. employee contributions of not more than 6% of eligible compensation are matched 50% by WESCO. WESCO's contributions for Canadian employees range from 1% to 6% of eligible compensation based on years of service.

In addition, employer contributions may be made at the discretion of the Board of Directors and can be based on WESCO's current year performance. For the years ended December 31, 2000, 1999 and 1998, WESCO contributed $7.6 million, $6.0 million and $14.1 million, respectively, which was charged to expense.

15. STOCK INCENTIVE PLANS

Stock Purchase Plans

In connection with the Recapitalization, WESCO established a stock purchase plan ("1998 Stock Purchase Plan") under which certain employees may be granted an opportunity to purchase WESCO's common stock. The maximum number of shares available for purchase may not exceed 427,720. During 1998, 291,890 shares were issued at a weighted average share price of $10.75. There were no shares issued in 2000 or 1999.

In 1994, WESCO established a stock purchase plan ("1994 Stock Purchase Plan") under which certain employees were granted an opportunity to purchase WESCO's common stock. Future purchases of shares under the 1994 Stock Purchase Plan were terminated in conjunction with the establishment of the 1998 Stock Purchase Plan. During 1998, 132,478 shares were issued at a weighted average share price of $10.75.

Other Stock Purchases

In addition, certain key management employees of WESCO, nonemployee directors and other investors may be granted an opportunity to purchase WESCO's common stock. At December 31, 1998, and 1999, 4,265,178 shares had been purchased. During 1998, 1,135,308 shares were purchased at a weighted average share price of $10.75. There were no shares purchased in 2000 or 1999.

Stock Option Plans

WESCO has sponsored four stock option plans, the 1999 Long-Term Incentive Plan ("LTIP"), the 1998 Stock Option Plan, the Stock Option Plan for Branch Employees and the 1994 Stock Option Plan. The LTIP was designed to be the successor plan to all prior plans. Outstanding options under prior plans will continue to be governed by their existing terms, which are substantially similar to the LTIP. Any remaining shares reserved for future issuance under the prior plans are available for issuance under the LTIP. The LTIP is administered by the Compensation Committee of the Board of Directors.

An initial reserve of 6,936,000 shares of common stock has been authorized for issuance under the LTIP. This reserve automatically increases by (i) the number of shares of common stock covered by unexercised options granted under prior plans that are canceled or

terminated after the effective date of the LTIP and (ii) the number of shares of common stock surrendered by employees to pay the exercise price and/or minimum withholding taxes in connection with the exercise of stock options granted under our prior plans.

Options granted vest and become exercisable over periods ranging from four to five years or earlier based on WESCO achieving certain financial performance criteria. All options vest immediately in the event of a change in control. Each option terminates on the tenth anniversary of its grant date unless terminated sooner under certain conditions.

In connection with the Recapitalization, all options granted under the 1994 Stock Option Plan became fully vested.

All awards under WESCO's stock incentive plans are designed to be issued at fair market value.

The following sets forth shares of common stock reserved for future issuance at December 31, 2000:

Stock Purchase Plan	135,830
LTIP	7,466,000

The following table sets forth a summary of stock option activity and related information for the years indicated:

	2000		1999		1998	
	OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Beginning of year	9,254,770	$5.44	9,527,290	$5.34	6,926,983	$2.20
Granted(1)	1,606,000	9.21	14,675	18.00	4,121,140	9.76
Exercised	(802,345)	2.27	(248,622)	2.31	(1,134,383)	2.68
Canceled	(470,119)	9.54	(38,573)	3.38	(386,450)	3.83
End of year	9,588,306	6.13	9,254,770	5.44	9,527,290	5.34
Exercisable at end of year	6,043,337	$4.33	6,193,150	$3.33	5,133,912	$2.05

---

(1) Options granted in 1998 include 635,800 options that were issued at a discount, resulting in approximately $4.1 million of compensation expense. Of these options, 358,360 were subsequently exercised. The remaining 277,440 were canceled and the associated costs were classified as additional capital.

The following table sets forth exercise prices for options outstanding as of December 31, 2000:

EXERCISE PRICE	OPTIONS OUTSTANDING	OPTIONS EXERCISABLE	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE
$ 1.73.....	2,976,432	2,976,432	3.5
1.98.....	689,959	689,959	5.0
3.38.....	1,152,768	749,089	6.0
4.34.....	82,654	82,654	7.0
7.75.....	488,500	--	9.2
9.31.....	22,500	--	9.8
9.88.....	1,079,500	--	9.4
10.75.....	3,081,318	1,540,659	7.6
18.00.....	14,675	4,544	8.4
	9,588,306	6,043,337	

In connection with the implementation of SFAS No. 123, "Accounting for Stock-Based Compensation," WESCO has elected to continue to account for stock-based compensation arrangements under the provisions of Accounting Principles Board (APB) Opinion No. 25.

If compensation costs had been determined based on the fair value at the grant dates according to SFAS No. 123, WESCO's net income and earnings per share would have been as follows:

	YEAR ENDED DECEMBER 31		
	2000	1999	1998
	(IN THOUSANDS, EXCEPT SHARE DATA)		
Net income (loss)			
As reported.....	$33,438	$24,638	$(7,736)
Pro forma.....	30,979	22,912	(8,629)
Basic earnings (loss) per share			
As reported.....	$ 0.74	$ 0.57	$ (0.17)
Pro forma.....	0.68	0.53	(0.19)
Diluted earnings (loss) per share			
As reported.....	$ 0.70	$ 0.53	$ (0.17)
Pro forma.....	0.65	0.49	(0.19)

The weighted average fair value per option granted was $4.82, $8.00 and $3.86, for the years ended December 31, 2000, 1999 and 1998, respectively.

For purposes of presenting pro forma results, the fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model and the following assumptions:

	YEAR ENDED DECEMBER 31		
	2000	1999	1998
Risk-free interest rate.....	6.0%	6.0%	5.0%
Expected life (years).....	6.0	7.0	7.0
Stock price volatility.....	45.0%	30.0%	--

16. COMMITMENTS AND CONTINGENCIES

Future minimum rental payments required under operating leases, primarily for real property that have noncancelable lease terms in excess of one year as of December 31, 2000, are as follows:

	(IN THOUSANDS)
2001	$21,421
2002	16,102
2003	12,503
2004	9,574
2005	5,440
Thereafter	10,044

Rental expense for the years ended December 31, 2000, 1999 and 1998, was $30.3 million, $33.3 million and $29.1 million, respectively.

WESCO has litigation arising from time to time in the normal course of business. In management's opinion, any present litigation WESCO is aware of will not materially affect WESCO's consolidated financial position, results of operations or cash flows.

17. SEGMENTS AND RELATED INFORMATION

WESCO is engaged principally in one line of business -- the sale of electrical products and maintenance repair and operating supplies -- which represents more than 90% of the consolidated net sales, income from operations and assets, for 2000, 1999 and 1998. There were no material amounts of sales or transfers among geographic areas and no material amounts of export sales.

The following table sets forth information about WESCO by geographic area:

	YEAR ENDED DECEMBER 31					
	NET SALES			LONG-LIVED ASSETS		
	2000	1999	1998	2000	1999	1998
	(IN THOUSANDS)					
United States	$3,494,527	$3,059,901	$2,713,213	$392,820	$357,696	$344,481
Canada	319,823	288,203	272,463	11,286	11,157	10,483
Other Foreign	66,746	75,754	39,763	1,702	1,881	1,889
	$3,881,096	$3,423,858	$3,025,439	$405,808	$370,734	$356,853

18. SUPPLEMENTAL CASH FLOW INFORMATION

The following table sets forth supplemental cash flow information:

	YEAR ENDED DECEMBER 31		
	2000	1999	1998
	(IN THOUSANDS)		
Details of acquisitions:			
Fair value of assets acquired	$ 63,764	$47,425	$307,056
Deferred acquisition payment	3,353	30,000	--
Liabilities assumed	(15,963)	(7,349)	(56,838)
Notes issued to seller	(2,500)	(1,500)	(46,242)
Deferred acquisition payable	(7,750)	(8,593)	(30,000)
Cash paid for acquisitions	$ 40,904	$59,983	$173,976
Cash paid for interest	$ 41,676	$42,817	$ 35,093
Cash paid for income taxes	19,589	5,249	9,470

Noncash investing activities not reflected in the consolidated statement of cash flows for 2000, consisted of the write-off of a $4.0 million investment in an affiliate. Noncash financing activities not reflected in the consolidated statement of cash flows for 1999 consisted of the conversion of $31.5 million of notes payable to common stock. Noncash investing and financing activities not reflected in the consolidated statement of cash flows for 1998 consisted of the $5.8 million use of restricted cash to reduce long-term debt, $5.2 million of capital expenditures included in accounts payable and the conversion of $1.6 million of notes payable to redeemable common stock.

19. OTHER FINANCIAL INFORMATION

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:

CONDENSED CONSOLIDATING BALANCE SHEETS

	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

	DECEMBER 31, 1999 (IN THOUSANDS)				
	WESCO INTERNATIONAL, INC.	WESCO DISTRIBUTION, INC.	NON-GUARANTOR SUBSIDIARIES	CONSOLIDATING AND ELIMINATING ENTRIES	CONSOLIDATED
Cash and cash equivalents	$ 10	$ --	$ 26,812	$ (18,003)	$ 8,819
Trade accounts receivable	--	23,781	164,526	--	188,307
Inventories	--	359,481	38,188	--	397,669
Other current assets	--	48,552	13,069	(2,615)	59,006
Total current assets	10	431,814	242,595	(20,618)	653,801
Intercompany receivables, net	--	342,405	--	(342,405)	--
Property, buildings and equipment, net	--	46,709	69,929	--	116,638
Goodwill and other intangibles, net	--	242,834	6,406	--	249,240
Investments in affiliates and other noncurrent assets	459,042	243,328	179	(693,435)	9,114
Total assets	$459,052	$1,307,090	$319,109	$(1,056,458)	$1,028,793
Accounts payable	$ 1,457	$ 374,938	$ 48,571	$ (18,003)	$ 406,963
Other current liabilities	2,615	41,056	6,766	(2,615)	47,822
Total current liabilities	4,072	415,994	55,337	(20,618)	454,785
Intercompany payables, net	336,976	--	5,429	(342,405)	--
Long-term debt	--	398,455	24,084	--	422,539
Other noncurrent liabilities	--	33,599	565	--	34,164
Stockholders' equity	118,004	459,042	233,694	(693,435)	117,305
Total liabilities and stockholders' equity	$459,052	$1,307,090	$319,109	$(1,056,458)	$1,028,793

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

	YEAR ENDED DECEMBER 31, 2000 (IN THOUSANDS)				
	WESCO INTERNATIONAL, INC.	WESCO DISTRIBUTION, INC.	NON-GUARANTOR SUBSIDIARIES	CONSOLIDATING AND ELIMINATING ENTRIES	CONSOLIDATED
Net sales	$ --	$3,497,076	$384,020	$ --	$3,881,096
Cost of goods sold	--	2,882,626	314,326	--	3,196,952
Selling, general and administrative expenses	--	476,680	47,629	--	524,309
Depreciation and amortization	--	21,951	3,042	--	24,993
Restructuring charge	--	9,094	310	--	9,404
Results of affiliates' operations	22,984	56,250	--	(79,234)	--
Interest expense (income), net	(16,083)	68,164	(8,301)	--	43,780
Other (income) expense	--	85,005	(60,060)	--	24,945
Provision for income taxes	5,629	(13,178)	30,824	--	23,275
Net income (loss)	$33,438	$ 22,984	$ 56,250	$(79,234)	$ 33,438

	YEAR ENDED DECEMBER 31, 1999 (IN THOUSANDS)				
	WESCO INTERNATIONAL, INC.	WESCO DISTRIBUTION, INC.	NON-GUARANTOR SUBSIDIARIES	CONSOLIDATING AND ELIMINATING ENTRIES	CONSOLIDATED
Net sales	$ --	$3,083,173	$340,685	$ --	$3,423,858
Cost of goods sold	--	2,528,631	278,609	--	2,807,240
Selling, general and administrative expenses	--	426,181	45,094	--	471,275
Depreciation and amortization	--	17,733	2,617	--	20,350
Results of affiliates' operations	26,446	52,047	--	(78,493)	--
Interest expense (income), net	(5,075)	60,729	(8,686)	--	46,968
Other (income) expense	--	79,595	(60,048)	--	19,547
Provision for income taxes	1,776	(7,195)	28,752	--	23,333
Income (loss) before extraordinary item	29,745	29,546	54,347	(78,493)	35,145
Extraordinary item, net of tax benefit	(5,107)	(3,100)	(2,300)	--	(10,507)
Net income (loss)	$24,638	$ 26,446	$ 52,047	$(78,493)	$ 24,638

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 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	$ 13,585	$ 32,332	$(23,167)	$ 24,161	$ 46,911
Investing activities:					
Capital expenditures	--	(18,167)	(3,385)	--	(21,552)
Acquisitions	--	(40,904)	--	--	(40,904)
Other	--	267	1,500	--	1,767
Net cash used in investing activities	--	(58,804)	(1,885)	--	(60,689)
Financing activities:					
Net borrowings (repayments)	13,206	41,858	(1,760)	--	53,304
Equity transactions	(26,791)	--	--	--	(26,791)
Other	--	(475)	--	--	(475)
Net cash (used in) provided by financing activities	(13,585)	41,383	(1,760)	--	26,038
Net change in cash and cash equivalents	--	14,911	(26,812)	24,161	12,260
Cash and cash equivalents at beginning of year	10	--	26,812	(18,003)	8,819
Cash and cash equivalents at end of period	$ 10	$ 14,911	$ --	$ 6,158	$ 21,079

	YEAR ENDED DECEMBER 31, 1999 (IN THOUSANDS)				
	WESCO INTERNATIONAL, INC.	WESCO DISTRIBUTION, INC.	NON-GUARANTOR SUBSIDIARIES	CONSOLIDATING AND ELIMINATING ENTRIES	CONSOLIDATED
Net cash provided (used) by operating activities	$ (36)	$ 84,962	$ (567)	$(18,003)	$ 66,356
Investing activities:					
Capital expenditures	--	(17,452)	(3,778)	--	(21,230)
Acquisitions	--	(59,983)	--	--	(59,983)
Other	--	8,717	600	--	9,317
Net cash used in investing activities	--	(68,718)	(3,178)	--	(71,896)
Financing activities:					
Net borrowings (repayments)	(182,680)	(14,084)	22,464	--	(174,300)
Equity transactions	182,726	--	--	--	182,726
Other	--	(2,160)	--	--	(2,160)
Net cash (used in) provided by financing activities	46	(16,244)	22,464	--	6,266
Net change in cash and cash equivalents	10	--	18,719	(18,003)	726
Cash and cash equivalents at beginning of year	--	--	8,093	--	8,093
Cash and cash equivalents at end of period	$ 10	$ --	$26,812	$(18,003)	$ 8,819

20. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

The following table sets forth selected quarterly financial data for the years ended December 31, 2000 and 1999:

	FIRST QUARTER	SECOND QUARTER(2)	THIRD QUARTER	FOURTH QUARTER(1)
	(In thousands, except share data)			
2000				
Net sales(3)	$925,022	$990,931	$976,332	$988,811
Gross profit(3)	165,018	173,872	178,951	166,303
Income from operations	31,374	38,077	42,354	13,633
Income (loss) before income taxes	15,233	21,350	24,314	(4,184)
Net income (loss)	9,155	12,831	14,603	(3,151)
Basic earnings (loss) per share	0.20	0.28	0.32	(0.07)
Diluted earnings (loss) per share	0.19	0.27	0.31	(0.07)
1999				
Net sales(3)	$777,630	$864,669	$904,703	$876,856
Gross profit(3)	139,008	157,519	157,845	162,246
Income from operations	23,914	36,527	38,240	26,312
Income before income taxes and extraordinary item	4,841	19,262	22,865	11,510
Income before extraordinary item	2,917	11,548	13,757	6,923
Net income	2,917	1,041	13,757	6,923
Basic earnings per share before extraordinary item	0.08	0.28	0.29	0.14
Diluted earnings per share before extraordinary item	0.08	0.25	0.27	0.14
Basic earnings per share	0.08	0.03	0.29	0.14
Diluted earnings per share	0.08	0.03	0.27	0.14

---

(1) The fourth quarter of 2000 includes a restructuring charge of $9.4 (see Note 4).

(2) The second quarter of 1999 includes an extraordinary charge of $10.5 million, net of tax, in connection with the early extinguishment of certain debt and refinancing of its credit agreement (see Note 10).

(3) All quarters include the impact of the reclassification of freight billed to customers in accordance with EITF No. 00-10. The impact was $1.7 million, $1.6 million, $1.7 million and $1.4 million for each of the quarters in 2000 and $0.2 million, $0.5 million, $1.5 million and $1.5 million for each of the quarters in 1999.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	JUNE 30 2001	DECEMBER 31 2000
	(UNAUDITED)	
	(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 4,891	$ 21,079
Trade accounts receivable, net of allowance for doubtful accounts of $11,984 and $9,794 in 2001 and 2000, respectively	247,295	259,988
Other accounts receivable	18,912	31,365
Inventories	433,336	421,083
Income taxes receivable	7,984	10,951
Prepaid expenses and other current assets	6,583	5,602
Deferred income taxes	14,310	14,157
Total current assets	733,311	764,225
Property, buildings and equipment, net	124,278	123,477
Goodwill and other intangibles, net of accumulated amortization of $34,928 and $29,053 in 2001 and 2000, respectively	310,745	277,763
Other assets	5,252	4,568
Total assets	$1,173,586	$1,170,033
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 512,786	$ 460,535
Accrued payroll and benefit costs	14,966	27,027
Current portion of long-term debt	1,530	585
Other current liabilities	27,926	35,695
Total current liabilities	557,208	523,842
Long-term debt	438,200	482,740
Other noncurrent liabilities	8,143	6,823
Deferred income taxes	33,771	31,641
Total liabilities	1,037,322	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, 44,224,409 and 44,093,664 shares issued in 2001 and 2000, respectively	443	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	569,770	569,288
Retained earnings (deficit)	(399,139)	(410,144)
Treasury stock, at cost; 3,976,897 shares in 2001 and 2000	(33,406)	(33,406)
Accumulated other comprehensive income (loss)	(1,450)	(1,238)
Total stockholders' equity	136,264	124,987
Total liabilities and stockholders' equity	$1,173,586	$1,170,033

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

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2001	2000	2001	2000
	(IN THOUSANDS, EXCEPT SHARE DATA)			
Net sales	$944,136	$990,931	$1,872,193	$1,915,953
Cost of goods sold	779,305	817,059	1,540,243	1,577,063
Gross profit	164,831	173,872	331,950	338,890
Selling, general and administrative expenses	129,187	129,809	266,012	257,928
Depreciation and amortization	7,636	5,986	14,999	11,511
Income from operations	28,008	38,077	50,939	69,451
Interest expense, net	10,937	10,741	21,934	21,619
Other expense	4,599	5,986	10,664	11,249
Income before income taxes	12,472	21,350	18,341	36,583
Provision for income taxes	4,959	8,519	7,336	14,597
Net income	$ 7,513	$ 12,831	$ 11,005	$ 21,986
Earnings per share:				
Basic	$ 0.17	$ 0.28	$ 0.25	$ 0.48
Diluted	$ 0.16	$ 0.27	$ 0.23	$ 0.45

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

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	SIX MONTHS ENDED JUNE 30	
	2001	2000
	(IN THOUSANDS)	
OPERATING ACTIVITIES:		
Net income	$ 11,005	$ 21,986
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	14,999	11,511
Accretion of original issue and amortization of purchase discounts	557	574
Amortization of debt issuance costs and interest rate caps	357	306
Loss (gain) on sale of property, buildings and equipment	(447)	15
Deferred income taxes	1,977	(56)
Changes in assets and liabilities, excluding the effects of acquisitions:		
Sale of trade accounts receivable	--	15,000
Trade and other receivables	39,473	(78,950)
Inventories	(4,348)	(33,953)
Other current and noncurrent assets	(1,680)	9,820
Accounts payable	44,149	73,892
Accrued payroll and benefit costs	(12,061)	3,207
Other current and noncurrent liabilities	(1,826)	3,319
Net cash provided by operating activities	92,155	26,671
INVESTING ACTIVITIES:		
Capital expenditures	(7,972)	(7,645)
Proceeds from the sale of property, buildings and equipment	534	17
Receipts from (advances to) affiliate	--	224
Acquisitions, net of cash acquired	(52,052)	(14,061)
Net cash used for investing activities	(59,490)	(21,465)
FINANCING ACTIVITIES:		
Proceeds from issuance of long-term debt	298,263	378,719
Repayments of long-term debt	(347,415)	(355,079)
Repurchase of common stock	--	(21,538)
Exercise of stock options	299	1,112
Net cash provided by/(used for) financing activities	(48,853)	3,214
Net change in cash and cash equivalents	(16,188)	8,420
Cash and cash equivalents at the beginning of period	21,079	8,819
Cash and cash equivalents at the end of period	$ 4,891	$ 17,239

The accompanying notes are an integral part of the 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 June 30, 2001, the unaudited condensed consolidated statements of operations for the three months and six months ended June 30, 2001 and 2000, and the unaudited condensed consolidated statements of cash flows for the six months ended June 30, 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 July 2001, the FASB issued SFAS No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and other Intangible Assets." Under SFAS No. 141, all business combinations will be accounted for under the purchase method. Under SFAS No. 142, goodwill will no longer be amortized, but will be reduced only if it was found to be impaired. Goodwill would be tested

for impairment annually or more frequently 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. 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 statement, the net assets of a reporting unit are subtracted from the fair value of that reporting unit to determine the implied fair value of goodwill. An impairment loss would be recognized to the extent the carrying amount of goodwill exceeds the implied fair value. The provisions of this statement are effective for all business combinations completed after July 1, 2001 and fiscal years beginning after December 15, 2001 for existing goodwill. Management believes the adoption of this standard, will have a material non-cash impact on the financial statements. For the six months ended June 30, 2001, goodwill amortization was $5.8 million.

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 7).

4. EARNINGS PER SHARE

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

	THREE MONTHS ENDED JUNE 30	
	2001	2000
	(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	
Net income	$ 7,513	$ 12,831
Weighted average common shares outstanding used in computing basic earnings per share	44,872,816	45,451,376
Common shares issuable upon exercise of dilutive stock options	2,153,061	2,537,751
Weighted average common shares outstanding and common share equivalents used in computing diluted earnings per share	47,025,877	47,989,127
Earnings per share		
Basic	$ 0.17	$ 0.28
Diluted	$ 0.16	$ 0.27

	SIX MONTHS ENDED JUNE 30	
	2001	2000
	(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	
Net income	$ 11,005	$ 21,986
Weighted average common shares outstanding used in computing basic earnings per share	44,839,917	45,848,936
Common shares issuable upon exercise of dilutive stock options	2,201,155	2,518,123
Weighted average common shares outstanding and common share equivalents used in computing diluted earnings per share	47,041,072	48,367,059
Earnings per share:		
Basic	$ 0.25	$ 0.48
Diluted	$ 0.23	$ 0.45

5. ACCOUNTS RECEIVABLE SECURITIZATION

In June 1999, WESCO and certain of its subsidiaries terminated its previous accounts receivable securitization program and entered into a new $350 million accounts receivable securitization program ("Receivables Facility"), which was subsequently increased to $375 million. Under the Receivables Facility, WESCO sells, on a continuous basis, to WESCO Receivables Corporation, a wholly-owned, special purpose company ("SPC"), an undivided interest in all eligible accounts receivable. The SPC sells without recourse to a third-party conduit all the receivables while maintaining a subordinated interest, in the form of overcollateralization, in a portion of the receivables. WESCO has agreed to continue servicing the sold receivables for the financial institution at market rates; accordingly, no servicing asset or liability has been recorded.

As of June 30, 2001 and December 31, 2000, securitized accounts receivable totaled approximately $452 million and $479 million, respectively, of which the subordinated retained interest was approximately $75 million and $101 million, respectively. Accordingly, approximately $377 million and $378 million of accounts receivable balances were removed from the consolidated balance sheets at June 30, 2001 and December 31, 2000, respectively. Net proceeds from the transactions totaled $40.0 million in 2000. Costs associated with the Receivables Facility totaled $10.7 million and $11.2 million for the six months ended June 30, 2001 and 2000, respectively. These amounts are recorded as other expenses in the consolidated statements of operations and are primarily related to the discount and loss on the sale of accounts receivable, partially offset by related servicing revenue.

The key economic assumptions used to measure the retained interest at the date of the securitization or securitizations completed in 2001 were a discount rate of 5% and an estimated life of 1.5 months. At June 30, 2001, an immediate adverse change in the discount rate or estimated life of 10% and 20% would result in a reduction in the fair value of the retained interest of $0.3 million and $0.5 million, respectively. These sensitivities are hypothetical and should be used with caution. As the figures indicate, changes in fair value based on a 10% variation in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, in this example, the effect of a variation in a particular assumption on the fair value of the retained interest is calculated without changing any other assumption. In reality, changes in one factor may result in changes in another.

6. COMPREHENSIVE INCOME

The following tables set forth comprehensive income and its components:

	THREE MONTHS ENDED JUNE 30	
	2001	2000
	(IN THOUSANDS)	
Net income	$7,513	$12,831
Foreign currency translation adjustment	360	(364)
Comprehensive income	$7,873	$12,467

	SIX MONTHS ENDED JUNE 30	
	2001	2000
	(IN THOUSANDS)	
Net income	$11,005	$21,986
Foreign currency translation adjustment	(212)	(384)
Comprehensive income	$10,793	$21,602

7. CASH FLOW STATEMENT

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

	SIX MONTHS ENDED JUNE 30	
	2001	2000
	(IN THOUSANDS)	
Details of acquisitions:		
Fair value of assets acquired	$ 61,678	$28,787
Deferred acquisition payment	10,639	--
Liabilities assumed	(15,265)	(7,726)
Deferred acquisition payable	(5,000)	(7,000)
Cash paid for acquisitions	$ 52,052	$14,061

8. 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

	JUNE 30, 2001				
	WESCO INTERNATIONAL, INC.	WESCO DISTRIBUTION, INC.	NON-GUARANTOR SUBSIDIARIES	CONSOLIDATING AND ELIMINATING ENTRIES	CONSOLIDATED
	(IN THOUSANDS)				
Cash and cash equivalents	$ 6	$ --	$ --	$ 4,885	$ 4,891
Trade accounts receivable	--	43,386	203,909	--	247,295
Inventories	--	390,403	42,933	--	433,336
Other current assets	--	49,246	19,562	(21,019)	47,789
Total current assets	6	483,035	266,404	(16,134)	733,311
Intercompany receivables, net	--	345,017	60,158	(405,175)	--
Property, buildings and equipment, net	--	52,241	72,037	--	124,278
Goodwill and other intangibles, net	--	268,342	42,403	--	310,745
Investments in affiliates and other noncurrent assets	490,399	321,432	90	(806,669)	5,252
Total assets	$490,405	$1,470,067	$441,092	$(1,227,978)	$1,173,586
Accounts payable	$ --	$ 490,824	$ 17,077	$ 4,885	$ 512,786
Other current liabilities	9,662	37,284	18,495	(21,019)	44,422
Total current liabilities	9,662	528,108	35,572	(16,134)	557,208
Intercompany payables, net	343,029	810	61,336	(405,175)	--
Long-term debt	--	412,173	26,027	--	438,200
Other noncurrent liabilities	--	38,577	3,337	--	41,914
Stockholders' equity	137,714	490,399	314,820	(806,669)	136,264
Total liabilities and stockholders' equity	$490,405	$1,470,067	$441,092	$(1,227,978)	$1,173,586

	DECEMBER 31, 2000				
	WESCO INTERNATIONAL, INC.	WESCO DISTRIBUTION, INC.	NON-GUARANTOR SUBSIDIARIES	CONSOLIDATING AND ELIMINATING ENTRIES	CONSOLIDATED
	(IN THOUSANDS)				
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 JUNE 30, 2001

	WESCO INTERNATIONAL, INC.	WESCO DISTRIBUTION, INC.	NON-GUARANTOR SUBSIDIARIES	CONSOLIDATING AND ELIMINATING ENTRIES	CONSOLIDATED
			(IN THOUSANDS)		
Net sales	$ --	$829,454	$114,682	$ --	$944,136
Cost of goods sold	--	686,148	93,157	--	779,305
Selling, general and administrative expenses	11	109,801	19,375	--	129,187
Depreciation and amortization	--	6,484	1,152	--	7,636
Results of affiliates' operations	6,299	10,197	--	(16,496)	--
Interest expense (income), net	(1,879)	15,899	(3,083)	--	10,937
Other (income) expense	--	22,205	(17,606)	--	4,599
Provision for income taxes	654	(7,185)	11,490	--	4,959
Net income (loss)	$ 7,513	$ 6,299	$ 10,197	$(16,494)	$ 7,513

THREE MONTHS ENDED JUNE 30, 2000

	WESCO INTERNATIONAL, INC.	WESCO DISTRIBUTION, INC.	NON-GUARANTOR SUBSIDIARIES	CONSOLIDATING AND ELIMINATING ENTRIES	CONSOLIDATED
			(IN THOUSANDS)		
Net sales	$ --	$897,980	$92,951	$ --	$990,931
Cost of goods sold	--	740,400	76,659	--	817,059
Selling, general and administrative expenses	--	127,146	2,663	--	129,809
Depreciation and amortization	--	5,224	762	--	5,986
Results of affiliates' operations	10,208	21,815	--	(32,023)	--
Interest expense (income), net	(4,036)	17,591	(2,814)	--	10,741
Other (income) expense	--	23,966	(17,980)	--	5,986
Provision for income taxes	1,413	(4,740)	11,846	--	8,519
Net income (loss)	$12,831	$ 10,208	$21,815	$(32,023)	$ 12,831

SIX MONTHS ENDED JUNE 30, 2001

	WESCO INTERNATIONAL, INC.	WESCO DISTRIBUTION, INC.	NON-GUARANTOR SUBSIDIARIES	CONSOLIDATING AND ELIMINATING ENTRIES	CONSOLIDATED
			(IN THOUSANDS)		
Net sales	$ --	$1,655,384	$216,809	$ --	$1,872,193
Cost of goods sold	--	1,364,146	176,097	--	1,540,243
Selling, general and administrative expenses	11	229,828	36,173	--	266,012
Depreciation and amortization	--	12,917	2,082	--	14,999
Results of affiliates' operations	8,373	25,627	--	(34,000)	--
Interest expense (income), net	(4,061)	32,025	(6,030)	--	21,934
Other (income) expense	--	48,288	(37,624)	--	10,664
Provision for income taxes	1,418	(14,566)	20,484	--	7,336
Net income (loss)	$11,005	$ 8,373	$ 25,627	$(34,000)	$ 11,005

SIX MONTHS ENDED JUNE 30, 2000

	WESCO INTERNATIONAL, INC.	WESCO DISTRIBUTION, INC.	NON-GUARANTOR SUBSIDIARIES	CONSOLIDATING AND ELIMINATING ENTRIES	CONSOLIDATED
			(IN THOUSANDS)		
Net sales	$ --	$1,729,206	$186,747	$ --	$1,915,953
Cost of goods sold	--	1,424,168	152,895	--	1,577,063
Selling, general and administrative expenses	--	241,666	16,262	--	257,928
Depreciation and amortization	--	9,996	1,515	--	11,511
Results of affiliates' operations	16,759	37,483	--	(54,242)	--
Interest expense (income), net	(8,042)	34,335	(4,674)	--	21,619
Other (income) expense	--	48,577	(37,328)	--	11,249
Provision for income taxes	2,815	(8,812)	20,594	--	14,597
Net income (loss)	$21,986	$ 16,759	$ 37,483	$(54,242)	$ 21,986

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

	SIX MONTHS ENDED JUNE 30, 2001				
	WESCO INTERNATIONAL, INC.	WESCO DISTRIBUTION, INC.	NON-GUARANTOR SUBSIDIARIES	CONSOLIDATING AND ELIMINATING ENTRIES	CONSOLIDATED
	(IN THOUSANDS)				
Net cash provided (used) by operating activities.....	$6,848	$ 34,248	$ 52,332	$(1,273)	$ 92,155
Investing activities:					
Capital expenditures.....	--	(4,773)	(3,199)	--	(7,972)
Acquisitions and other...	--	534	(52,052)	--	(51,518)
Net cash used in investing activities...	--	(4,239)	(55,251)	--	(59,490)
Financing activities:					
Net borrowings (repayments).....	(7,151)	(44,920)	2,919	--	(49,152)
Equity transactions.....	299	--	--	--	299
Net cash (used in) provided by financing activities.....	(6,852)	(44,920)	2,919	--	(48,853)
Net change in cash and cash equivalents.....	(4)	(14,911)	--	(1,273)	(16,188)
Cash and cash equivalents at beginning of year.....	10	14,911	--	6,158	21,079
Cash and cash equivalents at end of period.....	$ 6	$ --	$ --	$ 4,885	$ 4,891

	SIX MONTHS ENDED JUNE 30, 2000				
	WESCO INTERNATIONAL, INC.	WESCO DISTRIBUTION, INC.	NON-GUARANTOR SUBSIDIARIES	CONSOLIDATING AND ELIMINATING ENTRIES	CONSOLIDATED
	(IN THOUSANDS)				
Net cash provided (used) by operating activities.....	$ 3,804	$ 33,928	$(29,064)	$ 18,003	$ 26,671
Investing activities:					
Capital expenditures.....	--	(6,178)	(1,467)	--	(7,645)
Acquisitions and other...	--	(13,820)	--	--	(13,820)
Net cash used in investing activities...	--	(19,998)	(1,467)	--	(21,465)
Financing activities:					
Net borrowings (repayments).....	17,658	853	6,165	(1,036)	23,640
Equity transactions.....	(21,462)	--	--	1,036	(20,426)
Net cash (used in) provided by financing activities.....	(3,804)	853	6,165	--	3,214
Net change in cash and cash equivalents.....	--	14,783	(24,366)	18,003	8,420
Cash and cash equivalents at beginning of year.....	10	--	26,812	(18,003)	8,819
Cash and cash equivalents at end of period.....	$ 10	$ 14,783	$ 2,446	$ --	$ 17,239

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Under Section 145 of the Delaware General Corporation Law (the "Delaware Law"), a corporation may indemnify its directors, officers, employees and agents and its former directors, officers, employees and agents and those who serve, at the corporation's request, in such capacity with another enterprise, against expenses (including attorney's fees), as well as judgments, fines and settlements in nonderivative lawsuits, actually and reasonably incurred in connection with the defense of any action, suit or proceeding in which they or any of them were or are made parties or are threatened to be made parties by reason of their serving or having served in such capacity. The Delaware General Corporation Law provides, however, that such person must have acted in good faith and in a manner such person reasonably believed to be in (or not opposed to) the best interests of the corporation and, in the right of the corporation, where such person has been adjudged liable to the corporation, unless, and only to the extent that a court determines that such person fairly and reasonably is entitled to indemnity for costs the court deems proper in light of liability adjudication. Indemnity is mandatory to the extent a claim, issue or matter has been successfully defended.

The Certificate of Incorporation and By-Laws of each Issuer provide for mandatory indemnification of directors and officers on generally the same terms as permitted by the Delaware General Corporation Law.

ITEM 21. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits:

The following is a list of all the exhibits filed as part of the Registration Statement.

EXHIBIT NUMBER	DESCRIPTION
2.1	Recapitalization Agreement, dated as of March 27, 1998, among Thor Acquisitions L.L.C., WESCO International, Inc. (formerly known as CDW Holding Corporation) and certain securityholders of WESCO International, Inc. (incorporated herein by reference to Exhibit 2.1 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
2.2	Purchase Agreement, dated as of May 29, 1998, among WESCO International, Inc., WESCO Distribution, Inc., Chase Securities Inc. and Lehman Brothers, Inc. (incorporated herein by reference to Exhibit 2.2 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
2.3	Asset Purchase Agreement, dated as of September 11, 1998, among Bruckner Supply Company, Inc. and WESCO Distribution, Inc. (incorporated herein by reference to Exhibit 2.01 to WESCO's Current Report on Form 8-K, dated September 11, 1998).
2.4	Purchase Agreement, dated August 16, 2001, among WESCO International, Inc., WESCO Distribution, Inc. and the initial purchasers listed therein (filed herewith).
3.1	Restated Certificate of Incorporation of WESCO International, Inc. (filed herewith).
3.2	By-Laws of WESCO International, Inc. (filed herewith).
4.1	Indenture, dated as of June 5, 1998, among WESCO International, Inc., WESCO Distribution, Inc. and Bank One, N.A. (incorporated herein by reference herein to Exhibit 4.1 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).

EXHIBIT NUMBER	DESCRIPTION
4.2	Form of 9 1/8% Senior Subordinated Note Due 2008, Series A (included in Exhibit 4.1) (incorporated herein by reference herein to Exhibit 4.2 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
4.3	Form of 9 1/8% Senior Subordinated Note Due 2008, Series B (included in Exhibit 4.1) (incorporated herein by reference herein to Exhibit 4.3 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
4.4	Exchange and Registration Rights Agreement, dated as of June 5, 1998, among the Company, WESCO International, Inc. and The Initial Purchasers (as defined therein) (incorporated herein by reference herein to Exhibit 4.4 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
4.5	Exchange and Registration Rights Agreement, dated as of June 5, 1998, among WESCO International, Inc. and the initial purchasers (as defined therein) (incorporated herein by reference herein to Exhibit 4.8 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
4.6	Indenture, dated as of August 23, 2001, among WESCO International, Inc., WESCO Distribution, Inc. and Bank One N.A. (filed herewith).
4.7	Exchange and Registration Rights Agreement, dated August 23, 2001, among WESCO International, Inc., WESCO Distribution, Inc. and the initial purchasers listed therein (filed herewith).
4.8	Form of 9 1/8% Original Senior Subordinated Note Due 2008 (included in Exhibit 4.6).
4.9	Form of 9 1/8% Exchange Senior Subordinated Note Due 2008 (included in Exhibit 4.6).
5.1	Opinion of Kirkpatrick & Lockhart LLP regarding the validity of the securities being registered (filed herewith).
10.1	CDW Holding Corporation Stock Purchase Plan (incorporated herein by reference herein to Exhibit 10.1 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
10.2	Form of Stock Subscription Agreement (incorporated herein by reference herein to Exhibit 10.2 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
10.3	CDW Holding Corporation Stock Option Plan (incorporated herein by reference herein to Exhibit 10.3 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
10.4	Form of Stock Option Agreement (incorporated herein by reference herein to Exhibit 10.4 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
10.5	CDW Holding Corporation Stock Option Plan for Branch Employees (incorporated herein by reference herein to Exhibit 10.3 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
10.6	Form of Branch Stock Option Agreement (incorporated herein by reference herein to Exhibit 10.6 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
10.7	Non-Competition Agreement, dated as of February 28, 1996, between Westinghouse, WESCO International, Inc. and WESCO Distribution, Inc. (incorporated herein by reference herein to Exhibit 10.8 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).

EXHIBIT NUMBER	DESCRIPTION
10.8	Lease, dated as of May 24, 1995, as amended by Amendment One, dated as of June 1995, and by Amendment Two, dated as of December 24, 1995, by and between WESCO Distribution, Inc. as Tenant and Opal Investors, L.P. and Mural GEM Investors as Landlord (incorporated herein by reference herein to Exhibit 10.10 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
10.9	Lease, dated as of April 1, 1992, as renewed by Letter of Notice of Intent to Renew, dated as of December 13, 1996, by and between the Company as successor in interest to Westinghouse Electric Corporation as tenant and Utah State Retirement Fund as Landlord (incorporated herein by reference herein to Exhibit 10.11 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
10.10	Lease, dated as of September 4, 1997, between WESCO Distribution, Inc. as Tenant and The Buncher Company as Landlord (incorporated herein by reference herein to Exhibit 10.12 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
10.11	Lease, dated as of March 1995, by and between WESCO Distribution-Canada, Inc. as Tenant and Atlantic Construction, Inc. as Landlord (incorporated herein by reference herein to Exhibit 10.13 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
10.12	Amended and Restated Registration and Participation Agreement, dated as of June 5, 1998, among WESCO International, Inc. and certain securityholders of WESCO International, Inc. named therein (incorporated herein by reference herein to Exhibit 10.19 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
10.13	Employment Agreement between WESCO Distribution, Inc. and Roy W. Haley (incorporated herein by reference herein to Exhibit 10.20 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
10.14	WESCO International, Inc. 1998 Stock Option Plan (incorporated herein by reference to Exhibit 10.1 to WESCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998).
10.15	Form of Management Stock Option Agreement (incorporated herein by reference to Exhibit 10.1 to WESCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998).
10.16	1999 Deferred Compensation Plan for Non-Employee Directors (incorporated herein by reference to Exhibit 10.22 to WESCO's Annual Report on Form 10-K for the year ended December 31, 1998).
10.17	Credit Agreement, dated as of June 29, 1999, among WESCO Distribution Inc., WESCO Distribution-Canada, Inc., WESCO International, Inc. and the Lenders identified therein (incorporated herein by reference to Exhibit 10.1 to WESCO's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).
10.18	Amendment, dated as of December 20, 2000, to the Credit Agreement, dated as of June 29, 1999, among WESCO Distribution, Inc., WESCO Distribution-Canada, Inc., WESCO International, Inc. and the Lenders identified therein (incorporated herein by reference to Exhibit 10.24 to WESCO's Annual Report on Form 10-K for the year ended December 31, 2000).
10.19	Amendment, dated as of August 3, 2001, to the Credit Agreement, dated as of June 29, 1999, among WESCO Distribution, Inc., WESCO Distribution-Canada, Inc., WESCO International, Inc. and the Lenders identified therein (filed herewith).

EXHIBIT NUMBER	DESCRIPTION
10.20	Receivables Purchase Agreement, dated as of June 30, 1999, among WESCO Receivables Corp., WESCO Distribution, Inc., Market Street Capital Corp. and PNC Bank, National Association (incorporated herein by reference to Exhibit 10.2 to WESCO's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).
10.21	Amended and Restated Receivables Purchase Agreement, dated as of September 28, 1999, among WESCO Receivables Corp., WESCO Distribution, Inc. and PNC Bank, National Association (incorporated herein by reference to Exhibit 10.1 to WESCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999).
10.22	1999 Long-Term Incentive Plan (incorporated herein by reference to Exhibit 10.22 to WESCO's Registration Statement on Form S-1 (No. 333-73299)).
12.1	Statement Regarding Computation of Ratio of Earnings to Fixed Charges (filed herewith).
21.1	Subsidiaries of WESCO (filed herewith).
23.1	Consent of PricewaterhouseCoopers LLP, Independent Accountants (filed herewith).
23.2	Consent of Kirkpatrick & Lockhart LLP (included in Exhibit 5.1).
25.1	Statement of Eligibility and Qualification of Trustee on Form T-1 of Bank One, N.A., under the Trust Indenture Act of 1939 (filed herewith).
99.1	Form of Letter of Transmittal (filed herewith).
99.2	Form of Notice of Guaranteed Delivery (filed herewith).
99.3	Form of Exchange Agent Agreement (filed herewith).

---

* The registrants hereby agree to furnish supplementally to the Commission, upon request, a copy of any omitted schedule to any exhibit hereto.

(b) Financial Statement Schedules:

Schedules are omitted since the information required to be submitted has been included in the Supplemental Consolidated Financial Statements of the Company or the notes thereto, or the required information is not applicable.

ITEM 22. UNDERTAKINGS

The undersigned Registrants hereby undertake:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereto), which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement);

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned Registrants hereby undertake that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrants' annual reports pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned Registrants hereby undertake as follows: that prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed to be underwriters, in addition to the information called for by the other Items of the applicable form.

The undersigned Registrants undertake that every prospectus: (i) that is filed pursuant to the immediately preceding undertaking or (ii) that purports to meet the requirements of section 10(a)(3) of the Act and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned Registrants hereby undertake to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11, or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

The undersigned Registrants hereby undertake to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrants have duly caused this registration statement on Form S-4 to be signed on their behalf by the undersigned, thereunto duly authorized, in the City of Pittsburgh, Commonwealth of Pennsylvania, on the 25th day of September, 2001.

WESCO INTERNATIONAL, INC.

By: /s/ ROY W. HALEY

Name: Roy W. Haley
Title: Chairman of the Board
and Chief Executive Officer

WESCO DISTRIBUTION, INC.

By: /s/ ROY W. HALEY

Name: Roy W. Haley
Title: Chairman of the Board
and Chief Executive Officer

POWER OF ATTORNEY

We, the undersigned directors and officers of WESCO International, Inc. and WESCO Distribution, Inc., do hereby constitute and appoint Roy W. Haley and Stephen A. Van Oss, or either of them, our true and lawful attorneys and agents, to do any and all acts and things in our name and on our behalf in our capacities as directors and officers and to execute any and all instruments for us and in our names in the capacities indicated below, which said attorneys and agents, or either or them, may deem necessary or advisable to enable said corporation to comply with the Securities Act of 1933, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission, in connection with this Registration statement, including specifically, but without limitation, power and authority to sign for us or any of us in our names in the capacities indicated below, any and all amendments (including post-effective amendments) hereto and we do hereby ratify and confirm all that said attorneys and agents, or either of them, shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities and on the date indicated.

SIGNATURE	TITLE	DATE
/s/ ROY W. HALEY Roy W. Haley	Chairman and Chief Executive Officer (Principal Executive Officer)	September 25, 2001
/s/ STEPHEN A. VAN OSS Stephen A. Van Oss	Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	September 25, 2001
/s/ MICHAEL J. CHESHIRE Michael J. Cheshire	Director	September 25, 2001
/s/ GEORGE L. MILES, JR. George L. Miles, Jr.	Director	September 25, 2001
/s/ JAMES L. SINGLETON James L. Singleton	Director	September 25, 2001
/s/ JAMES A. STERN James A. Stern	Director	September 25, 2001
/s/ ROBERT J. TARR, JR. Robert J. Tarr, Jr.	Director	September 25, 2001
/s/ ANTHONY D. TUTRONE Anthony D. Tutrone	Director	September 25, 2001
/s/ KENNETH L. WAY Kenneth L. Way	Director	September 25, 2001

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
2.1	Recapitalization Agreement, dated as of March 27, 1998, among Thor Acquisitions L.L.C., WESCO International, Inc. (formerly known as CDW Holding Corporation) and certain securityholders of WESCO International, Inc. (incorporated herein by reference to Exhibit 2.1 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
2.2	Purchase Agreement, dated as of May 29, 1998, among WESCO International, Inc., WESCO Distribution, Inc., Chase Securities Inc. and Lehman Brothers, Inc. (incorporated herein by reference to Exhibit 2.2 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
2.3	Asset Purchase Agreement, dated as of September 11, 1998, among Bruckner Supply Company, Inc. and WESCO Distribution, Inc. (incorporated herein by reference to Exhibit 2.01 to WESCO's Current Report on Form 8-K, dated September 11, 1998).
2.4	Purchase Agreement, dated August 16, 2001, among WESCO International, Inc., WESCO Distribution, Inc. and the initial purchasers listed therein (filed herewith).
3.1	Restated Certificate of Incorporation of WESCO International, Inc. (filed herewith).
3.2	By-Laws of WESCO International, Inc. (filed herewith).
4.1	Indenture, dated as of June 5, 1998, among WESCO International, Inc., WESCO Distribution, Inc. and Bank One, N.A. (incorporated herein by reference herein to Exhibit 4.1 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
4.2	Form of 9 1/8% Senior Subordinated Note Due 2008, Series A (included in Exhibit 4.1) (incorporated herein by reference herein to Exhibit 4.2 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
4.3	Form of 9 1/8% Senior Subordinated Note Due 2008, Series B (included in Exhibit 4.1) (incorporated herein by reference herein to Exhibit 4.3 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
4.4	Exchange and Registration Rights Agreement, dated as of June 5, 1998, among the Company, WESCO International, Inc. and The Initial Purchasers (as defined therein) (incorporated herein by reference herein to Exhibit 4.4 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
4.5	Exchange and Registration Rights Agreement, dated as of June 5, 1998, among WESCO International, Inc. and the initial purchasers (as defined therein) (incorporated herein by reference herein to Exhibit 4.8 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
4.6	Indenture, dated as of August 23, 2001, among WESCO International, Inc., WESCO Distribution, Inc. and Bank One N.A. (filed herewith).
4.7	Exchange and Registration Rights Agreement, dated August 23, 2001, among WESCO International, Inc., WESCO Distribution, Inc. and the initial purchasers listed therein (filed herewith).
4.8	Form of 9 1/8% Original Senior Subordinated Note Due 2008 (included in Exhibit 4.6).
4.9	Form of 9 1/8% Exchange Senior Subordinated Note Due 2008 (included in Exhibit 4.6).
5.1	Opinion of Kirkpatrick & Lockhart LLP regarding the validity of the securities being registered (filed herewith).

EXHIBIT NUMBER	DESCRIPTION
10.1	CDW Holding Corporation Stock Purchase Plan (incorporated herein by reference herein to Exhibit 10.1 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
10.2	Form of Stock Subscription Agreement (incorporated herein by reference herein to Exhibit 10.2 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
10.3	CDW Holding Corporation Stock Option Plan (incorporated herein by reference herein to Exhibit 10.3 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
10.4	Form of Stock Option Agreement (incorporated herein by reference herein to Exhibit 10.4 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
10.5	CDW Holding Corporation Stock Option Plan for Branch Employees (incorporated herein by reference herein to Exhibit 10.3 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
10.6	Form of Branch Stock Option Agreement (incorporated herein by reference herein to Exhibit 10.6 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
10.7	Non-Competition Agreement, dated as of February 28, 1996, between Westinghouse, WESCO International, Inc. and WESCO Distribution, Inc. (incorporated herein by reference herein to Exhibit 10.8 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
10.8	Lease, dated as of May 24, 1995, as amended by Amendment One, dated as of June 1995, and by Amendment Two, dated as of December 24, 1995, by and between WESCO Distribution, Inc. as Tenant and Opal Investors, L.P. and Mural GEM Investors as Landlord (incorporated herein by reference herein to Exhibit 10.10 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
10.9	Lease, dated as of April 1, 1992, as renewed by Letter of Notice of Intent to Renew, dated as of December 13, 1996, by and between the Company as successor in interest to Westinghouse Electric Corporation as tenant and Utah State Retirement Fund as Landlord (incorporated herein by reference herein to Exhibit 10.11 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
10.10	Lease, dated as of September 4, 1997, between WESCO Distribution, Inc. as Tenant and The Buncher Company as Landlord (incorporated herein by reference herein to Exhibit 10.12 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
10.11	Lease, dated as of March 1995, by and between WESCO Distribution-Canada, Inc. as Tenant and Atlantic Construction, Inc. as Landlord (incorporated herein by reference herein to Exhibit 10.13 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
10.12	Amended and Restated Registration and Participation Agreement, dated as of June 5, 1998, among WESCO International, Inc. and certain securityholders of WESCO International, Inc. named therein (incorporated herein by reference herein to Exhibit 10.19 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
10.13	Employment Agreement between WESCO Distribution, Inc. and Roy W. Haley (incorporated herein by reference herein to Exhibit 10.20 to WESCO's Registration Statement on Form S-4 (No. 333-43225)).
10.14	WESCO International, Inc. 1998 Stock Option Plan (incorporated herein by reference to Exhibit 10.1 to WESCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998).

EXHIBIT NUMBER	DESCRIPTION
10.15	Form of Management Stock Option Agreement (incorporated herein by reference to Exhibit 10.1 to WESCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998).
10.16	1999 Deferred Compensation Plan for Non-Employee Directors (incorporated herein by reference to Exhibit 10.22 to WESCO's Annual Report on Form 10-K for the year ended December 31, 1998).
10.17	Credit Agreement, dated as of June 29, 1999, among WESCO Distribution Inc., WESCO Distribution-Canada, Inc., WESCO International, Inc. and the Lenders identified therein (incorporated herein by reference to Exhibit 10.1 to WESCO's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).
10.18	Amendment, dated as of December 20, 2000, to the Credit Agreement, dated as of June 29, 1999, among WESCO Distribution, Inc., WESCO Distribution-Canada, Inc., WESCO International, Inc. and the Lenders identified therein (incorporated herein by reference to Exhibit 10.24 to WESCO's Annual Report on Form 10-K for the year ended December 31, 2000).
10.19	Amendment, dated as of August 3, 2001, to the Credit Agreement, dated as of June 29, 1999, among WESCO Distribution, Inc., WESCO Distribution-Canada, Inc., WESCO International, Inc. and the Lenders identified therein (filed herewith).
10.20	Receivables Purchase Agreement, dated as of June 30, 1999, among WESCO Receivables Corp., WESCO Distribution, Inc., Market Street Capital Corp. and PNC Bank, National Association (incorporated herein by reference to Exhibit 10.2 to WESCO's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).
10.21	Amended and Restated Receivables Purchase Agreement, dated as of September 28, 1999, among WESCO Receivables Corp., WESCO Distribution, Inc. and PNC Bank, National Association (incorporated herein by reference to Exhibit 10.1 to WESCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999).
10.22	1999 Long-Term Incentive Plan (incorporated herein by reference to Exhibit 10.22 to WESCO's Registration Statement on Form S-1 (No. 333-73299)).
12.1	Statement Regarding Computation of Ratio of Earnings to Fixed Charges (filed herewith).
21.1	Subsidiaries of WESCO (filed herewith).
23.1	Consent of PricewaterhouseCoopers LLP, Independent Accountants (filed herewith).
23.2	Consent of Kirkpatrick & Lockhart LLP (included in Exhibit 5.1).
25.1	Statement of Eligibility and Qualification of Trustee on Form T-1 of Bank One, N.A., under the Trust Indenture Act of 1939 (filed herewith).
99.1	Form of Letter of Transmittal (filed herewith).
99.2	Form of Notice of Guaranteed Delivery (filed herewith).
99.3	Form of Exchange Agent Agreement (filed herewith).

---

* The registrants hereby agree to furnish supplementally to the Commission, upon request, a copy of any omitted schedule to any exhibit hereto.

Exhibit 2.4

EXECUTION COPY

WESCO DISTRIBUTION, INC.
$100,000,000
9-1/8% Senior Subordinated Notes due 2008

PURCHASE AGREEMENT

August 16, 2001

J.P. MORGAN SECURITIES INC.
LEHMAN BROTHERS INC.
PNC CAPITAL MARKETS, INC.
TD SECURITIES (USA) INC.
BNY CAPITAL MARKETS, INC.
ABN AMRO INCORPORATED
COMERICA SECURITIES
FLEET SECURITIES, INC.
SCOTIA CAPITAL (USA) INC.

c/o J.P. Morgan Securities Inc.
270 Park Avenue, 4th floor
New York, New York 10017

Ladies and Gentlemen:

WESCO Distribution, Inc., a Delaware corporation (the "Company"), proposes to issue and sell $100,000,000 aggregate principal amount of its 9-1/8% Senior Subordinated Notes due 2008 (the "Securities"). The Securities will be issued pursuant to an Indenture to be dated as of August 23, 2001 (the "Indenture"), among the Company, WESCO International, Inc., a Delaware corporation ("Holdings") and Bank One, N.A., as trustee (the "Trustee") and will be guaranteed on an unsecured senior subordinated basis by Holdings. The Company and Holdings hereby confirm their agreement with J.P. Morgan Securities Inc. ("JP Morgan"), Lehman Brothers Inc., ABN AMRO Incorporated, BNY Capital Markets, Inc., Comerica Securities, Fleet Securities, Inc., PNC Capital Markets, Inc., Scotia Capital (USA) Inc. and TD Securities (USA) Inc. (together with JPMorgan, the "Initial Purchasers") concerning the purchase of the Securities from the Company by the several Initial Purchasers.

The Securities will be offered and sold to the Initial Purchasers without being registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon an exemption therefrom. The Company and Holdings have prepared a preliminary offering memorandum dated August 8, 2001 (the "Preliminary Offering Memorandum"), and will prepare an offering memorandum dated the date hereof (the "Offering Memorandum") setting forth information concerning the Company, Holdings and the Securities. Copies of the Preliminary Offering Memorandum have been, and copies of the Offering Memorandum will be, delivered by the Company and Holdings to the Initial Purchasers pursuant to the terms of this Agreement. Any references herein to

2

the Preliminary Offering Memorandum and the Offering Memorandum shall be deemed to include all amendments and supplements thereto, unless otherwise noted. The Company and Holdings hereby confirm that they have authorized the use of the Preliminary Offering Memorandum and the Offering Memorandum in connection with the offering and resale of the Securities by the Initial Purchasers in accordance with Section 2.

Holders of the Securities (including the Initial Purchasers and their direct and indirect transferees) will be entitled to the benefits of an Exchange and Registration Rights Agreement, substantially in the form attached hereto as Annex A (the "Registration Rights Agreement"), pursuant to which the Company will agree to file with the Securities and Exchange Commission (the "Commission") (i) a registration statement under the Securities Act (the "Exchange Offer Registration Statement") registering an issue of senior subordinated notes of the Company (the "Exchange Securities") which are identical in all material respects to the Securities (except that the Exchange Securities will not contain terms with respect to transfer restrictions) and (ii) under certain circumstances, a shelf registration statement pursuant to Rule 415 under the Securities Act (the "Shelf Registration Statement").

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Offering Memorandum.

1. Representations, Warranties and Agreements of the Company and Holdings. The Company and Holdings represent and warrant to, and agree with, the several Initial Purchasers on and as of the date hereof and the Closing Date (as defined in Section 3) that:

(a) Each of the Preliminary Offering Memorandum and the Offering Memorandum, as of its respective date, did not, and on the Closing Date the Offering Memorandum will not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company and Holdings make no representation or warranty as to information contained in or omitted from the Preliminary Offering Memorandum or the Offering Memorandum in reliance upon and in conformity with written information relating to the Initial Purchasers furnished to the Company or Holdings by or on behalf of any Initial Purchaser specifically for use therein (the "Initial Purchasers' Information").

(b) Each of the Preliminary Offering Memorandum and the Offering Memorandum, as of its respective date, contains all of the information that, if requested by a prospective purchaser of the Securities, would be required to be provided to such prospective purchaser pursuant to Rule 144A(d)(4) under the Securities Act.

(c) Assuming the accuracy of the representations and warranties of the Initial Purchasers contained in Section 2 and their compliance with the agreements set forth therein, it is not necessary, in connection with the issuance and sale of the Securities to the Initial Purchasers and the offer, resale and delivery of the Securities by the Initial Purchasers in the manner contemplated by this Agreement and the Offering Memorandum, to register the Securities under the Securities Act or to qualify the Indenture under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act").

3

(d) The Company, Holdings and each "significant subsidiary" (within the meaning of Rule 1-02 of Regulation S-X) of the Company and Holdings have been duly incorporated and are validly existing as corporations in good standing under the laws of their respective jurisdictions of incorporation, are duly qualified to do business and are in good standing as foreign corporations in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, and have all requisite corporate power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged, except where the failure to so qualify, be in good standing or have such power or authority would not, singularly or in the aggregate, have a material adverse effect on the condition (financial or otherwise), results of operations, business or prospects of the Company and Holdings and their respective subsidiaries taken as a whole (a "Material Adverse Effect").

(e) As of the Closing Date, Holdings (on a consolidated basis) will have an as adjusted capitalization as set forth in the Offering Memorandum under the heading "Capitalization". All of the outstanding shares of capital stock of each "significant subsidiary" (within the meaning of Rule 1-02 of Regulation S-X) of the Company and Holdings have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly or indirectly by the Company or Holdings, free and clear of any lien, charge, encumbrance, security interest, restriction upon voting or transfer or any other claim of any third party, other than those incurred in connection with the Credit Agreement. CDW Realco, Inc. and WESCO Receivables Corp. are the only "significant subsidiaries" (within the meaning of Rule 1-02 of Regulation S-X) of the Company on the date hereof. The Company is the only direct subsidiary of Holdings on the date hereof.

(f) The Company and Holdings have all requisite corporate right, power and authority to execute and deliver this Agreement, the Indenture, the Registration Rights Agreement and the Securities (in the case of the Company only) (collectively, the "Transaction Documents") and to perform their respective obligations hereunder and thereunder; and all corporate action required to be taken for the due and proper authorization, execution and delivery of each of the Transaction Documents and the consummation of the transactions contemplated thereby has been duly and validly taken.

(g) This Agreement has been duly authorized, executed and delivered by the Company and Holdings.

(h) The Registration Rights Agreement has been duly authorized by the Company and Holdings and, when duly executed and delivered in accordance with its terms by each of the parties thereto, will constitute a valid and legally binding agreement of the Company and Holdings enforceable against the Company and Holdings in accordance with its terms, except to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law).

(i) The Indenture has been duly authorized by the Company and Holdings and, when duly executed and delivered in accordance with its terms by each of the parties thereto, will constitute a valid and legally binding agreement of the Company and Holdings enforceable against the Company and Holdings in accordance with its terms,

4

except to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law). On the Closing Date, the Indenture will conform in all material respects to the requirements of the Trust Indenture Act and the rules and regulations of the Commission applicable to an indenture which is qualified thereunder.

(j) The Securities have been duly authorized by the Company and Holdings and, when duly executed, authenticated, issued and delivered as provided in the Indenture and paid for as provided herein, will be duly and validly issued and outstanding and will constitute valid and legally binding obligations of the Company, as issuer, and Holdings, as guarantor, entitled to the benefits of the Indenture and enforceable against the Company, as issuer, and Holdings, as guarantor, in accordance with their terms, except to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law).

(k) Each Transaction Document conforms in all material respects to the description thereof contained in the Offering Memorandum.

(l) The execution, delivery and performance by the Company and Holdings and each of their respective subsidiaries of each of the Transaction Documents to which each is a party, the issuance, authentication, sale and delivery of the Securities and compliance by the Company and Holdings with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents will not conflict with or contravene, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company, Holdings or any of their respective subsidiaries pursuant to, (i) the charter or by-laws of either of the Company and Holdings, as amended or restated to the date hereof, (ii) any agreement or other instrument binding upon the Company, Holdings or any of their respective subsidiaries or their respective assets or (iii) any provision of applicable law or any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or Holdings or any of their respective subsidiaries or their respective assets, except, in the case of clause (ii) and (iii), for conflicts, contraventions, liens, charges or encumbrances which would not, singularly or in the aggregate, have a Material Adverse Effect. No consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the execution, delivery and performance by the Company and Holdings of each of the Transaction Documents to which each is a party, the issuance, authentication, sale and delivery of the Securities and compliance by the Company and Holdings with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents, except for such consents, approvals, authorizations or qualifications (i) which shall have been obtained or made prior to the Closing Date, (ii) as may be required to be obtained or made under the Securities Act as provided in the Registration Rights Agreement and under applicable state or foreign securities laws and (iii) the failure to obtain would not, singularly or in the aggregate, have a Material Adverse Effect.

(m) PricewaterhouseCoopers LLP are independent certified public accountants with respect to the Company, Holdings and their respective subsidiaries

5

within the meaning of Rule 101 of the Code of Professional Conduct of the American Institute of Certified Public Accountants ("AICPA") and its interpretations and rulings thereunder. The historical financial statements (including the related notes) contained in the Offering Memorandum have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods covered thereby and fairly present the financial position of the entities purported to be covered thereby at the respective dates indicated and the results of their operations and their cash flows for the respective periods indicated; and the financial information contained in the Offering Memorandum under the headings "Selected Consolidated Financial Data", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 11, "Executive Compensation", of Holdings' 10-K filed December 31, 2000 with the Commission are derived from the accounting records of the Company and Holdings and their respective subsidiaries and fairly present the information purported to be shown thereby.

(n) There are no legal or governmental proceedings pending or, to the knowledge of the Company or Holdings, threatened to which the Company or Holdings or any of their respective subsidiaries is a party or to which any property or assets of either of the Company or Holdings or any of their respective subsidiaries is subject other than proceedings that could not, singularly or in the aggregate, reasonably be expected to have a Material Adverse Effect or have a material adverse effect on the power or ability of the Company or Holdings or any of their respective subsidiaries to perform its obligations under the applicable Transaction Documents or to consummate the transactions contemplated by the applicable Transaction Documents or the Offering Memorandum.

(o) No action has been taken by the Company or Holdings or their respective subsidiaries and no statute, rule, regulation or order has been enacted, adopted or issued by any governmental agency or body which prevents the issuance of the Securities or suspends the sale of the Securities in any jurisdiction; no injunction, restraining order or order of any nature by any federal or state court of competent jurisdiction has been issued with respect to the Company or Holdings or any of their respective subsidiaries which would prevent or suspend the issuance or sale of the Securities or the use of the Preliminary Offering Memorandum or the Offering Memorandum in any jurisdiction; no action, suit or proceeding is pending against or, to the knowledge of the Company or Holdings, threatened against or affecting the Company, Holdings or any of their respective subsidiaries before any court or arbitrator or any governmental agency, body or official, domestic or foreign, which could reasonably be expected to interfere with or adversely affect the issuance of the Securities or in any manner draw into question the validity or enforceability of any of the Transaction Documents or any action taken or to be taken pursuant thereto; and the Company and Holdings have complied with any and all requests by any securities authority in any jurisdiction for additional information to be included in the Preliminary Offering Memorandum and the Offering Memorandum.

(p) None of the Company, Holdings or any of their respective "significant subsidiaries" (within the meaning of Rule 1-02 of Regulation S-X) is (i) in violation of its charter or by-laws, (ii) in default in any respect, and no event has occurred which, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which it is a party or by

6

which it is bound or to which any of its property or assets is subject or (iii) in violation in any respect of any law, ordinance, governmental rule, regulation or court decree to which it or its property or assets may be subject, except, in the case of clauses (ii) or (iii), as would not have a Material Adverse Effect.

(q) Except as would not, singularly or in the aggregate, have a Material Adverse Effect, the Company, Holdings and each of their respective subsidiaries possess all licenses, certificates, authorizations and permits issued by, and have made all declarations and filings with, the appropriate federal, state or foreign regulatory agencies or bodies which are necessary or desirable for the ownership of their respective properties or the conduct of their respective businesses as described in the Offering Memorandum, and none of the Company, Holdings or any of their respective subsidiaries has received notification of any revocation or modification of any such license, certificate, authorization or permit or has any reason to believe that any such license, certificate, authorization or permit will not be renewed in the ordinary course.

(r) The Company, Holdings and each of their respective subsidiaries have filed all federal, state, local and foreign income and franchise tax returns required to be filed through the date hereof and have paid all taxes due thereon, and no tax deficiency has been determined adversely to the Company, Holdings or any of their respective subsidiaries which has had (nor do the Company, Holdings or any of their respective subsidiaries have any knowledge of any tax deficiency which, if determined adversely to the Company, Holdings or any of their respective subsidiaries, could reasonably be expected to have) a Material Adverse Effect.

(s) Neither the Company nor Holdings is and, after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in the Offering Memorandum, will be an "investment company" or an entity "controlled by" an investment company within the meaning of the Investment Company Act of 1940, as amended (the "Investment Company Act"), and the rules and regulations of the Commission thereunder.

(t) The Company, Holdings and each of their respective subsidiaries have insurance covering their respective properties, operations, personnel and businesses, which insurance is in amounts and insures against such losses and risks as are adequate to protect the Company, Holdings and each of their respective subsidiaries and each of their respective businesses.

(u) The Company, Holdings and each of their respective subsidiaries have good and marketable title in fee simple to, or have valid rights to lease or otherwise use, all items of real and personal property which are material to the business of the Company, Holdings and their respective subsidiaries, in each case free and clear of all liens, encumbrances, claims and defects and imperfections of title except such as (i) do not materially interfere with the use made and proposed to be made of such property by the Company, Holdings and their respective subsidiaries or (ii) could not reasonably be expected to have a Material Adverse Effect.

(v) No labor disturbance by or dispute with the employees of the Company, Holdings or any of their respective subsidiaries exists or, to the best knowledge of the Company or Holdings, is contemplated or threatened, except as would not have a Material Adverse Effect.

7

(w) No "prohibited transaction" (as defined in Section 406 of the Employee Retirement Income Security Act of 1974, as amended, including the regulations and published interpretations thereunder ("ERISA"), or Section 4975 of the Internal Revenue Code of 1986, as amended from time to time (the "Code")) or "accumulated funding deficiency" (as defined in Section 302 of ERISA) or any of the events set forth in Section 4043(b) of ERISA (other than events with respect to which the 30-day notice requirement under Section 4043 of ERISA has been waived) has occurred with respect to any employee benefit plan of the Company, Holdings or any of their respective subsidiaries which could reasonably be expected to have a Material Adverse Effect; each such employee benefit plan is in compliance in all respects with applicable law, including ERISA and the Code, except as would not have a Material Adverse Effect; the Company, Holdings and each of their respective subsidiaries have not incurred and do not expect to incur liability under Title IV of ERISA with respect to the termination of, or withdrawal from, any pension plan for which the Company, Holdings or any of its subsidiaries would have any liability, except as would not have a Material Adverse Effect; and each such pension plan that is intended to be qualified under Section 401(a) of the Code is so qualified in all respects and nothing has occurred, whether by action or by failure to act, which could reasonably be expected to cause the loss of such qualification, except as would not have a Material Adverse Effect.

(x) Except as specifically described in the Offering Memorandum, there are no costs or liabilities of the Company, Holdings or any of their respective subsidiaries associated with or arising from the application of any and all applicable foreign, federal, state and local laws, rules, ordinances, directives and regulations relating to the protection of human health and safety, the protection or restoration of the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("Environmental Laws") (including, without limitation, any capital or operating expenditures required for investigation, clean-up, closure or monitoring of currently or formerly owned or operated properties or compliance with any Environmental Laws or any permits, licenses or other approvals required of the Company, Holdings or any of their respective subsidiaries under Environmental Laws to conduct their respective businesses, any related constraints on operating activities and any actual or potential liabilities, costs or obligations to third parties, including governmental authorities) which would, singularly or in the aggregate, have a Material Adverse Effect.

(y) On and immediately after the Closing Date, each of the Company and Holdings (after giving effect to the issuance of the Securities and to the other transactions related thereto as described in the Offering Memorandum) will be Solvent. As used in this paragraph, the term "Solvent" means, with respect to a particular date, that on such date (i) the present fair market value (or present fair saleable value) of the assets of each of the Company and Holdings is not less than the total amount required to pay the probable liabilities on its total existing debts and liabilities (including contingent liabilities) as they become absolute and matured, (ii) each of the Company and Holdings is able to realize upon its assets and pay its debts and other liabilities, contingent obligations and commitments as they mature and become due in the normal course of business, (iii) assuming the sale of the Securities as contemplated by this Agreement and the Offering Memorandum, neither the Company nor Holdings is incurring debts or liabilities beyond its ability to pay as such debts and liabilities mature; and (iv) neither the Company nor Holdings is engaged in any business or transaction, and neither of them is about to engage in any business or transaction, for which its property would constitute

8

unreasonably small capital after giving due consideration to the prevailing practice in the industry in which each of the Company and Holdings is engaged. In computing the amount of such contingent liabilities at any time, it is intended that such liabilities will be computed at the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

(z) None of the Company, Holdings or any of their respective subsidiaries owns any "margin securities" as that term is defined in Regulation U of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"), and none of the proceeds of the sale of the Securities will be used, directly or indirectly, for the purpose of purchasing or carrying any margin security, for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry any margin security or for any other purpose which might cause any of the Securities to be considered a "purpose credit" within the meanings of Regulation T, U or X of the Federal Reserve Board.

(aa) The Securities satisfy the eligibility requirements of Rule 144A(d)(3) under the Securities Act.

(bb) None of the Company, Holdings, any of their respective affiliates or any person acting on their behalf (other than the Initial Purchasers) has engaged or will engage in any directed selling efforts (as such term is defined in Regulation S under the Securities Act ("Regulation S")) with respect to the Securities, and all such persons have complied and will comply with the offering restrictions requirement of Regulation S to the extent applicable.

(cc) None of the Company, Holdings or any of their respective affiliates has, directly or through any agent, (i) sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as such term is defined in the Securities Act), which is or will be integrated with the sale of the Securities in a manner that would require registration of the Securities under the Securities Act or (ii) engaged, in connection with the offering of the Securities, in any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act.

(dd) Neither the Company nor Holdings has taken or will take, directly or indirectly, any action prohibited by Regulation M under the Exchange Act in connection with the offering of the Securities.

(ee) No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in the Preliminary Offering Memorandum or the Offering Memorandum has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(ff) Since the date as of which information is given in the Offering Memorandum, except as otherwise stated therein, there has been no material adverse change or any development involving a prospective material adverse change in the condition, financial or otherwise, or in the earnings, business affairs, management or business prospects of either the Company or Holdings, whether or not arising in the ordinary course of business.

9

2. Purchase and Resale of the Securities. (a) On the basis of the representations, warranties and agreements contained herein, and subject to the terms and conditions set forth herein, the Company agrees to issue and sell to each of the Initial Purchasers, severally and not jointly, and each of the Initial Purchasers, severally and not jointly, agrees to purchase from the Company, the principal amount of Securities set forth opposite the name of such Initial Purchaser on Schedule 1 hereto at a purchase price equal to 87.642% of the principal amount thereof. The Company shall not be obligated to deliver any of the Securities except upon payment for all of the Securities to be purchased as provided herein.

(b) The Initial Purchasers have advised the Company that they propose to offer the Securities for resale upon the terms and subject to the conditions set forth herein and in the Offering Memorandum. Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that (i) it is a Qualified Institutional Buyer (as defined below), (ii) it is purchasing the Securities pursuant to a private sale exempt from registration under the Securities Act, (iii) it has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D under the Securities Act ("Regulation D") or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act and (iv) it has solicited and will solicit offers for the Securities only from, and has offered or sold and will offer, sell or deliver the Securities, as part of their initial offering, only (A) within the United States to persons whom it reasonably believes to be qualified institutional buyers ("Qualified Institutional Buyers"), as defined in Rule 144A under the Securities Act ("Rule 144A"), or if any such person is buying for one or more institutional accounts for which such person is acting as fiduciary or agent, only when such person has represented to it that each such account is a Qualified Institutional Buyer to whom notice has been given that such sale or delivery is being made in reliance on Rule 144A and in each case, in transactions in accordance with Rule 144A and (B) outside the United States to persons other than U.S. persons in reliance on Regulation S under the Securities Act ("Regulation S").

(c) In connection with the offer and sale of Securities in reliance on Regulation S, each Initial Purchaser, severally and not jointly, represents, warrants and agrees that:

(i) the Securities have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act.

(ii) such Initial Purchaser has offered and sold the Securities, and will offer and sell the Securities, (A) as part of its distribution at any time and (B) otherwise until 40 days after the later of the commencement of the offering of the Securities and the Closing Date, only in accordance with Regulation S or Rule 144A or any other available exemption from registration under the Securities Act.

(iii) none of such Initial Purchaser or any of its affiliates or any other person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Securities, and all such persons have complied and will comply with the offering restriction requirements of Regulation S.

10

(iv) at or prior to the confirmation of sale of any Securities sold in reliance on Regulation S, it will have sent to each distributor, dealer or other person receiving a selling concession, fee or other remuneration that purchases Securities from it during the restricted period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Securities and the date of original issuance of the Securities, except in accordance with Regulation S or Rule 144A or any other available exemption from registration under the Securities Act. Terms used above have the meanings given to them by Regulation S."

(v) it has not and will not enter into any contractual arrangement with any distributor with respect to the distribution of the Securities, except with its affiliates or with the prior written consent of the Company.

Terms used in this Section 2(c) have the meanings given to them by Regulation S.

(d) Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that (i) it has not offered or sold and prior to the date six months after the Closing Date will not offer or sell any Securities to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995; (ii) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 and the Public Offers of Securities Regulations 1995 with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom; and (iii) it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issue of the Securities to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 or is a person to whom such document may otherwise lawfully be issued or passed on.

(e) Each Initial Purchaser, severally and not jointly, agrees that, prior to or simultaneously with the confirmation of sale by such Initial Purchaser to any purchaser of any of the Securities purchased by such Initial Purchaser from the Company pursuant hereto, such Initial Purchaser shall furnish to that purchaser a copy of the Offering Memorandum (and any amendment or supplement thereto that the Company shall have furnished to such Initial Purchaser prior to the date of such confirmation of sale). In addition to the foregoing, each Initial Purchaser acknowledges and agrees that the Company and, for purposes of the opinions to be delivered to the Initial Purchasers pursuant to Sections 5(d) and (e), counsel for the Company and for the Initial Purchasers, respectively, may rely upon the accuracy of the representations and warranties of the Initial Purchasers and their compliance with their agreements contained in this Section 2, and each Initial Purchaser hereby consents to such reliance.

11

(f) The Company and Holdings acknowledge and agree that the Initial Purchasers may sell Securities to any affiliate of an Initial Purchaser and that any such affiliate may sell Securities purchased by it to an Initial Purchaser.

3. Delivery of and Payment for the Securities. (a) Delivery of and payment for the Securities shall be made at the offices of Cravath, Swaine & Moore, New York, New York, or at such other place as shall be agreed upon by the Initial Purchasers and the Company, at 10:00 A.M., New York City time, on August 23, 2001, or at such other time or date, not later than seven full business days thereafter, as shall be agreed upon by the Initial Purchasers and the Company (such date and time of payment and delivery being referred to herein as the "Closing Date").

(b) On the Closing Date, payment of the purchase price for the Securities shall be made to the Company by wire or book-entry transfer of same-day funds to such account or accounts as the Company shall specify prior to the Closing Date or by such other means as the parties hereto shall agree prior to the Closing Date against delivery to the Initial Purchasers of the certificates evidencing the Securities. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligations of the Initial Purchasers hereunder. Upon delivery, the Securities shall be in global form, registered in such names and in such denominations as JPMorgan on behalf of the Initial Purchasers shall have requested in writing not less than two full business days prior to the Closing Date. The Company agrees to make global certificates evidencing the Securities available for inspection by JPMorgan on behalf of the Initial Purchasers in New York, New York at least 24 hours prior to the Closing Date.

4. Further Agreements of the Company and Holdings. Each of the Company and Holdings agrees with each of the several Initial Purchasers:

(a) to advise the Initial Purchasers promptly and, if requested, confirm such advice in writing, of the happening of any event which makes any statement of a material fact made in the Offering Memorandum untrue or which requires the making of any additions to or changes in the Offering Memorandum (as amended or supplemented from time to time) in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; to advise the Initial Purchasers promptly of any order preventing or suspending the use of the Preliminary Offering Memorandum or the Offering Memorandum, of any suspension of the qualification of the Securities for offering or sale in any jurisdiction and of the initiation or threatening of any proceeding for any such purpose; and to use its reasonable best efforts to prevent the issuance of any such order preventing or suspending the use of the Preliminary Offering Memorandum or the Offering Memorandum or suspending any such qualification and, if any such suspension is issued, to obtain the lifting thereof at the earliest possible time;

(b) to furnish promptly to each of the Initial Purchasers and counsel for the Initial Purchasers, without charge, as many copies of the Offering Memorandum (and any amendments or supplements thereto) as may be reasonably requested;

(c) prior to making any amendment or supplement to the Offering Memorandum, to furnish a copy thereof to each of the Initial Purchasers and counsel for the Initial Purchasers and not to effect any such amendment or supplement to which the

12

Initial Purchasers shall reasonably object by notice to the Company after a reasonable period to review;

(d) if, at any time prior to completion of the resale of the Securities by the Initial Purchasers, any event shall occur or condition exist as a result of which it is necessary, in the opinion of counsel for the Initial Purchasers or counsel for the Company, to amend or supplement the Offering Memorandum in order that the Offering Memorandum will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time it is delivered to a purchaser, not misleading, or if it is necessary to amend or supplement the Offering Memorandum to comply with applicable law, to promptly prepare such amendment or supplement as may be necessary to correct such untrue statement or omission or so that the Offering Memorandum, as so amended or supplemented, will comply with applicable law;

(e) for so long as the Securities are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, to furnish to holders of the Securities and prospective purchasers of the Securities designated by such holders, upon request of such holders or such prospective purchasers, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act, unless the Company and Holdings are then subject to and in compliance with Section 13 or 15(d) of the Exchange Act (the foregoing agreement being for the benefit of the holders from time to time of the Securities and prospective purchasers of the Securities designated by such holders);

(f) to promptly take from time to time such actions as the Initial Purchasers may reasonably request to qualify the Securities for offering and sale under the securities or Blue Sky laws of such jurisdictions as the Initial Purchasers may designate and to continue such qualifications in effect for so long as required for the resale of the Securities; and to arrange for the determination of the eligibility for investment of the Securities under the laws of such jurisdictions as the Initial Purchasers may reasonably request; provided that none of the Company, Holdings or any of their respective subsidiaries shall be obligated to qualify as foreign corporations in any jurisdiction in which they are not so qualified or to file a general consent to service of process in any jurisdiction or to take any action which would subject it to taxation in any jurisdiction where it is not then so subject;

(g) to assist the Initial Purchasers in arranging for the Securities to be designated Private Offerings, Resales and Trading through Automated Linkages ("PORTAL") Market securities in accordance with the rules and regulations adopted by the National Association of Securities Dealers, Inc. ("NASD") relating to trading in the PORTAL Market and for the Securities to be eligible for clearance and settlement through The Depository Trust Company ("DTC");

(h) not to, and to cause its affiliates not to, sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as such term is defined in the Securities Act) which could be integrated with the sale of the Securities in a manner which would require registration of the Securities under the Securities Act;

(i) except following the effectiveness of the Exchange Offer Registration Statement or the Shelf Registration Statement, as the case may be, not to, and to cause its

13

affiliates not to, and not to authorize or knowingly permit any person acting on their behalf to, solicit any offer to buy or offer to sell the Securities by means of any form of general solicitation or general advertising within the meaning of Regulation D or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act; and not to offer, sell, contract to sell or otherwise dispose of, directly or indirectly, any securities under circumstances where such offer, sale, contract or disposition would cause the exemption afforded by Section 4(2) of the Securities Act to cease to be applicable to the offering and sale of the Securities as contemplated by this Agreement and the Offering Memorandum;

(j) for a period of 40 days from the date of the Offering Memorandum, not to offer for sale, sell, contract to sell or otherwise dispose of, directly or indirectly, or file a registration statement for, or announce any offer, sale, contract for sale of or other disposition of any debt securities issued or guaranteed by the Company, Holdings or any of their respective subsidiaries (other than the Securities or the Exchange Securities) without the prior written consent of the Initial Purchasers;

(k) in connection with the offering of the Securities, until JPMorgan on behalf of the Initial Purchasers shall have notified the Company of the completion of the resale of the Securities, not to, and to cause its affiliated purchasers (as defined in Regulation M under the Exchange Act) not to, either alone or with one or more other persons, bid for or purchase, for any account in which it or any of its affiliated purchasers has a beneficial interest, any Securities, or attempt to induce any person to purchase any Securities; and not to, and to cause its affiliated purchasers not to, make bids or purchase for the purpose of creating actual, or apparent, active trading in or of raising the price of the Securities; and

(l) to apply the net proceeds from the sale of the Securities as set forth in the Offering Memorandum under the heading "Use of Proceeds".

5. Conditions of Initial Purchasers' Obligations. The respective obligations of the several Initial Purchasers hereunder are subject to the accuracy, on and as of the date hereof and the Closing Date, of the representations and warranties of each of the Company and Holdings contained herein, to the accuracy of the statements of each of the Company and Holdings and their respective officers made in any certificates delivered pursuant hereto, to the performance by each of the Company and Holdings of their respective obligations hereunder, and to each of the following additional terms and conditions:

(a) The Offering Memorandum (and any amendments or supplements thereto) shall have been printed and copies distributed to the Initial Purchasers as promptly as practicable on or following the date of this Agreement or at such other date and time as to which the Initial Purchasers may agree.

(b) None of the Initial Purchasers shall have discovered and disclosed to the Company on or prior to the Closing Date that the Offering Memorandum or any amendment or supplement thereto contains an untrue statement of a fact which, in the opinion of counsel for the Initial Purchasers, is material or omits to state any fact which, in the opinion of such counsel, is material and is required to be stated therein or is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

14

(c) All corporate proceedings and other legal matters incident to the authorization, form and validity of each of the Transaction Documents and the Offering Memorandum, and all other legal matters relating to the Transaction Documents and the transactions contemplated thereby, shall be satisfactory in all material respects to the Initial Purchasers, and the Company and Holdings shall have furnished to the Initial Purchasers all documents and information that they or their counsel may reasonably request to enable them to pass upon such matters.

(d) Kirkpatrick & Lockhart LLP shall have furnished to the Initial Purchasers its written opinion, as counsel to the Company and Holdings, addressed to the Initial Purchasers and dated the Closing Date, in form and substance reasonably satisfactory to the Initial Purchasers, substantially to the effect set forth in Annex B hereto.

(e) The Initial Purchasers shall have received from Cravath, Swaine & Moore, counsel for the Initial Purchasers, such opinion or opinions, dated the Closing Date, with respect to such matters as the Initial Purchasers may reasonably require, and the Company and Holdings shall have furnished to such counsel such documents and information as they request for the purpose of enabling them to pass upon such matters.

(f) The Company and Holdings shall have furnished to the Initial Purchasers a letter (the "Initial Letter") of PricewaterhouseCoopers LLP, addressed to the Initial Purchasers and dated the date hereof, in form and substance satisfactory to the Initial Purchasers, substantially to the effect set forth in Annex C hereto.

(g) The Company and Holdings shall have furnished to the Initial Purchasers a letter (the "Bring-Down Letter") of PricewaterhouseCoopers LLP, addressed to the Initial Purchasers and dated the Closing Date (i) confirming that they are independent public accountants with respect to the Company, Holdings and their respective subsidiaries within the meaning of Rule 101 of the Code of Professional Conduct of the AICPA and its interpretations and rulings thereunder, (ii) stating, as of the date of the Bring-Down Letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Offering Memorandum, as of a date not more than three business days prior to the date of the Bring-Down Letter), that the conclusions and findings of such accountants with respect to the financial information and other matters covered by the Initial Letter are accurate and (iii) confirming in all material respects the conclusions and findings set forth in the Initial Letter.

(h) Each of the Company and Holdings shall have furnished to the Initial Purchasers a certificate, dated the Closing Date, of its chief executive officer and its chief financial officer stating that (A) such officers have carefully examined the Offering Memorandum, (B) in their opinion, the Offering Memorandum, as of its date, did not include any untrue statement of a material fact and did not omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and since the date of the Offering Memorandum, no event has occurred which should have been set forth in a supplement or amendment to the Offering Memorandum so that the Offering Memorandum (as so amended or supplemented) would not include any untrue statement of a material fact and would not omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances

15

under which they were made, not misleading, (C) as of the Closing Date, the representations and warranties of each of the Company and Holdings in this Agreement are true and correct in all material respects, each of the Company and Holdings has complied in all material respects with all agreements and satisfied in all material respects all conditions on its part to be performed or satisfied hereunder on or prior to the Closing Date, and (D) subsequent to the date of the most recent financial statements contained in the Offering Memorandum, there has been no material adverse change in the financial position or results of operation of the Company, Holdings or any of their respective subsidiaries, or any change, or any development including a prospective change, in or affecting the condition (financial or otherwise), results of operations, business or prospects of the Company, Holdings and their respective subsidiaries taken as a whole.

(i) The Initial Purchasers shall have received a counterpart of the Registration Rights Agreement which shall have been executed and delivered by a duly authorized officer of each of the Company and Holdings.

(j) The Indenture shall have been duly executed and delivered by the Company, Holdings and the Trustee, and the Securities shall have been duly executed and delivered by the Company and duly authenticated by the Trustee.

(k) The Securities shall have been approved by the NASD for trading in the PORTAL Market.

(l) If any event shall have occurred that requires the Company under Section 4(d) to prepare an amendment or supplement to the Offering Memorandum, such amendment or supplement shall have been prepared, the Initial Purchasers shall have been given a reasonable opportunity to comment thereon, and copies thereof shall have been delivered to the Initial Purchasers reasonably in advance of the Closing Date.

(m) There shall not have occurred any invalidation of Rule 144A under the Securities Act by any court or any withdrawal or proposed withdrawal of any rule or regulation under the Securities Act or the Exchange Act by the Commission or any amendment or proposed amendment thereof by the Commission which in the judgment of the Initial Purchasers would materially impair the ability of the Initial Purchasers to purchase, hold or effect resales of the Securities as contemplated hereby.

(n) Subsequent to the execution and delivery of this Agreement or, if earlier, the dates as of which information is given in the Offering Memorandum (exclusive of any amendment or supplement thereto), there shall not have been any change in the capital stock or long-term debt or any change, or any development involving a prospective change, in or affecting the condition (financial or otherwise), results of operations, business or prospects of the Company, Holdings and their respective subsidiaries taken as a whole, the effect of which, in any such case described above, is, in the judgment of the Initial Purchasers, so material and adverse as to make it impracticable or inadvisable to proceed with the sale or delivery of the Securities on the terms and in the manner contemplated by this Agreement and the Offering Memorandum (exclusive of any amendment or supplement thereto).

(o) No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any governmental agency or body which would, as of the Closing Date, prevent the issuance or sale of the Securities; and no

16

injunction, restraining order or order of any other nature by any federal or state court of competent jurisdiction shall have been issued as of the Closing Date which would prevent the issuance or sale of the Securities.

(p) Subsequent to the execution and delivery of this Agreement (i) no downgrading shall have occurred in the rating accorded the Securities or any of the Company's or Holdings' other debt securities or preferred stock by any "nationally recognized statistical rating organization", as such term is defined by the Commission for purposes of Rule 436(g)(2) of the rules and regulations of the Commission under the Securities Act and (ii) no such organization shall have publicly announced that it has under surveillance or review (other than an announcement with positive implications of a possible upgrading), its rating of the Securities or any of the Company's or Holdings' other debt securities or preferred stock.

(q) Subsequent to the execution and delivery of this Agreement there shall not have occurred any of the following: (i) trading in securities generally on the New York Stock Exchange, the American Stock Exchange or the over-the-counter market shall have been suspended or limited, or minimum prices shall have been established on any such exchange or market by the Commission, by any such exchange or by any other regulatory body or governmental authority having jurisdiction, or trading in any securities of the Company or Holdings on any exchange or in the over-the-counter market shall have been suspended or (ii) any moratorium on commercial banking activities shall have been declared by federal or New York state authorities or (iii) an outbreak or escalation of hostilities or a declaration by the United States of a national emergency or war or (iv) a material adverse change in general economic, political or financial conditions (or the effect of international conditions on the financial markets in the United States shall be such) the effect of which, in the case of this clause (iv), is, in the judgment of the Initial Purchasers, so material and adverse as to make it impracticable or inadvisable to proceed with the sale or the delivery of the Securities on the terms and in the manner contemplated by this Agreement and in the Offering Memorandum (exclusive of any amendment or supplement thereto).

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Initial Purchasers.

6. Termination. The obligations of the Initial Purchasers hereunder may be terminated by the Initial Purchasers, in their absolute discretion, by notice given to and received by the Company prior to delivery of and payment for the Securities if, prior to that time, any of the events described in Section 5(m), (n), (o), (p) or (q) shall have occurred and be continuing.

7. Defaulting Initial Purchasers. (a) If, on the Closing Date, any Initial Purchaser defaults in the performance of its obligations under this Agreement, the non-defaulting Initial Purchasers may make arrangements for the purchase of the Securities which such defaulting Initial Purchaser agreed but failed to purchase by other persons satisfactory to the Company and the non-defaulting Initial Purchasers, but if no such arrangements are made within 36 hours after such default, this Agreement shall terminate without liability on the part of the non-defaulting Initial Purchasers or the Company or Holdings, except that the Company and Holdings will continue to be liable

17

for the payment of expenses to the extent set forth in Section 12 and except that the provisions of Sections 9 and 10 shall not terminate and shall remain in effect. As used in this Agreement, the term "Initial Purchasers" includes, for all purposes of this Agreement unless the context otherwise requires, any party not listed in Schedule 1 hereto that, pursuant to this Section 7, purchases Securities which a defaulting Initial Purchaser agreed but failed to purchase.

(b) Nothing contained herein shall relieve a defaulting Initial Purchaser of any liability it may have to the Company, Holdings, or any non-defaulting Initial Purchaser for damages caused by its default. If other persons are obligated or agree to purchase the Securities of a defaulting Initial Purchaser, either the non-defaulting Initial Purchasers or the Company may postpone the Closing Date for up to seven full business days in order to effect any changes that in the opinion of counsel for the Company or counsel for the Initial Purchasers may be necessary in the Offering Memorandum or in any other document or arrangement, and the Company and Holdings agree to promptly prepare any amendment or supplement to the Offering Memorandum that effects any such changes.

8. Reimbursement of Initial Purchasers' Expenses. If this Agreement shall have been terminated pursuant to Section 7 or as a result of the occurrence of any event described in Sections 5(m) or 5(q), the Company and Holdings shall not be under any liability to pay the expenses of the Initial Purchasers, except as provided in Sections 9, 10 and 12.

9. Indemnification. (a) Each of the Company and Holdings shall jointly and severally indemnify and hold harmless each Initial Purchaser, its affiliates, their respective officers, directors, employees, representatives and agents, and each person, if any, who controls any Initial Purchaser within the meaning of the Securities Act or the Exchange Act (collectively referred to for purposes of this Section 9(a) and Section 10 as an Initial Purchaser), from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof (including, without limitation, any loss, claim, damage, liability or action relating to purchases and sales of the Securities), to which that Initial Purchaser may become subject, whether commenced or threatened, under the Securities Act, the Exchange Act, any other federal or state statutory law or regulation, at common law or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Offering Memorandum or the Offering Memorandum or in any amendment or supplement thereto or in any information provided by the Company or Holdings pursuant to Section 4(e) or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and shall reimburse each Initial Purchaser promptly upon demand for any legal or other expenses reasonably incurred by that Initial Purchaser in connection with investigating or defending or preparing to defend against or appearing as a third party witness in connection with any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that neither the Company nor Holdings shall be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with any Initial Purchasers' Information; and provided, further, that with respect to any such untrue statement in or omission from the Preliminary Offering Memorandum, the indemnity agreement contained in this Section 9(a) shall not inure to

18

the benefit of any such Initial Purchaser to the extent that the sale to the person asserting any such loss, claim, damage, liability or action was an initial resale by such Initial Purchaser and any such loss, claim, damage, liability or action of or with respect to such Initial Purchaser results from the fact that both (A) to the extent required by applicable law, a copy of the Offering Memorandum was not sent or given to such person at or prior to the written confirmation of the sale of such Securities to such person and (B) the untrue statement in or omission from the Preliminary Offering Memorandum was corrected in the Offering Memorandum unless, in either case, such failure to deliver the Offering Memorandum was a result of non-compliance by either the Company or Holdings with Section 4(b).

(b) Each Initial Purchaser, severally and not jointly, shall indemnify and hold harmless each of the Company, Holdings, their respective affiliates, their respective officers, directors, employees, representatives and agents, and each person, if any, who controls either the Company or Holdings within the meaning of the Securities Act or the Exchange Act (collectively referred to for purposes of this Section 9(b) and Section 10 as the Company), from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company may become subject, whether commenced or threatened, under the Securities Act, the Exchange Act, any other federal or state statutory law or regulation, at common law or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Offering Memorandum or the Offering Memorandum or in any amendment or supplement thereto or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with any Initial Purchasers' Information, and shall reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending or preparing to defend against or appearing as a third party witness in connection with any such loss, claim, damage, liability or action as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under this Section 9 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party pursuant to Section 9(a) or 9(b), notify the indemnifying party in writing of the claim or the commencement of that action; provided, however, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 9 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and, provided, further, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 9. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 9 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than

19

reasonable costs of investigation; provided, however, that an indemnified party shall have the right to employ its own separate counsel in any such action, but the fees, expenses and other charges of such counsel for the indemnified party will be at the expense of such indemnified party unless (1) the employment of counsel by the indemnified party has been authorized in writing by the indemnifying party, (2) the indemnified party has reasonably concluded (based upon advice of counsel to the indemnified party) that there may be legal defenses available to it or other indemnified parties that are different from or in addition to those available to the indemnifying party, (3) a conflict or potential conflict exists (based upon advice of counsel to the indemnified party) between the indemnified party and the indemnifying party (in which case the indemnifying party will not have the right to direct the defense of such action on behalf of the indemnified party) or (4) the indemnifying party has not in fact employed counsel reasonably satisfactory to the indemnified party to assume the defense of such action within a reasonable time after receiving notice of the commencement of the action, in each of which cases the reasonable fees, disbursements and other charges of counsel will be at the expense of the indemnifying party or parties. It is understood that the indemnifying party or parties shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees, disbursements and other charges of more than one separate firm of attorneys (in addition to any local counsel) at any one time for all such indemnified party or parties. Each indemnified party, as a condition of the indemnity agreements contained in Sections 9(a) and 9(b), shall use all reasonable efforts to cooperate with the indemnifying party in the defense of any such action or claim. No indemnifying party shall be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with its written consent or if there be a final judgment for the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party (which consent shall not be unreasonably withheld), effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

The obligations of the Company, Holdings and the Initial Purchasers in this Section 9 and in Section 10 are in addition to any other liability that the Company, Holdings or the Initial Purchasers, as the case may be, may otherwise have, including in respect of any breaches of representations, warranties and agreements made herein by any such party.

10. Contribution. If the indemnification provided for in Section 9 is unavailable or insufficient to hold harmless an indemnified party under Section 9(a) or 9(b), then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company and Holdings on the one hand and the Initial Purchasers on the other from the offering of the Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and Holdings on the one hand and the Initial Purchasers on the other with respect to the statements or omissions that

20

resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Company and Holdings on the one hand and the Initial Purchasers on the other with respect to such offering shall be deemed to be in the same proportion as the total net proceeds from the offering of the Securities purchased under this Agreement (before deducting expenses) received by or on behalf of the Company and Holdings, on the one hand, and the total discounts and commissions received by the Initial Purchasers with respect to the Securities purchased under this Agreement, on the other, bear to the total gross proceeds from the sale of the Securities under this Agreement, in each case as set forth in the table on the cover page of the Offering Memorandum. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to the Company or Holdings or information supplied by the Company or Holdings on the one hand or to any Initial Purchasers' Information on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company, Holdings and the Initial Purchasers agree that it would not be just and equitable if contributions pursuant to this Section 10 were to be determined by pro rata allocation (even if the Initial Purchasers were treated as one entity for such purpose) or by any other method of allocation that does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 10 shall be deemed to include, for purposes of this Section 10, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending or preparing to defend any such action or claim. Notwithstanding the provisions of this Section 10, no Initial Purchaser shall be required to contribute any amount in excess of the amount by which the total discounts and commissions received by such Initial Purchaser with respect to the Securities purchased by it under this Agreement exceeds the amount of any damages which such Initial Purchaser has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Initial Purchasers' obligations to contribute as provided in this Section 10 are several in proportion to their respective purchase obligations and not joint.

11. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the Initial Purchasers, the Company, Holdings and their respective successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except (i) as provided in Sections 9 and 10 with respect to affiliates, officers, directors, employees, representatives, agents and controlling persons of the Company, Holdings and the Initial Purchasers and in Section 4(e) with respect to holders and prospective purchasers of the Securities and (ii) that any and all obligations of, and services to be provided by, JPMorgan hereunder may be performed, and any and all rights of JPMorgan hereunder may be exercised, by or through its affiliates. Nothing in this Agreement is intended or shall be construed to give any person, other than the persons referred to in this Section 11, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

12. Expenses. The Company and Holdings jointly and severally agree with the Initial Purchasers to pay (a) the costs incident to the authorization, issuance, sale, preparation and delivery of the Securities and any taxes payable in that connection; (b)

21

the costs incident to the preparation, printing and distribution of the Preliminary Offering Memorandum, the Offering Memorandum and any amendments or supplements thereto; (c) the costs of reproducing and distributing each of the Transaction Documents; (d) the costs incident to the preparation, printing and delivery of the certificates evidencing the Securities, including stamp duties and transfer taxes, stock exchange taxes, value added taxes, withholding taxes or similar duties or taxes, if any, payable upon authorization, issuance, sale or delivery of the Securities; (e) the fees and expenses of the Company's and Holdings' counsel and independent accountants; (f) the fees and expenses of qualifying the Securities under the securities laws of the several jurisdictions as provided in Section 4(g) and of preparing, printing and distributing Blue Sky Memoranda (including related fees and expenses of counsel for the Initial Purchasers); (g) any fees charged by rating agencies for rating the Securities; (h) the fees and expenses of the Trustee and any paying agent (including related fees and expenses of any counsel to such parties); (i) all expenses and application fees incurred in connection with the application for the inclusion of the Securities on the PORTAL Market and the approval of the Securities for book-entry transfer through DTC, Euroclear and Clearstream and any listing of the Securities on any securities exchange; and (j) all other costs and expenses incident to the performance of the obligations of the Company and Holdings under this Agreement which are not otherwise specifically provided for in this Section 12; provided, however, that except as provided in this Section 12 and Section 8, the Initial Purchasers shall pay their own costs and expenses.

13. Survival. The respective indemnities, rights of contribution, representations, warranties and agreements of the Company, Holdings and the Initial Purchasers contained in this Agreement or made by or on behalf of the Company, Holdings or the Initial Purchasers pursuant to this Agreement or any certificate delivered pursuant hereto shall survive the delivery of and payment for the Securities and shall remain in full force and effect, regardless of any termination or cancelation of this Agreement or any investigation made by or on behalf of any of them or any of their respective affiliates, officers, directors, employees, representatives, agents or controlling persons.

14. Notices, etc.. All statements, requests, notices and agreements hereunder shall be in writing, and:

(a) if to the Initial Purchasers, shall be delivered or sent by mail or telecopy transmission to J.P. Morgan Securities Inc., 270 Park Avenue, New York, New York 10017, Attention: Mr. Kenneth A. Lang (telecopier no.: (212) 270-0994); or

(b) if to the Company and Holdings, shall be delivered or sent by mail or telecopy transmission to the address of the Company and Holdings set forth in the Offering Memorandum, Attention: Mr. Steve Van Oss (telecopier no.: (412) 454-2477);

provided that any notice to an Initial Purchaser pursuant to Section 9(c) shall also be delivered or sent by mail to such Initial Purchaser at its address set forth on the signature page hereof. Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof. The Company and Holdings shall be entitled to act and rely upon any request, consent, notice or agreement given or made on behalf of the Initial Purchasers by JPMorgan.

22

15. Definition of Terms. For purposes of this Agreement, (a) the term "business day" means any day on which the New York Stock Exchange, Inc. is open for trading, (b) the term "subsidiary" has the meaning set forth in Rule 405 under the Securities Act and (c) except where otherwise expressly provided, the term "affiliate" has the meaning set forth in Rule 405 under the Securities Act.

16. Initial Purchasers' Information. The parties hereto acknowledge and agree that, for all purposes of this Agreement, the Initial Purchasers' Information consists solely of the following information in the Preliminary Offering Memorandum and the Offering Memorandum: (i) the last paragraph on the front cover page concerning the terms of the offering by the Initial Purchasers; and (ii) the statements concerning the Initial Purchasers contained in the third, eleventh and twelfth paragraphs under the heading "Plan of Distribution".

17. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

18. Counterparts. This Agreement may be executed in one or more counterparts (which may include counterparts delivered by telecopier) and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

19. Amendments. No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

20. Headings. The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

23

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to us a counterpart hereof, whereupon this instrument will become a binding agreement among the Company, Holdings and the several Initial Purchasers in accordance with its terms.

Very truly yours,

WESCO DISTRIBUTION, INC.,

By /s/ STEPHEN A. VAN OSS

Name: Stephen A. Van Oss
Title: Vice President and
Chief Financial Officer

WESCO INTERNATIONAL, INC.,

By /s/ STEPHEN A. VAN OSS

Name: Stephen A. Van Oss
Title: Vice President and
Chief Financial Officer

Accepted:

J.P. MORGAN SECURITIES INC.
LEHMAN BROTHERS INC.
PNC CAPITAL MARKETS, INC.
TD SECURITIES (USA) INC.
BNY CAPITAL MARKETS, INC.
ABN AMRO INCORPORATED
COMERICA SECURITIES
FLEET SECURITIES, INC.
SCOTIA CAPITAL (USA) INC.

By J.P. MORGAN SECURITIES INC.,

By /s/ CHRISTOPHER M. BOEGE

Authorized Signatory

Address for notices pursuant to Section 9(c):
1 Chase Plaza, 26th floor
New York, New York 10081
Attention: Legal Department

SCHEDULE 1

Initial Purchasers	Principal Amount of Securities
J.P. Morgan Securities Inc.	$45,000,000
Lehman Brothers Inc.	$34,000,000
PNC Capital Markets, Inc.	$5,000,000
TD Securities (USA) Inc.	$4,000,000
BNY Capital Markets, Inc.	$4,000,000
ABN AMRO Incorporated	$2,000,000
Comerica Securities	$2,000,000
Fleet Securities, Inc.	$2,000,000
Scotia Capital (USA) Inc.	$2,000,000
Total	$100,000,000

ANNEX A

[Form of Registration Rights Agreement]

ANNEX B

[Form of Opinion of Kirkpatrick & Lockhart LLP]

Kirkpatrick & Lockhart LLP shall have furnished to the Initial Purchasers their written opinion, as counsel to the Company and Holdings, addressed to the Initial Purchasers and dated the Closing Date, in form and substance reasonably satisfactory to the Initial Purchasers, substantially to the effect set forth below:

1. Each of the Company and Holdings has been duly incorporated and is validly existing and in good standing as a corporation under the laws of the State of Delaware and has all requisite corporate power and authority to conduct its business as described in the Offering Memorandum and is duly qualified to do business as a foreign corporation in each jurisdiction in which it owns or leases real property or in which the conduct of its business requires such qualification, except where the failure to be so qualified, individually or in the aggregate, would not have a Material Adverse Effect.

2. As of the Closing Date all of the outstanding shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and non-assessable.

3. The execution, delivery and performance by the Company and Holdings of each of the Transaction Documents to which each is a party, the issuance, sale and delivery of the Securities by the Company to the Initial Purchasers and the compliance by the Company and Holdings with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents (A) will not result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company, Holdings or any "significant subsidiary" (within the meaning of Rule 1-02 of Regulation S-X) of the Company or Holdings pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company, Holdings or any of their respective subsidiaries is a party or to which any of them or their respective properties or assets is subject and listed as an exhibit to the most recent Form 10-K of Holdings or any subsequent SEC filings as of the date hereof, (B) nor will such action violate the Certificate of Incorporation or By-laws of the Company, Holdings or any "significant subsidiary" (within the meaning of Rule 1-02 of Regulation S-X) of the Company or Holdings or (C) nor will such action violate any material statute, rule, regulation (assuming compliance with the Securities Act and applicable state securities laws and provided that we express no opinion with respect to the provisions of Sections 9 and 10 of the Purchase Agreement), judgment, decree or order of any court or arbitrator or governmental agency or body known to such counsel to have jurisdiction over the Company, Holdings or any of their respective subsidiaries or their respective properties or assets; and no consent, approval, authorization or order of, or filing or registration with, any such court or arbitrator or governmental agency or body under any such statute, judgment, order, decree, rule or regulation is required for the execution, delivery and performance by the Company and Holdings of each of the Transaction Documents to which each is a party, the issuance, sale and delivery of the Securities by the Company to the Initial Purchasers and the compliance by the Company and Holdings with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents, except for such consents, approvals, authorizations, filings, registrations or qualifications (i) which have been obtained or made prior to the Closing Date and (ii) as may be required to be obtained or made under the Securities Act and applicable state securities laws as provided in the Registration Rights Agreement.

4. To such counsel's knowledge, without investigation except where we have been engaged by Holdings or the Company to give substantive attention to such action, suit or proceeding, there is (i) no action, suit or proceeding before or by any court, arbitrator or governmental agency, body or official, domestic or foreign, now pending or threatened to which the Company, Holdings or any of their respective subsidiaries is or may be a party or to which the business or property of the Company, Holdings or any of their respective subsidiaries is or may be subject and (ii) no injunction, restraining order or order of any nature by a federal or state court of competent jurisdiction to which the Company, Holdings or any of their respective subsidiaries is or may be subject, issued and outstanding that, in the case of clauses (i) and (ii) above would reasonably be expected to (x) have a Material Adverse Effect or (y) would in any manner invalidate any material provisions of the Purchase Agreement, the Indenture or the Registration Rights Agreement or any of the Securities.

5. The Indenture has been duly authorized, executed and delivered by the Company and Holdings and, assuming that the Indenture is the valid and legally binding obligation of the Trustee, constitutes a valid and legally binding obligation of the Company and Holdings, enforceable against the Company and Holdings in accordance with its terms, except to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law).

6. The Securities have been duly authorized, executed and issued by the Company and, assuming due authentication thereof by the Trustee, and upon payment and delivery in accordance with the Purchase Agreement, will constitute valid and legally binding obligations of the Company, as issuer, and Holdings, as guarantor, enforceable against the Company, as issuer, and Holdings, as guarantor, in accordance with their terms and entitled to the benefits of the Indenture, except to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law).

7. The Registration Rights Agreement has been duly authorized, executed and delivered by the Company and Holdings, and assuming that the Registration Rights Agreement constitutes the valid and legally binding obligation of the Initial Purchasers, constitutes a valid and legally binding obligation of each of the Company and Holdings, enforceable against the Company and Holdings in accordance with its terms, except to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law) and except as the enforceability thereof may be limited by considerations of public policy.

8. The Purchase Agreement has been duly authorized, executed and delivered by the Company and Holdings.

9. The statements made in the Offering Memorandum under the captions "Exchange and Registration Rights Agreement" and "Description of the Notes", insofar as

they purport to constitute summaries of certain terms of documents referred to therein, constitute accurate summaries of the terms of such documents in all material respects.

10. The statements set forth in the Offering Memorandum under the caption "Certain U.S. Federal Income Tax Considerations", insofar as they purport to constitute summaries of matters of United States tax law and regulations or legal conclusions with respect thereto, constitute accurate summaries of the maters described therein in all material respects.

11. No consent, approval, authorization, order, registration or qualification of or with any Federal or New York governmental agency or body or any Delaware governmental agency or body acting pursuant to the Delaware General Corporation Law or, to such counsel's knowledge, any Federal or New York court or any Delaware court acting pursuant to the Delaware General Corporation Law is required for the issue and sale of the Securities by the Company and Holdings and the compliance by the Company and Holdings with all of the provisions of the Purchase Agreement, except for such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Securities by the Initial Purchasers (except, other than as set forth in paragraph 13 below, we give no opinion as to registration of the Securities under the Securities Act and the qualification of the Indenture under the Trust Indenture Act).

12. The issue and sale of the Securities by the Company and the compliance by the Company and Holdings with all the provisions of the Purchase Agreement will not violate any Federal or New York statute or the Delaware General Corporation Law.

13. No registration of the Securities under the Securities Act, and no qualification of the Indenture under the Trust Indenture Act is required for the offer and sale of the Securities by the Company to the Initial Purchasers or the reoffer and resale of the Securities by the Initial Purchasers to the initial purchasers therefrom solely in the manner contemplated by the Offering Memorandum, the Purchase Agreement and the Indenture.

14. Neither the sale, issuance, execution or delivery of the Securities will violate Regulation T (assuming that you do not sell the Securities to any person or entity subject to Regulation T for such person's or entity's own account), U or X of the Board of Governors of the Federal Reserve System.

15. Following the issuance of the Securities and the application of the proceeds therefrom, neither the Company nor Holdings will be an "investment company" within the meaning of and subject to regulation under the Investment Company Act.

We are not opining as to factual matters, and the character of determinations involved in the registration process is such that we are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the information included in the Offering Memorandum. We assume the correctness and completeness of the information included in the Offering Memorandum, and we have made no independent investigation or verification of that information. We can advise you, however, that on the basis of our review of the Offering Memorandum and our participation in its preparation, nothing has come to our attention that causes us to believe

that the Offering Memorandum (except for financial statements and schedules and other financial and statistical data included or incorporated by reference therein or omitted therefrom, as to which we make no statement) as of the date thereof, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. Also, nothing has come to our attention that causes us to believe, based upon the procedures described in this opinion letter (which constitute the only additional procedures performed between the date of the Offering Memorandum and the date hereof) that the Offering Memorandum (except for financial statements and schedules and other financial and statistical data included or incorporated by reference therein or omitted therefrom, as to which we make no statement), as of the date and time of delivery of this opinion letter, contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

In rendering such opinion, such counsel may rely as to matters of fact, to the extent such counsel deems proper, on certificates of responsible officers of the Company and Holdings and public officials which are furnished to the Initial Purchasers.

ANNEX C

[Form of Initial Comfort Letter]

Exhibit 3.1

RESTATED
CERTIFICATE OF INCORPORATION
WESCO INTERNATIONAL, INC.

FIRST. The name of the corporation is WESCO International, Inc. The name under which the corporation was originally incorporated is CDW Holding Corporation. The Corporation's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on September 17, 1993.

SECOND. This Restated Certificate of Incorporation was duly adopted in accordance with the applicable provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware.

THIRD. The original Certificate of Incorporation of the Corporation is amended and restated to read in full as follows:

ARTICLE I.

The name of the Corporation is WESCO International, Inc.

ARTICLE II.

The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, Wilmington, New Castle County, Delaware, and the name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III.

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

ARTICLE IV.

A. Authorized Capitalization. The total number of all shares of capital stock which the Corporation shall have the authority to issue is 250,000,000 shares consisting of: (1) 210,000,000 shares of Common Stock, par value of $.01 per share; (2) 20,000,000 shares of Class B Common Stock, par value of $.01 per share; and (3) 20,000,000 shares of Preferred Stock, par value of $.01 per share. The number of authorized shares of Common Stock or Class B Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) if the increase or decrease is approved by the holders of a majority of the voting power of all of the then outstanding shares of stock entitled to vote in any general election of

directors, voting together as a single class but without the separate vote of the holders of any other class of stock.

B. Preferred Stock. The Corporation's Board of Directors is hereby expressly authorized to provide by resolution or resolutions from time to time for the issue of the Preferred Stock in one or more series, the shares of each of which series may have such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereon, as shall be permitted under the General Corporation Law of the State of Delaware and as shall be stated in the resolution or resolutions providing for the issue of such stock adopted by the Board of Directors pursuant to the authority expressly vested in the Board of Directors hereby.

C. Common Stock. As used herein, the term "Common Stock" shall include the Common Stock and the Class B Common Stock. Except as otherwise provided herein, all shares of Common Stock and Class B Common Stock will be identical and will entitle the holders thereof to the same rights and privileges.

(1) Voting Rights. Except as otherwise required by law or as otherwise provided herein, on all matters submitted to the Corporation's stockholders, (i) the holders of Common Stock will be entitled to one vote per share and (ii) the holders of Class B Common Stock will have no right to vote.

(2) Dividends. When and as dividends are declared thereon, whether payable in cash, property or securities of the Corporation, the holders of Common Stock and the holders of Class B Common Stock will be entitled to share equally, share for share, in such dividends, provided that if dividends are declared which are payable in shares of Common Stock or Class B Common Stock, dividends will be declared which are payable at the same rate on each class of stock, and the dividends payable in shares of Common Stock will be payable to holders of Common Stock, and the dividends payable in shares of Class B Common Stock will be payable to holders of Class B Common Stock.

(3)(a) Conversion of Class B Common Stock. Each record holder of Class B Common Stock is entitled to convert any or all of the shares of such holder's Class B Common Stock into the same number of shares of Common Stock, provided that no holder of Class B Common Stock is entitled to convert any share or shares of Class B Common Stock to the extent that, as a result of such conversion, such holder or its Affiliates would directly or indirectly own, control or have power to vote a greater quantity of securities of any kind issued by the Corporation than such holder and its Affiliates are permitted to own, control or have power to vote under any law, regulation, order, rule or other requirement of any governmental authority at any time applicable to such holder and its Affiliates.

(3)(b) Certain Conversion Procedures. (i) Each conversion of shares of Class B Common Stock into shares of Common Stock will be effected by the surrender of the certificate or certificates representing the shares to be converted at the principal office of the Corporation or the transfer agent designated by the Corporation, if any, at any time during normal business hours, together with a written notice by the holder of such shares stating the number of shares of Class B

Common Stock that such holder desires to convert into Common Stock and that upon such conversion such holder, together with its Affiliates, will not directly or indirectly own, control or have the power to vote a greater quantity of securities of any kind issued by the Corporation than such holder and its Affiliates are permitted to own, control or have the power to vote under any applicable law, regulation, order, rule or other governmental requirement (and such statement will obligate the Corporation to issue such Common Stock). Such conversion will be deemed to have been effected as of the close of business on the date on which such certificate or certificates have been surrendered and such notice has been received, and at such time the rights of any such holder with respect to the converted Class B Common Stock will cease and the person or persons in whose name or names the certificate or certificates for shares of Common Stock are to be issued upon such conversion will be deemed to have become the holder or holders of record of the shares of Common Stock represented thereby.

(ii) Promptly after such surrender and the receipt of the written notice referred to in subparagraph (i) above, the Corporation will issue and deliver in accordance with the surrendering holder's instructions the certificate or certificates for the Common Stock issuable upon such conversion and a certificate representing any Class B Common Stock which was represented by the certificate or certificates delivered to the Corporation in connection with such conversion but which was not converted. The Corporation shall be entitled to rely upon any written notice delivered pursuant to subparagraph (i) above and such notice shall, in the absence of fraud, be binding and conclusive upon the Corporation.

(4)(a) Transfers. The Corporation will not close its books against the transfer of Class B Common Stock in any manner that would interfere with the timely conversion of Class B Common Stock.

(4)(b) Subdivisions and Combinations of Shares. If the Corporation in any manner subdivides or combines the outstanding shares of one class of Common Stock, the outstanding shares of the other class of Common Stock will be proportionately subdivided or combined.

(4)(c) Issuance Costs. The issuance of certificates for Common Stock upon conversion of Class B Common will be made without charge to the holder or holders of such shares for any issuance tax (except stock transfer taxes) in respect thereof or other cost incurred by the Corporation in connection with such conversion and the related issuance of Common Stock.

(5) Definitions. "Affiliate" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person, provided that, for purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise. Notwithstanding any other provision herein, the Board of Directors shall in its good faith determine whether any party shall be deemed an

"Affiliate" of any Person for purposes of this Certificate of Incorporation and such determination shall be binding and conclusive upon the Corporation.

"Person" shall mean and include an individual, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

D. Reclassification. Upon the effective date of this Restated Certificate of Incorporation (the "Effective Time"), each issued share of the capital stock of the Corporation theretofore designated as "Class A Common Stock," par value $.01 per share, shall, without any action on the part of the holder thereof, be reclassified so that the designation thereof shall be changed from "Class A Common Stock" to "Common Stock," par value $.01 per share, and that each existing share of Class A Common Stock shall become one share of Common Stock. Each holder of a certificate or certificates which immediately prior to the Effective Time represented outstanding shares of Class A Common Stock ("Old Certificates") shall be entitled to receive upon surrender of such Old Certificates to the Corporation or its stock transfer agent for cancellation, a certificate or certificates ("New Certificates") representing the number of shares of Common Stock into which and for which shares of Class A Common Stock formerly represented by such Old Certificates so surrendered are combined and reclassified. From and after the Effective Time, Old Certificates shall represent only the right to receive New Certificates pursuant to the provisions hereof.

ARTICLE V.

The period of existence of the Corporation shall be perpetual.

ARTICLE VI.

The number of members of the Board of Directors will be fixed from time to time by resolution adopted by the affirmative vote of a majority of the entire Board of Directors but (subject to vacancies) in no event may there be less than three directors.

The Directors shall be divided into three classes, each consisting of one-third of such directors, as nearly as may be. In 1999, the stockholders shall designate that one class of directors shall be elected for a one-year term, one class for a two-year term and one class for a three-year term. Commencing with the stockholders' meeting in 2000, and at each succeeding annual stockholders' meeting, successors to the class of directors whose term expires at such annual stockholders' meeting shall be elected for a three-year term. If the number of such directors is changed, an increase or decrease in such directors shall be apportioned among the classes so as to maintain the number of directors comprising each class as nearly equal as possible, and any additional directors of any class shall hold office for a term which shall coincide with the remaining term of such class. A director shall hold office until the annual stockholders' meeting for the year in which his term expires and until his successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification, or removal from office.

Except as otherwise required by law, any vacancy on the board of directors that results from an increase in the number of directors shall be filled only by a majority of the board of directors then in office, provided that a quorum is present, and any other vacancy occurring in the board of directors shall be filled by a majority of the directors then in office, even if less than a quorum, or by a sole remaining director. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of his or her predecessor. A director may be removed only for cause by the stockholders.

Notwithstanding the foregoing, whenever the holders of any one or more classes or series of stock issued by the Corporation shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of this Restated Certificate of Incorporation applicable thereto and such directors so elected shall not be divided into classes pursuant to this Article VI, in each case unless expressly provided by such terms.

ARTICLE VII.

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to adopt, amend or repeal the By-laws of the Corporation.

ARTICLE VIII.

Meetings of stockholders may be held within or without the State of Delaware as the By-laws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-laws of the Corporation. Elections of directors need not be by written ballot unless the By-laws of the Corporation shall so provide.

ARTICLE IX.

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

ARTICLE X.

(a) The personal liability of the directors of the Corporation is hereby eliminated to the fullest extent permitted by Section 102(b)(7) of the General Corporation Law of the State of Delaware, as the same may be amended and supplemented. Without limiting the generality of the foregoing, no director shall be personally liable to the Corporation or any of its

stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit.

(b) The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding") by reason of the fact that he, or a person for whom he is the legal representative, is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or non-profit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses reasonably incurred by such person. The Corporation shall be required to indemnify a person in connection with a proceeding initiated by such person only if the proceeding was authorized by the Board of Directors of the Corporation. The rights to indemnification and advancement of expenses conferred by this Article shall be presumed to have been relied upon by directors and officers of the Corporation in serving or continuing to serve the Corporation and shall be enforceable as contract rights. Said rights shall not be exclusive of any other rights to which those seeking indemnification may otherwise be entitled. The Corporation may enter into contracts to provide such persons with specific rights to indemnification, which contracts may confer rights and protections to the maximum extent permitted by the Delaware General Corporation Law. The Corporation may create trust funds, grant security interests, obtain letters of credit, or use other means to ensure payment of such amounts as may be necessary to perform the obligations provided for in this Article or in any such contract.

(c) Any repeal or modification of this Article X by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.

ARTICLE XI.

The stockholders of the Corporation shall have no authority to call a special meeting of the stockholders, subject to the rights of the holders of any class or series of capital stock having a preference over the Common Stock and Class B Common Stock as to dividends or upon liquidation.

ARTICLE XII.

No action required to be taken or which may be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting; and the power of the

stockholders to consent in writing, without a meeting, to the taking of any action is specifically denied.

FOURTH: The foregoing amendment and restatement of the Certificate of Incorporation has been approved by the Board of Directors of the Corporation.

FIFTH: The foregoing amendment and restatement of the Certificate of Incorporation has been duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, WESCO International, Inc. has caused this Restated Certificate of Incorporation to be signed and attested this 11th day of May, 1999.

Attest:

By: /s/ JEFFREY B. KRAMP
Title: Secretary and General Counsel

WESCO INTERNATIONAL, INC.

By: /s/ STEVEN A. BURLESON
Title: Vice President and Chief Financial Officer

Exhibit 3.2

WESCO International, Inc.

BY-LAWS

As amended and restated on May 11, 1999

TABLE OF CONTENTS

SECTION PAGE

SECTION PAGE

WESCO International, Inc.

BY-LAWS

As amended and restated on May 11, 1999

ARTICLE I

STOCKHOLDERS

Section 1.01. Annual Meetings. The annual meeting of the stockholders of the Corporation for the election of Directors and for the transaction of such other business as properly may come before such meeting shall be held at such place, either within or without the State of Delaware, as may be fixed from time to time by resolution of the Board of Directors and set forth in the notice or waiver of notice of the meeting.

Section 1.02. Special Meetings. Special meetings of the stockholders may be called at any time by the Chairman or by the Board of Directors. Such special meetings of the stockholders shall be held at such places, within or without the State of Delaware, as shall be specified in the respective notices or waivers of notice thereof.

Section 1.03. Notice of Meetings; Waiver. The Secretary or any Assistant Secretary shall cause written notice of the place, date and hour of each meeting of the stockholders, and, in the case of a special meeting, the purpose or purposes for which such meeting is called, to be given personally or by mail, not less than ten nor more than sixty days prior to the meeting, to each stockholder of record entitled to vote at such meeting. If such notice is mailed, it shall be deemed to have been given to a stockholder when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the record of stockholders of the Corporation, or, if he shall have filed with the Secretary of the Corporation a written request that notices to him be mailed to some other address, then directed to him at such other address. Such further notice shall be given as may be required by law.

No notice of any meeting of stockholders need be given to any stockholder who submits a signed waiver of notice, whether before or after the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in a written waiver of notice. The attendance of any stockholder at a meeting of stockholders shall constitute a waiver of notice of such meeting, except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 1.04. Quorum. Except as otherwise required by law or by the Certificate of Incorporation, the presence in person or by proxy of the holders of record of a majority of the shares entitled to vote at a meeting of stockholders shall constitute a quorum for the transaction of business at such meeting.

Section 1.05. Voting. If, pursuant to Section 5.05 of these By-Laws, a record date has been fixed, every holder of record of shares entitled to vote at a meeting of stockholders shall be entitled to one vote for each share outstanding in his name on the books of the Corporation at the close of business on such record date. If no record date has been fixed, then every holder of record of shares entitled to vote at a meeting of stockholders shall be entitled to one vote for each share of stock standing in his name on the books of the Corporation at the close of business on the day next preceding the day on which notice of the meeting is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. Except as otherwise required by law or by the Certificate of Incorporation, the vote of a majority of the shares represented in person or by proxy at any meeting at which a quorum is present shall be sufficient for the transaction of any business at such meeting.

Section 1.06. Voting by Ballot. No vote of the stockholders need be taken by written ballot or conducted by Inspectors of Elections unless otherwise required by law. Any vote which need not be taken by ballot may be conducted in any manner approved by the meeting.

Section 1.07. Adjournment. If a quorum is not present at any meeting of the stockholders, the stockholders present in person or by proxy shall have the power to adjourn any such meeting from time to time until a quorum is present. Notice of any adjourned meeting of the stockholders of the Corporation need not be given if the place, date and hour thereof are announced at the meeting at which the adjournment is taken, provided, however, that if the adjournment is for more than thirty days, or if after the adjournment a new record date for the adjourned meeting is fixed pursuant to Section 5.05 of these By-Laws, a notice of the adjourned meeting, conforming to the requirements of Section 1.03 hereof, shall be given to each stockholder of record entitled to vote at such meeting. At any adjourned meeting at which a quorum is present, any business may be transacted that might have been transacted on the original date of the meeting.

Section 1.08. Proxies. Any stockholder entitled to vote at any meeting of the stockholders or to express consent to or dissent from corporate action without a meeting may authorize another person or persons to vote at any such meeting and express such consent or dissent for him by proxy. A stockholder may authorize a valid proxy by executing a written instrument signed by such stockholder, or by causing his or her signature to be affixed to such writing by any reasonable means including, but not limited to, by facsimile signature, or by transmitting or authorizing an electronic transmission to the person designated as the holder of the proxy, a proxy solicitation firm or a like authorized agent. No such proxy shall be voted or acted upon after the expiration of three years from the date of such proxy, unless such proxy provides for a longer period. Every proxy shall be revocable at the pleasure of the stockholder executing it, except in those cases where applicable law provides that a proxy shall be irrevocable. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by filing another duly executed proxy bearing a later date with the Secretary. Proxies by electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder. Any copy, facsimile telecommunication or other reliable reproduction of a writing or transmission created pursuant to this section may be substituted or used in lieu of the original writing or transmission for any and all purposes for

which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

Section 1.09. Organization; Procedure. At every meeting of stockholders the presiding officer shall be the Chairman or, in the event of his absence or disability, a presiding officer chosen by a majority of the Board of Directors. The Secretary, or in the event of his absence or disability, the Assistant Secretary, if any, or if there be no Assistant Secretary, in the absence of the Secretary, an appointee of the presiding officer, shall act as Secretary of the meeting. The order of business and all other matters of procedure at every meeting of stockholders may be determined by such presiding officer.

Section 1.10. Consent of Stockholders in Lieu of Meeting. No action required to be taken or which may be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting; and the power of stockholders to consent in writing, without a meeting, to the taking of any action is specifically denied.

ARTICLE II

BOARD OF DIRECTORS

Section 2.01. General Powers. Except as may otherwise be provided by law, by the Certificate of Incorporation or by these By-Laws, the property, affairs and business of the Corporation shall be managed by or under the direction of the Board of Directors and the Board of Directors may exercise all the powers of the Corporation.

Section 2.02. Number and Term of Office; Vacancies and Newly Created Directorships. The number of members of the Board of Directors will be fixed from time to time by resolution adopted by the affirmative vote of a majority of the entire Board of Directors, but (subject to vacancies) in no event may there be less than three Directors.

The Directors shall be divided into three classes, each consisting of one-third of such Directors, as nearly as may be. In 1999, the stockholders shall designate that one class of such Directors shall be elected for a one-year term, one class for a two-year term and one class for a three-year term. Commencing with the stockholders' meeting in 2000, and at each succeeding annual stockholders' meeting, successors to the class of Directors whose term expires at such annual stockholders' meeting shall be elected for a three-year term. If the number of such Directors is changed, by a majority vote of the Board of Directors then in office, an increase or decrease in such Directors shall be apportioned among the classes so as to maintain the number of Directors comprising each class as nearly equal as possible, and any additional Directors of any class shall hold office for a term which shall coincide with the remaining term of such class. A director shall hold office until the annual stockholders' meeting for the year in which his term expires and until his successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification, or removal from office.

Except as otherwise required by law, any vacancy on the Board of Directors that results from an increase in the number of Directors shall be filled only by a majority vote of the Board of Directors then in office, provided that a quorum is present, and any other vacancy occurring in the Board of Directors shall be filled by a majority of the Directors then in office, even if less than a quorum, or by a sole remaining director. Any director elected to fill a vacancy not resulting from an increase in the number of Directors shall have the same remaining term as that of his or her predecessor. A director may be removed only for cause by the stockholders.

Notwithstanding the foregoing, whenever the holders of any one or more classes or series of stock issued by the Corporation shall have the right, voting separately by class or series, to elect Directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of this Restated Certificate of Incorporation applicable thereto and such Directors so elected shall not be divided into classes pursuant to this Article VI, in each case unless expressly provided by such terms.

Section 2.03. Election of Directors. Except as otherwise provided in these By-Laws, the Directors shall be elected at each annual meeting of the stockholders. If the annual meeting for the election of Directors is not held on the date designated therefor, the Directors shall cause the meeting to be held as soon thereafter as convenient. At each meeting of the stockholders for the election of Directors, provided a quorum is present, the Directors shall be elected by a plurality of the votes validly cast in such election.

Section 2.04. Annual and Regular Meetings. The annual meeting of the Board of Directors for the purpose of electing officers and for the transactions of such other business as may come before the meeting shall be held as soon as possible following adjournment of the annual meeting of the stockholders at the place of such annual meeting of the stockholders. Notice of such annual meeting of the Board of Directors need not be given. The Board of Directors from time to time may by resolution provide for the holding of regular meetings and fix the place (which may be within or without the state of Delaware) and the date and hour of such meetings. Notice of regular meetings need not be given, provided, however, that if the Board of Directors shall fix or change the time or place of any regular meeting, notice of such action shall be sent by regular mail or facsimile, to each Director who shall not have been present at the meeting at which such action was taken, addressed to him at his usual place of business, or shall be delivered to him personally. Notice of such action need not be given to any Director who attends the first regular meeting after such action is taken without protesting the lack of notice to him, prior to or at the commencement of such meeting, or to any Director who submits a signed waiver of notice, whether before or after such meeting.

Section 2.05. Special Meetings; Notice. Special meetings of the Board of Directors shall be held whenever called by the Chairman or, in the event of his absence or disability, by a majority of the Board of Directors, at such place (within or without the State of Delaware), date and hour as may be specified in the respective notices or waivers of notice of such meetings. Special meetings of the Board of Directors may be called on 48 hours' notice, if notice is given to each Director personally or by telephone, regular mail, or on five days' notice, if notice is mailed by overnight delivery service to each Director, addressed to him at his usual place

of business. Notice of any special meeting need not be given to any Director who attends such meeting without protesting the lack of notice to him, prior to or at the commencement of such meeting, or to any Director who submits a signed waiver of notice, whether before or after such meeting, and any business may be transacted thereat.

Section 2.06. Quorum; Voting. At all meetings of the Board of Directors, the presence of a majority of the total authorized number of Directors shall constitute a quorum for the transaction of business. Except as otherwise required by law, the vote of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors.

Section 2.07. Adjournment. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting of the Board of Directors to another time or place. No notice need be given of any adjourned meeting unless the time and place of the adjourned meeting are not announced at the time of adjournment, in which case notice conforming to the requirements of Section 2.05 shall be given to each Director.

Section 2.08. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all members of the Board of Directors consent thereto in writing, and such writing or writings are filed with the minutes of proceedings of the Board of Directors.

Section 2.09. Regulations; Manner of Acting. To the extent consistent with applicable law, the Certificate of Incorporation and these By-Laws, the Board of Directors may adopt such rules and regulations for the conduct of meetings of the Board of Directors and for the management of the property, affairs and business of the Corporation as the Board of Directors may deem appropriate. The Directors shall act only as a Board, and the individual Directors shall have no power as such.

Section 2.10. Action by Telephonic Communications. Members of the Board of Directors may participate in a meeting of the Board of Directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

Section 2.11. Resignations. Any Director may resign at any time by delivering a written notice of resignation, signed by such Director, to the President or the Secretary. Unless otherwise specified therein, such resignation shall take effect upon delivery.

Section 2.12. Removal of Directors. Any Director may be removed at any time, either for or without cause, upon the affirmative vote of the holders of a majority of the outstanding shares of stock of the Corporation entitled to vote for the election of such Director, cast at a special meeting of stockholders called for the purpose. Any vacancy in the Board of Directors caused by any such removal may be filled at such meeting by the stockholders entitled to vote for the election of the Director so removed. If such stockholders do not fill such vacancy at such meeting, such vacancy may be filled in the manner provided in these By-Laws.

Section 2.13. Compensation. The amount, if any, which each Director shall be entitled to receive as compensation for his services as such shall be determined from time to time by resolution of the Board of Directors.

Section 2.14. Reliance on Accounts and Reports, etc. A Director, or a member of any Committee designated by the Board of Directors shall, in the performance of his duties, be fully protected in relying in good faith upon the records of the Corporation and upon information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or Committees designated by the Board of Directors, or by any other person as to the matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

Section 2.15. Nomination of Directors. In addition to the right of the Board of Directors of the Corporation to make nominations for the election of Directors, nominations for the election of Directors may be made by any stockholder entitled to vote for the election of Directors. Advance written notice of such proposed nomination shall be received by the Secretary of the Corporation by certified mail no later than (i) 90 days prior to the anniversary of the previous year's annual meeting of stockholders, or (ii) with respect to an election to be held at a special meeting of stockholders or at an annual meeting that is held more than 70 days prior to the anniversary of the previous year's annual meeting, the close of business on the tenth day following the date on which notice of such meeting is first given to the stockholders. Each such notice shall set forth (i) the name, age, business address and, if known, residence address of each nominee proposed in such notice, (ii) the principal occupation of employment of each such nominee, and (iii) the number of shares of stock of the Corporation which are beneficially owned by each such nominee. In addition, the stockholder making such nomination shall promptly provide any other information reasonably requested by the Corporation.

ARTICLE III

EXECUTIVE COMMITTEE AND OTHER COMMITTEES

Section 3.01. How Constituted. The Board of Directors may, by resolution adopted by a majority of the whole Board, designate one or more Committees, including an Executive Committee, each such Committee to consist of such number of Directors as from time to time may be fixed by the Board of Directors. The Board of Directors may designate one or more Directors as alternate members of any such Committee, who may replace any absent or disqualified member or members at any meeting of such Committee. Thereafter, members (and alternate members, if any) of each such Committee may be designated at the annual meeting of the Board of Directors. Any such Committee may be abolished or re-designated from time to time by the Board of Directors. Each member (and each alternate member) of any such Committee (whether designated at an annual meeting of the Board of Directors or to fill a vacancy or otherwise) shall hold office until his successor shall have been designated or until he shall cease to be a Director, or until his earlier death, resignation or removal.

Section 3.02. Powers. During the intervals between the meetings of the Board of Directors, the Executive Committee, except as otherwise provided in this section, shall have and may exercise all the powers and authority of the Board of Directors in the management of the property, affairs and business of the Corporation. Each such other Committee, except as otherwise provided in this Section, shall have and may exercise such powers of the Board of Directors as may be provided by resolution or resolutions of the Board of Directors, subject to applicable provisions of the General Corporation Law of the State of Delaware. The Executive Committee shall have, and any such other Committee may be granted by the Board of Directors, power to authorize the seal of the Corporation to be affixed to any or all papers which may require it.

Section 3.03. Proceedings. Each such Committee may fix its own rules of procedure and may meet at such place (within or without the State of Delaware), at such time and upon such notice, if any, as it shall determine from time to time. Each such Committee shall keep minutes of its proceedings and shall report such proceedings to the Board of Directors at the meeting of the Board of Directors next following any such proceedings.

Section 3.04. Quorum and Manner of Acting. Except as may be otherwise provided in the resolution creating such Committee, at all meetings of any Committee the presence of members (or alternate members) constituting a majority of the total authorized membership of such Committee shall constitute a quorum for the transaction of business. The act of the majority of the members present at any meeting at which a quorum is present shall be the act of such Committee. Any action required or permitted to be taken at any meeting of any such Committee may be taken without a meeting, if all members of such Committee shall consent to such action in writing and such writing or writings are filed with the minutes of the proceedings of the Committee. The members of any such Committee shall act only as a Committee, and the individual members of such Committee shall have no power as such.

Section 3.05. Action by Telephonic Communications. Members of any Committee designated by the Board of Directors may participate in a meeting of such Committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

Section 3.06. Absent or Disqualified Members. In the absence or disqualification of a member of any Committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

Section 3.07. Resignations. Any member (and any alternate member) of any Committee may resign at any time by delivering a written notice of resignation, signed by such member, to the Chairman or the President. Unless otherwise specified therein, such resignation shall take effect upon delivery.

Section 3.08. Removal. Any member (and any alternate member) of any Committee may be removed at any time, either for or without cause, by resolution adopted by a majority of the whole Board of Directors.

Section 3.09. Vacancies. If any vacancy shall occur in any Committee, by reason of disqualification, death, resignation, removal or otherwise, the remaining members (and any alternate members) shall continue to act, and any such vacancy may be filled by the Board of Directors.

ARTICLE IV

OFFICERS

Section 4.01. Number. The officers of the Corporation shall be chosen by the Board of Directors and shall be a Chairman of the Board of Directors, a President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers as may be elected in accordance with Section 4.11 hereof. Any number of offices may be held by the same person. Except for the Chairman of the Board who shall be a member of the Board of Directors, no officer need be a Director of the Corporation.

Section 4.02. Election. Unless otherwise determined by the Board of Directors, the officers of the Corporation shall be elected by the Board of Directors at the annual meeting of the Board of Directors, and shall be elected to hold office until the next succeeding annual meeting of the Board of Directors. Each officer shall hold office until his successor has been elected and qualified, or until his earlier death, resignation or removal.

Section 4.03. Salaries. The salaries of all officers and agents of the Corporation shall be fixed by the Board of Directors.

Section 4.04. Removal and Resignation; Vacancies. Any officer may be removed for or without cause at any time by the Board of Directors. Any officer may resign at any time by delivering a written notice of resignation, signed by such officer, to the Board of Directors or the President. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise, shall be filled by the Board of Directors.

Section 4.05. Authority and Duties of Officers. The officers of the Corporation shall have such authority and shall exercise such powers and perform such duties as may be specified in these By-Laws, except that in any event each officer shall exercise such powers and perform such duties as may be required by law.

Section 4.06. The Chairman. The Chairman, or, in the event of his absence or disability, a presiding officer chosen by a majority of the Board of Directors, shall preside at all meetings of the stockholders and of the Board of Directors and shall perform such other duties as may from time to time be assigned to him by the Board of Directors.

Section 4.07. The President. The President shall be the Chief Executive Officer of the Corporation and shall have general control and supervision of the policies and operations of the Corporation subject, however, to the control of the Board of Directors. He shall manage and administer the Corporation's business and affairs and shall also perform all duties and exercise all powers usually pertaining to the office of a chief executive officer of a corporation. He shall have the authority to sign, in the name and on behalf of the Corporation, checks, orders, contracts, leases, notes, drafts and other documents and instruments in connection with the business of the Corporation, and together with the Secretary or an Assistant Secretary, conveyances of real estate and other documents and instruments to which the seal of the Corporation is affixed. He shall have the authority to cause the employment or appointment of such employees and agents of the Corporation as the conduct of the business of the Corporation may require, to fix their compensation, and to remove or suspend any employee or agent elected or appointed by the President or the Board of Directors. The President shall perform such other duties and have such other powers as the Board of Directors or the Chairman may from time to time prescribe.

Section 4.08. The Vice Presidents. Each Vice President shall perform such duties and exercise such powers as may be assigned to him from time to time by the Board of Directors or the officer who is the Chief Executive Officer. In the absence of the President, the duties of the President shall be performed and his powers may be exercised by such Vice President as shall be designated by the President, or failing such designation, such duties shall be performed and such powers may be exercised by each Vice President in the order of their earliest election to that office; subject in any case to review and superseding action by the President.

In the case of a Vice President who is designated as the Chief Financial Officer, he shall perform such duties and exercise such powers as may be assigned to him from time to time by the Board of Directors or the officer who is Chief Executive Officer, including without limitation, the power and duty to render to the Board of Directors or the Chief Executive Officer, whenever requested, a statement of the financial condition of the Corporation, and to render a full financial report at the annual meeting of the stockholders, if called upon to do so, and to require from all officers or agents of the Corporation reports or statements giving such information as he may desire with respect to any and all financial transactions of the Corporation.

Section 4.09. The Secretary. The Secretary shall have the following powers and duties:

(a) He shall keep or cause to be kept a record of all the proceedings of the meetings of the stockholders and of the Board of Directors in books provided for that purpose.

(b) He shall cause all notices to be duly given in accordance with the provisions of these By-Laws and as required by law.

(c) Whenever any Committee shall be appointed pursuant to a resolution of the Board of Directors, he shall furnish a copy of such resolution to the members of such Committee.

(d) He shall be the custodian of the records and of the seal of the Corporation and cause such seal (or a facsimile thereof) to be affixed to all certificates representing shares of

the Corporation prior to the issuance thereof and to all instruments the execution of which on behalf of the Corporation under its seal shall have been duly authorized in accordance with these By-Laws, and when so affixed he may attest the same.

(e) He shall properly maintain and file all books, reports, statements, certificates and all other documents and records required by law, the Certificate of Incorporation or these By-Laws.

(f) He shall have charge of the stock books and ledgers of the Corporation and shall cause the stock and transfer books to be kept in such manner as to show at any time the number of shares of stock of the Corporation of each class issued and outstanding, the names (alphabetically arranged) and the addresses of the holders of record of such shares, the number of shares held by each holder and the date as of which each became such holder of record.

(g) He shall sign (unless the Treasurer, an Assistant Treasurer or Assistant Secretary shall have signed) certificates representing shares of the Corporation the issuance of which shall have been authorized by the Board of Directors.

(h) He shall perform, in general, all duties incident to the office of secretary and such other duties as may be specified in these By-Laws or as may be assigned to him from time to time by the Board of Directors, or the President.

Section 4.10. The Treasurer. The Treasurer shall have the following powers and duties:

(a) He shall have charge and supervision over and be responsible for the moneys, securities, receipts and disbursements of the Corporation, and shall keep or cause to be kept full and accurate records of all receipts of the Corporation.

(b) He shall cause the moneys and other valuable effects of the Corporation to be deposited in the name and to the credit of the Corporation in such banks or trust companies or with such bankers or other depositaries as shall be selected in accordance with Section 8.05 of these By-Laws.

(c) He shall cause the moneys of the Corporation to be disbursed by checks or drafts (signed as provided in Section 8.06 of these By-Laws) upon the authorized depositaries of the Corporation and cause to be taken and preserved proper vouchers for all moneys disbursed.

(d) He may sign (unless an Assistant Treasurer or the Secretary or an Assistant Secretary shall have signed) certificates representing stock of the Corporation the issuance of which shall have been authorized by the Board of Directors.

(e) He shall perform, in general, all duties incident to the office of treasurer and such other duties as may be specified in these By-Laws or as may be assigned to him from time to time by the Board of Directors or the President.

Section 4.11. Additional Officers. The Board of Directors may appoint such other officers and agents as it may deem appropriate, and such other officers and agents shall hold their offices for such terms and shall exercise such powers and perform such duties as may be determined from time to time by the Board of Directors. The Board of Directors from time to time may delegate to any officer or agent the power to appoint subordinate officers or agents and to prescribe their respective rights, terms of office, authorities and duties. Any such officer or agent may remove any such subordinate officer or agent appointed by him, for or without cause.

ARTICLE V

CAPITAL STOCK

Section 5.01. Certificates of Stock. The shares of the Corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of the stock of the Corporation shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until each certificate is surrendered to the Corporation. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock in the Corporation represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the corporation, by the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, representing the number of shares registered in certificate form. Such certificate shall be in such form as the Board of Directors may determine, to the extent consistent with applicable law, the Certificate of Incorporation and these By-Laws.

Section 5.02. Signatures; Facsimile. All of such signatures on the certificate may be a facsimile, engraved or printed, to the extent permitted by law. In case any officer, transfer agent or registrar who has signed, or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

Section 5.03. Lost, Stolen or Destroyed Certificates. The Board of Directors may direct that a new certificate be issued in place of any certificate therefore issued by the Corporation alleged to have been lost, stolen or destroyed, upon delivery to the Board of Directors of an affidavit of the owner or owners of such certificate, setting forth such allegation. The Board of Directors may require the owner of such lost, stolen or destroyed certificate, or his legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of any such new certificate.

Section 5.04. Transfer of Stock. Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares, duly endorsed or accompanied by appropriate evidence of succession, assignment or authority to transfer, the Corporation shall issue a new certificate to the person entitled thereto, cancel the old certificate and record the

transaction upon its books. Within a reasonable time after the transfer of uncertificated stock, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to Sections 151, 156, 202(a) or 218(a) of the General Corporation Law of the State of Delaware. Subject to the provisions of the Certificate of Incorporation and these By-Laws, the Board of Directors may prescribe such additional rules and regulations as it may deem appropriate relating to the issue, transfer and registration of shares of the Corporation.

Section 5.05. Record Date. In order to determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted by the Board of Directors, and which shall not be more than sixty nor less than ten days before the date of such meeting. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting, provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights of the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 5.06. Registered Stockholders. Prior to due surrender of a certificate for registration of transfer, the Corporation may treat the registered owner as the person exclusively entitled to receive dividends and other distributions, to vote, to receive notice and otherwise to exercise all the rights and powers of the owner of the shares represented by such certificate, and the Corporation shall not be bound to recognize any equitable or legal claim to or interest in such shares on the part of any other person, whether or not the Corporation shall have notice of such claim or interests. Whenever any transfer of shares shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer if, when the certificates are presented to the Corporation for transfer or uncertificated shares are requested to be transferred, both the transferor and transferee request the Corporation to do so.

Section 5.07. Transfer Agent and Registrar. The Board of Directors may appoint one or more transfer agents and one or more registrars, and may require all certificates representing shares to bear the signature of any such transfer agents or registrars.

ARTICLE VI

INDEMNIFICATION

Section 6.01. Nature of Indemnity. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was or has agreed to become a director or officer of the Corporation, or is or was serving or has agreed to serve at the request of the Corporation as a director or officer, of another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, and may indemnify any person who was or is a party or is threatened to be made a party to such an action, suit or proceeding by reason of the fact that he is or was or has agreed to become an employee or agent of the Corporation, or is or was serving or has agreed to serve at the request of the Corporation as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf in connection with such action, suit or proceeding and any appeal therefrom, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding had no reasonable cause to believe his conduct was unlawful; except that in the case of an action or suit by or in the right of the Corporation to procure a judgment in its favor (1) such indemnification shall be limited to expenses (including attorneys' fees) actually and reasonably incurred by such person in the defense or settlement of such action or suit, and (2) no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 6.02. Successful Defense. To the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 6.01 hereof or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 6.03. Determination That Indemnification Is Proper. Any indemnification of a director or officer of the Corporation under Section 6.01 hereof (unless ordered by a court) shall be made by the Corporation unless a determination is made that indemnification of the director or officer is not proper in the circumstances because he has not met the applicable

standard of conduct set forth in Section 6.01 hereof. Any indemnification of an employee or agent of the Corporation under Section 6.01 hereof (unless ordered by a court) may be made by the Corporation upon a determination that indemnification of the employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 6.01 hereof. Any such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (3) by the stockholders.

Section 6.04. Advance Payment of Expenses. Expenses (including attorneys' fees) incurred by a director or officer in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Article. Such expenses (including attorneys' fees) incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate. The Board of Directors may authorize the Corporation's counsel to represent such director, officer, employee or agent in any action, suit or proceeding, whether or not the Corporation is a party to such action, suit or proceeding.

Section 6.05. Procedure for Indemnification of Directors and Officers. Any indemnification of a director or officer of the Corporation under Sections 6.01 and 6.02, or advance of costs, charges and expenses to a director or officer under Section 6.04 of this Article, shall be made promptly, and in any event within 30 days, upon the written request of the director or officer. If a determination by the Corporation that the director or officer is entitled to indemnification pursuant to this Article is required, and the Corporation fails to respond within sixty days to a written request for indemnity, the Corporation shall be deemed to have approved such request. If the Corporation denies a written request for indemnity or advancement of expenses, in whole or in part, or if payment in full pursuant to such request is not made within 30 days, the right to indemnification or advances as granted by this Article shall be enforceable by the director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his right to indemnification, in whole or in part, in any such action shall also be indemnified by the Corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for the advance of costs, charges and expenses under Section 6.04 of this Article where the required undertaking, if any, has been received by the Corporation) that the claimant has not met the standard of conduct set forth in Section 6.01 of this Article, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, its independent legal counsel, and its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 6.01 of this Article, nor the fact that there has been an actual determination by the Corporation (including its Board of Directors, its independent legal counsel, and its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 6.06. Survival; Preservation of Other Rights. The foregoing indemnification provisions shall be deemed to be a contract between the Corporation and each director, officer, employee and agent who serves in any such capacity at any time while these provisions as well as the relevant provisions of the Delaware General Corporation Law are in effect and any repeal or modification thereof shall not affect any right or obligation then existing with respect to any state of facts then or previously existing or any action, suit or proceeding previously or thereafter brought or threatened based in whole or in part upon any such state of facts. Such a "contract right" may not be modified retroactively without the consent of such director, officer, employee or agent.

The indemnification provided by this Article VI shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any by-law, agreement, vote of stockholders or disinterested Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 6.07. Insurance. The Corporation shall purchase and maintain insurance on behalf of any person who is or was or has agreed to become a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him or on his behalf in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article, provided that such insurance is available on acceptable terms, which determination shall be made by a vote of a majority of the entire Board of Directors.

Section 6.08. Severability. If this Article or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each director or officer and may indemnify each employee or agent of the Corporation as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Corporation, to the fullest extent permitted by any applicable portion of this Article that shall not have been invalidated and to the fullest extent permitted by applicable law.

ARTICLE VII

OFFICES

Section 7.01. Registered Office. The registered office of the Corporation in the State of Delaware shall be located at Corporation Trust Center, 1209 Orange Street in the City of Wilmington, County of New Castle.

Section 7.02. Other Offices. The Corporation may maintain offices or places of business at such other locations within or without the State of Delaware as the Board of Directors may from time to time determine or as the business of the Corporation may require.

ARTICLE VIII

GENERAL PROVISIONS

Section 8.01. Dividends. Subject to any applicable provisions of law and the Certificate of Incorporation, dividends upon the shares of the Corporation may be declared by the Board of Directors at any regular or special meeting of the Board of Directors and any such dividend may be paid in cash, property, or shares of the Corporation's Capital Stock.

A member of the Board of Directors, or a member of any Committee designated by the Board of Directors shall be fully protected in relying in good faith upon the records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers or employees, or Committees of the Board of Directors, or by any other person as to matters the Director reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation, as to the value and amount of the assets, liabilities and/or net profits of the Corporation, or any other facts pertinent to the existence and amount of surplus or other funds from which dividends might properly be declared and paid.

Section 8.02. Reserves. There may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, thinks proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation or for such other purpose as the Board of Directors shall think conducive to the interest of the Corporation, and the Board of Directors may similarly modify or abolish any such reserve.

Section 8.03. Execution of Instruments. The President, any Vice President, the Secretary or the Treasurer may enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation. The Board of Directors or the President may authorize any other officer or agent to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation. Any such authorization may be general or limited to specific contracts or instruments.

Section 8.04. Corporate Indebtedness. No loan shall be contracted on behalf of the Corporation, and no evidence of indebtedness shall be issued in its name, unless authorized by the Board of Directors or the President. Such authorization may be general or confined to specific instances. Loans so authorized may be effected at any time for the Corporation from any bank, trust company or other institution, or from any firm, corporation or individual. All bonds, debentures, notes and other obligations or evidences of indebtedness of the Corporation issued for such loans shall be made, executed and delivered as the Board of Directors or the President shall authorize. When so authorized by the Board of Directors or the President, any part of or all the

properties, including contract rights, assets, business or good will of the Corporation, whether then owned or thereafter acquired, may be mortgaged, pledged, hypothecated or conveyed or assigned in trust as security for the payment of such bonds, debentures, notes and other obligations or evidences of indebtedness of the Corporation, and of the interest thereon, by instruments executed and delivered in the name of the Corporation.

Section 8.05. Deposits. Any funds of the Corporation may be deposited from time to time in such banks, trust companies or other depositaries as may be determined by the Board of Directors or the President, or by such officers or agents as may be authorized by the Board of Directors or the President to make such determination.

Section 8.06. Checks. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such agent or agents of the Corporation, and in such manner, as the Board of Directors or the President from time to time may determine.

Section 8.07. Sale, Transfer, etc. of Securities. To the extent authorized by the Board of Directors or by the President, any Vice President, the Secretary or the Treasurer or any other officers designated by the Board of Directors or the President may sell, transfer, endorse, and assign any shares of stock, bonds or other securities owned by or held in the name of the Corporation, and may make, execute and deliver in the name of the Corporation, under its corporate seal, any instruments that may be appropriate to effect any such sale, transfer, endorsement or assignment.

Section 8.08. Voting as Stockholder. Unless otherwise determined by resolution of the Board of Directors, the President or any Vice President shall have full power and authority on behalf of the Corporation to attend any meeting of stockholders of any corporation in which the Corporation may hold stock, and to act, vote (or execute proxies to vote) and exercise in person or by proxy all other rights, powers and privileges incident to the ownership of such stock. Such officers acting on behalf of the Corporation shall have full power and authority to execute any instrument expressing consent to or dissent from any action of any such corporation without a meeting. The Board of Directors may by resolution from time to time confer such power and authority upon any other person or persons.

Section 8.09. Fiscal Year. The fiscal year of the Corporation shall commence on the first day of January of each year (except for the Corporation's first fiscal year which shall commence on the date of incorporation) and shall terminate in each case on the last day of December.

Section 8.10. Seal. The seal of the Corporation shall be circular in form and shall contain the name of the Corporation, the year of its incorporation and the words "Corporate Seal" and "Delaware." The form of such seal shall be subject to alteration by the Board of Directors. The seal may be used by causing it or a facsimile thereof to be impressed, affixed or reproduced, or may be used in any other lawful manner.

Section 8.11. Books and Records; Inspection. Except to the extent otherwise required by law, the books and records of the Corporation shall be kept at such place or places

within or without the State of Delaware as may be determined from time to time by the Board of Directors.

ARTICLE IX

AMENDMENT OF BY-LAWS

Section 9.01. Amendment. These By-Laws may be amended, altered or repealed

(a) by resolution adopted by a majority of the Board of Directors at any special or regular meeting of the Board if, in the case of such special meeting only, notice of such amendment, alteration or repeal is contained in the notice or waiver of notice of such meeting; or

(b) at any regular or special meeting of the stockholders if, in the case of such special meeting only, notice of such amendment, alteration or repeal is contained in the notice or waiver of notice of such meeting.

ARTICLE X

CONSTRUCTION

Section 10.01. Construction. In the event of any conflict between the provisions of these By-Laws as in effect from time to time and the provisions of the certificate of incorporation of the Corporation as in effect from time to time, the provisions of such certificate of incorporation shall be controlling.

Exhibit 4.6

EXECUTION COPY

==========

WESCO DISTRIBUTION, INC.

9-1/8% Senior Subordinated Notes due 2008

INDENTURE

Dated as of August 23, 2001

BANK ONE, N.A.,

Trustee

==========

TABLE OF CONTENTS

ARTICLE 8

Discharge of Indenture; Defeasance

ARTICLE 9

Amendments

ARTICLE 10

Subordination

ARTICLE 11

Holdings Guarantee

ARTICLE 12

Subordination of the Holdings Guarantee

ARTICLE 13

Miscellaneous

INDENTURE dated as of August 23, 2001, among WESCO DISTRIBUTION, INC., a Delaware corporation (the "Company"), WESCO INTERNATIONAL, INC., a Delaware corporation, as guarantor ("Holdings"), and BANK ONE, N.A., a national banking association, as trustee (the "Trustee").

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the Holders of (i) the Company's 9 1/8% Senior Subordinated Notes due 2008 issued on the date hereof (the "Original Notes"), (ii) any Additional Notes (as defined herein) that may be issued on any Issue Date (all such Notes in clauses (i) and (ii) being referred to collectively as the "Initial Notes"), (iii) if and when issued as provided in a Registration Agreement (as defined in Appendix A hereto (the "Appendix")), the Company's 9 1/8% Senior Subordinated Notes due 2008 issued in a Registered Exchange Offer (as defined in the Appendix) in exchange for any Initial Notes (the "Exchange Notes") and (iv) if and when issued as provided in a Registration Agreement, the Private Exchange Notes (as defined in the Appendix) issued in a Private Exchange (as defined in the Appendix, and together with the Initial Notes and any Exchange Notes issued hereunder, the "Notes"). On the date hereof, $100,000,000 in aggregate principal amount of Notes will initially be issued. Subject to the conditions and in compliance with the covenants set forth herein, the Company may issue Additional Notes from time to time.

ARTICLE 1

Definitions and Incorporation by Reference

SECTION 1.01. Definitions.

"Additional Assets" means (i) any property or assets (other than Indebtedness and Capital Stock) to be used by the Company or a Restricted Subsidiary in a Related Business; (ii) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or another Restricted Subsidiary; or (iii) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary; provided, however, that any such Restricted Subsidiary described in clause (ii) or (iii) above is primarily engaged in a Related Business.

"Additional Notes" means any 9 1/8% Senior Subordinated Notes due 2008 issued under the terms of this Indenture subsequent to the Closing Date.

"Adjusted Consolidated Assets" means at any time the total amount of assets of the Company and its Restricted Subsidiaries (less applicable depreciation, amortization and other valuation reserves), after deducting therefrom all current liabilities of the Company and its Restricted Subsidiaries (excluding intercompany items), all as set forth on the Consolidated balance sheet of the Company and its Restricted Subsidiaries as of the end of the most recent fiscal quarter for which financial statements are available prior to the date of determination.

"Affiliate" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Applicable Premium" means, with respect to a Note at any redemption date, the greater of (i) 1.0% of the principal amount of such Note and (ii) the excess of (A) the present value at such time of (1) the redemption price of such Note at June 1, 2003 (such redemption price being set forth in the table in paragraph 5 of the Notes) plus (2) all required interest payments due on such Note through June 1, 2003 (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate plus 50 basis points, over (B) the then-outstanding principal amount of such Note.

"Asset Disposition" means any sale, lease, transfer or other disposition (or series of related sales, leases, transfers or dispositions) by the Company or any Restricted Subsidiary, including any disposition by means of a merger, consolidation, or similar transaction (each referred to for the purposes of this definition as a "disposition"), of (i) any shares of Capital Stock of a Restricted Subsidiary (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than the Company or a Restricted Subsidiary), (ii) all or substantially all the assets of any division or line of business of the Company or any Restricted Subsidiary or (iii) any other assets of the Company or any Restricted Subsidiary outside the ordinary course of business of the Company or such Restricted Subsidiary (other than, in the case of (i), (ii) and (iii) above, (A) a disposition by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Wholly Owned Subsidiary, (B) for purposes of the provisions described in Section 4.06 only, a disposition subject to Section 4.04, (C) a disposition of assets with a fair market value of less than $1,000,000, (D) a sale of accounts receivable and related assets of the type specified in the definition of "Qualified Receivables Transaction" to a Receivables Entity in a Qualified Receivables Transaction, (E) a transfer of accounts receivables and related assets of the type specified in the definition of "Qualified Receivables Transaction" (or a fractional undivided interest therein) by a Receivables Entity in a Qualified Receivables Transaction, (F) the disposition of all or substantially all of the assets of the Company in a manner permitted pursuant to the provisions of Section 5.01 or any disposition that constitutes a Change of Control, (G) any exchange of like property pursuant to Section 1031 of the Code for use in a Related Business, and (H) any sale of Capital Stock in, or Indebtedness or other securities of, an Unrestricted Subsidiary).

"Attributable Debt" in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate borne by the Notes, compounded annually) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended).

"Average Life" means, as of the date of determination, with respect to any Indebtedness or Preferred Stock, the quotient obtained by dividing (i) the sum of the products of the numbers of years from the date of determination to the dates of each

successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment by (ii) the sum of all such payments.

"Bank Indebtedness" means any and all amounts payable under or in respect of the Credit Agreement and any Refinancing Indebtedness with respect thereto, as amended from time to time, including principal, premium (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Company whether or not a claim for post-filing interest is allowed in such proceedings), fees, charges, expenses, reimbursement obligations, guarantees, indemnities and all other amounts payable thereunder or in respect thereof.

"Board of Directors" means the Board of Directors of the Company or any committee thereof duly authorized to act on behalf of such Board.

"Business Day" means each day which is not a Legal Holiday.

"Capital Stock" of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"Capitalized Lease Obligations" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with GAAP, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with GAAP; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"Change of Control" means the occurrence of any of the following events:

(i) (A) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders, is or becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 of the Exchange Act (except that for purposes of this clause such person shall be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of the total voting power of the Voting Stock of the Company or Holdings and (B) the Permitted Holders "beneficially own" (as defined in Rules 13d-3 and 13d-5 of the Exchange Act), directly or indirectly, in the aggregate a lesser percentage of the total voting power of the Voting Stock of the Company or Holdings than such other person and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the board of directors of the Company or Holdings, as the case may be (for the purposes of this clause (i), (x) such other person shall be deemed to beneficially own any Voting Stock of a specified corporation held by a parent corporation, if such other person is the "beneficial owner" (as defined in subparagraph (A) of this clause (i)), directly or indirectly, of more than 35% of the voting power of the Voting Stock of such parent corporation and the Permitted Holders "beneficially own" (as defined in Rules 13d-3 and 13d-5 of the Exchange

Act), directly or indirectly, in the aggregate a lesser percentage of the voting power of the Voting Stock of such parent corporation and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the board of directors of such parent corporation and (y) the Permitted Holders shall be deemed to beneficially own any Voting Stock of an entity (the "specified entity") held by any other entity (the "parent entity") so long as the Permitted Holders beneficially own (as so defined), directly or indirectly, in the aggregate a majority of the voting power of the Voting Stock of the parent entity);

(ii) during any period of two consecutive years commencing on June 5, 1998, individuals who at the beginning of such period constituted the board of directors of the Company or Holdings, as the case may be (together with any new directors whose election by such board of directors of the Company or Holdings, as the case may be, or whose nomination for election by the shareholders of the Company or Holdings, as the case may be, was approved by a vote of 66-2/3% of the directors of the Company or Holdings, as the case may be, then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the board of directors of the Company or Holdings, as the case may be, then in office; or

(iii) the merger or consolidation of the Company or Holdings with or into another Person or the merger of another Person with or into the Company or Holdings, or the sale of all or substantially all the assets of the Company or Holdings to another Person (other than a Person that is controlled by the Permitted Holders), and, in the case of any such merger or consolidation, the securities of the Company or Holdings that are outstanding immediately prior to such transaction and which represent 100% of the aggregate voting power of the Voting Stock of the Company or Holdings are changed into or exchanged for cash, securities or property, unless pursuant to such transaction such securities are changed into or exchanged for, in addition to any other consideration, securities of the surviving Person that represent immediately after such transaction, at least a majority of the aggregate voting power of the Voting Stock of the surviving Person; provided, however, that any sale of accounts receivable in connection with a Qualified Receivables Transaction shall not constitute a Change of Control.

"Closing Date" means the date of this Indenture.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" means the party named as such in this Indenture until a successor replaces it and, thereafter, means the successor and, for purposes of any provision contained herein and required by the TIA, each other obligor on the indenture securities.

"Consolidated Coverage Ratio" as of any date of determination means the ratio of (i) the aggregate amount of EBITDA for the period of the most recent four consecutive fiscal quarters for which internal financial statements are available prior to the date of such determination to (ii) Consolidated Interest Expense for such four fiscal quarters; provided, however, that (A) if the Company or any Restricted Subsidiary has Incurred any Indebtedness since the beginning of such period that remains outstanding on

such date of determination or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is an Incurrence of Indebtedness, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving effect on a pro forma basis to such Indebtedness as if such Indebtedness had been Incurred on the first day of such period and the discharge of any other Indebtedness repaid, repurchased, defeased or otherwise discharged with the proceeds of such new Indebtedness as if such discharge had occurred on the first day of such period (except that, in making such computation, the amount of Indebtedness under any revolving credit facility outstanding on the date of such calculation shall be computed based on (1) the average daily balance of such Indebtedness (and any Indebtedness under a revolving credit facility replaced by such Indebtedness) during such four fiscal quarters or such shorter period when such facility and any replaced facility was outstanding or (2) if such facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness (and any Indebtedness under a revolving credit facility replaced by such Indebtedness) during the period from the date of creation of such facility to the date of the calculation), (B) if the Company or any Restricted Subsidiary has repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of such period or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Consolidated Coverage Ratio, EBITDA and Consolidated Interest Expense for such period shall be calculated on a pro forma basis as if such discharge had occurred on the first day of such period and as if the Company or such Restricted Subsidiary has not earned the interest income actually earned during such period in respect of cash or Temporary Cash Investments used to repay, repurchase, defease or otherwise discharge such Indebtedness, (C) if since the beginning of such period the Company or any Restricted Subsidiary shall have made any Asset Disposition, the EBITDA for such period shall be reduced by an amount equal to the EBITDA (if positive) directly attributable to the assets that are the subject of such Asset Disposition for such period or increased by an amount equal to the EBITDA (if negative) directly attributable thereto for such period and Consolidated Interest Expense for such period shall be reduced by an amount equal to the Consolidated Interest Expense directly attributable to any Indebtedness of the Company or any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Company and its continuing Restricted Subsidiaries in connection with such Asset Disposition for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Interest Expense for such period directly attributable to the Indebtedness of such Restricted Subsidiary to the extent the Company and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such sale), (D) if since the beginning of such period the Company or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person that becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition occurred on the first day of such period and (E) if since the beginning of such period any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Company or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Disposition or any Investment or acquisition of assets that would have required an adjustment pursuant to clause (C) or (D) above if

made by the Company or a Restricted Subsidiary during such period, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto as if such Asset Disposition, Investment or acquisition of assets occurred on the first day of such period. For purposes of this definition, whenever pro forma effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness Incurred in connection therewith, the pro forma calculations shall be determined in good faith by a responsible financial or accounting Officer of the Company, and such pro forma calculations shall include (A)(x) the savings in cost of goods sold that would have resulted from using the Company's actual costs for comparable goods and services during the comparable period and (y) other savings in cost of goods sold or eliminations of selling, general and administrative expenses as determined by a responsible financial or accounting Officer of the Company in good faith in connection with the Company's consideration of such acquisition and consistent with the Company's experience in acquisitions of similar assets, less (B) the incremental expenses that would be included in cost of goods sold and selling, general and administrative expenses that would have been incurred by the Company in the operation of such acquired assets during such period. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest expense on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term as at the date of determination in excess of 12 months).

"Consolidated Interest Expense" means, for any period, the total interest expense (net of interest income) of the Company and its Consolidated Restricted Subsidiaries, plus, to the extent Incurred by the Company and its Restricted Subsidiaries in such period but not included in such interest expense, (i) interest expense attributable to Capitalized Lease Obligations and the interest expense attributable to leases constituting part of a Sale/Leaseback Transaction, (ii) amortization of debt discount, (iii) capitalized interest, (iv) non-cash interest expense, (v) commissions, discounts and other fees and charges attributable to letters of credit and bankers' acceptance financing, (vi) interest accruing on any Indebtedness of any other Person to the extent such Indebtedness is Guaranteed by the Company or any Restricted Subsidiary, (vii) net costs associated with Hedging Obligations (including amortization of fees), (viii) dividends in respect of all Preferred Stock of the Company and any of the Restricted Subsidiaries of the Company (other than pay in kind dividends and accretions to liquidation value) to the extent held by Persons other than the Company or a Wholly Owned Subsidiary, (ix) interest Incurred in connection with investments in discontinued operations and (x) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any Person (other than the Company) in connection with Indebtedness Incurred by such plan or trust, less, to the extent included in such total interest expense, the amortization during such period of capitalized financing costs. Notwithstanding anything to the contrary contained herein, interest expense, commissions, discounts, yield and other fees and charges Incurred in connection with any Qualified Receivables Transaction pursuant to which the Company or any Subsidiary may sell, convey or otherwise transfer or grant a security interest in any accounts receivable or related assets of the type specified in the definition of "Qualified Receivables Transaction" shall not be included in Consolidated Interest (Expense; provided) that any interest expense, commissions, discounts, yield and other fees and charges Incurred in connection with any receivables financing or securitization that

does not constitute a Qualified Receivables Transaction shall be included in Consolidated Interest Expense.

"Consolidated Net Income" means, for any period, the net income of the Company and its Consolidated Subsidiaries for such period; provided, however, that there shall not be included in such Consolidated Net Income:

(i) any net income of any Person (other than the Company) if such Person is not a Restricted Subsidiary, except that (A) subject to the limitations contained in clause (iv) below, the Company's equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution made to a Restricted Subsidiary, to the limitations contained in clause (iii) below) and (B) the Company's equity in a net loss of any such Person for such period shall be included in determining such Consolidated Net Income;

(ii) any net income (or loss) of any Person acquired by the Company or a Subsidiary in a pooling of interests transaction for any period prior to the date of such acquisition;

(iii) any net income (or loss) of any Restricted Subsidiary if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Company, except that (A) subject to the limitations contained in clause (iv) below, the Company's equity in the net income of any such Restricted Subsidiary for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash which could have been distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution made to another Restricted Subsidiary, to the limitation contained in this clause) and (B) the Company's equity in a net loss of any such Restricted Subsidiary for such period shall be included in determining such Consolidated Net Income;

(iv) any gain (or loss) realized upon the sale or other disposition of any asset of the Company or its Consolidated Subsidiaries (including pursuant to any Sale/Leaseback Transaction) that is not sold or otherwise disposed of in the ordinary course of business and any gain (or loss) realized upon the sale or other disposition of any Capital Stock of any Person;

(v) any extraordinary gain or loss;

(vi) the cumulative effect of a change in accounting principles; and

(vii) any expenses or charges paid to third parties related to any Equity Offering, Permitted Investment, acquisition, recapitalization or Indebtedness permitted to be Incurred by this Indenture (whether or not successful) (including such fees, expenses, or charges related to the Recapitalization).

Notwithstanding the foregoing, for the purposes of Section 4.04 only, there shall be excluded from Consolidated Net Income any dividends, repayments of loans or advances or other transfers of assets from Unrestricted Subsidiaries to the Company or a Restricted Subsidiary to the extent such dividends, repayments or transfers increase the amount of Restricted Payments permitted under such Section pursuant to clause (a)(3)(D) thereof.

"Consolidated Net Worth" means the total of the amounts shown on the balance sheet of the Company and its Restricted Subsidiaries, determined on a Consolidated basis, as of the end of the most recent fiscal quarter of the Company for which internal financial statements are available, as (i) the par or stated value of all outstanding Capital Stock of the Company plus (ii) paid-in capital or capital surplus relating to such Capital Stock plus (iii) any retained earnings or earned surplus less (A) any accumulated deficit and (B) any amounts attributable to Disqualified Stock.

"Consolidation" means the consolidation of the amounts of each of the Restricted Subsidiaries with those of the Company in accordance with GAAP consistently applied; provided, however, that "Consolidation" shall not include consolidation of the accounts of any Unrestricted Subsidiary, but the interest of the Company or any Restricted Subsidiary in an Unrestricted Subsidiary shall be accounted for as an investment. The term "Consolidated" has a correlative meaning.

"Credit Agreement" means the credit agreement dated as of June 5, 1998, as amended, waived or otherwise modified from time to time, among Holdings, the Company, WESCO Distribution -- Canada, Inc., certain financial institutions to be party thereto, The Chase Manhattan Bank, as U.S. administrative agent, syndication agent and U.S. collateral agent, The Chase Manhattan Bank of Canada, as Canadian administrative agent and Canadian collateral agent, and Lehman Commercial Paper Inc., as documentation agent.

"Credit Facilities" means, with respect to the Company, one or more debt facilities, or commercial paper facilities with banks or other institutional lenders or indentures providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against receivables), letters of credit or other long- term Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time.

"Currency Agreement" means with respect to any Person any foreign exchange contract, currency swap agreement or other similar agreement or arrangement to which such Person is a party or of which it is a beneficiary.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Designated Noncash Consideration" means the fair market value of noncash consideration received by the Company or any of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Noncash Consideration pursuant to an Officers' Certificate, setting forth the basis of such valuation, less the amount of cash or cash equivalents received in connection with a subsequent sale of such Designated Noncash Consideration.

"Designated Senior Indebtedness" of the Company means (i) the Bank Indebtedness and (ii) any other Senior Indebtedness of the Company that, at the date of determination, has an aggregate principal amount outstanding of, or under which, at the date of determination, the holders thereof are committed to lend up to at least $25.0 million and is specifically designated by the Company in the instrument evidencing or governing such Senior Indebtedness as "Designated Senior Indebtedness" for purposes of this Indenture. "Designated Senior Indebtedness" of Holdings has a correlative meaning.

"Disqualified Stock" means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable) or upon the happening of any event (i) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise, (ii) is convertible or exchangeable for Indebtedness or Disqualified Stock or (iii) is redeemable at the option of the holder thereof, in whole or in part, in each case on or prior to the 91st day following the Stated Maturity of the Notes; provided, however, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the first anniversary of the Stated Maturity of the Securities shall not constitute Disqualified Stock if the "asset sale" or "change of control" provisions applicable to such Capital Stock are not more favorable to the holders of such Capital Stock than the provisions of Sections 4.06 and 4.08.

"EBITDA" for any period means the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income: (i) income tax expense of the Company and its Consolidated Restricted Subsidiaries, (ii) Consolidated Interest Expense, (iii) depreciation expense of the Company and its Consolidated Restricted Subsidiaries, (iv) amortization expense of the Company and its Consolidated Restricted Subsidiaries (excluding amortization expense attributable to a prepaid cash item that was paid in a prior period), (v) all other non-cash charges of the Company and its Consolidated Restricted Subsidiaries (excluding any such non-cash charge to the extent it represents an accrual of or reserve for cash expenditures in any future period) in each case for such period and (vi) income attributable to discontinued operations. Notwithstanding the foregoing, the provision for taxes based on the income or profits of, and the depreciation and amortization and non-cash charges of, a Restricted Subsidiary of the Company shall be added to Consolidated Net Income to compute EBITDA only to the extent (and in the same proportion) that the net income of such Restricted Subsidiary was included in calculating Consolidated Net Income and only if a corresponding amount would be permitted at the date of determination to be dividended to the Company by such Restricted Subsidiary without prior approval (that has not been obtained), pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to such Restricted Subsidiary or its stockholders.

"Equity Offering" means a private sale or public offering of Capital Stock (other than Disqualified Stock) of the Company or Holdings.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Excluded Contribution" means the Net Cash Proceeds received by the Company from (a) contributions to its common equity capital and (b) the sale (other than to a Subsidiary or to any Company or Subsidiary management equity plan or stock option plan or any other management or employee benefit plan or agreement) of Capital Stock (other than Disqualified Stock) of the Company, in each case designated as Excluded Contributions pursuant to an Officers' Certificate executed by the principal executive officer and the principal financial officer of the Company on the date such capital contributions are made or the date such Capital Stock is sold.

"GAAP" means generally accepted accounting principles in the United States of America as in effect as of June 5, 1998, including those set forth in (i) the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants, (ii) statements and pronouncements of the Financial Accounting Standards Board, (iii) such other statements by such other entity as approved by a significant segment of the accounting profession and (iv) the rules and regulations of the SEC governing the inclusion of financial statements (including pro forma financial statements) in periodic reports required to be filed pursuant to Section 13 of the Exchange Act, including opinions and pronouncements in staff accounting bulletins and similar written statements from the accounting staff of the SEC. All ratios and computations based on GAAP contained in this Indenture shall be computed in conformity with GAAP.

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided, however, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning. The term "Guarantor" shall mean any Person Guaranteeing any obligation.

"Hedging Obligations" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement or Currency Agreement.

"Holdings Guarantee" means the Guarantee issued by Holdings of the obligations with respect to the Notes pursuant to the terms of this Indenture.

"Incur" means issue, assume, Guarantee, incur or otherwise become liable for; provided, however, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Subsidiary. The term "Incurrence" when used as a noun shall have a correlative meaning. The accretion of principal of a non-interest bearing or other discount security shall not be deemed the Incurrence of Indebtedness.

"Indebtedness" means, with respect to any Person on any date of determination (without duplication),

(i) the principal of and premium (if any) in respect of indebtedness of such Person for borrowed money;

(ii) the principal of and premium (if any) in respect of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(iii) all obligations of such Person in respect of letters of credit or other similar instruments (including reimbursement obligations with respect thereto) (other than obligations with respect to letters of credit securing obligations (other than obligations described in clauses (i), (ii), (iv) and (v) hereof) to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the 30th day following payment on the letter of credit so long as such letter of credit is entered into in the ordinary course of business);

(iv) all obligations of such Person to pay the deferred and unpaid purchase price of property or services (except Trade Payables), which purchase price is due more than six months after the date of placing such property in service or taking delivery and title thereto or the completion of such services;

(v) all Capitalized Lease Obligations and all Attributable Debt of such Person;

(vi) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any Subsidiary of such Person, any Preferred Stock (but excluding, in each case, any accrued dividends);

(vii) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided, however, that the amount of Indebtedness of such Person shall be the lesser of (A) the fair market value of such asset at such date of determination and (B) the amount of such Indebtedness of such other Persons;

(viii) to the extent not otherwise included in this definition, Hedging Obligations of such Person; and

(ix) all obligations of the type referred to in clauses (i) through (viii) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guarantee.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date; provided, however, that the amount outstanding at any time of any Indebtedness Incurred with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of

such Indebtedness at such time as determined in conformity with GAAP. Any "Qualified Receivables Transaction", whether or not such transfer constitutes a sale for the purposes of GAAP, shall not constitute Indebtedness hereunder; provided that any receivables financing or securitization that does not constitute a Qualified Receivables Transaction and does not qualify as a sale under GAAP shall constitute Indebtedness hereunder.

"Indenture" means this Indenture as amended or supplemented from time to time.

"Independent Financial Advisor" means an accounting, appraisal, investment banking firm or consultant of nationally recognized standing that is, in the good faith determination of the Company, qualified to perform the task for which it has been engaged.

"Interest Rate Agreement" means with respect to any Person any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement as to which such Person is party or a beneficiary.

"Investment" in any Person means any direct or indirect advance, loan (other than advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of the lender) or other extension of credit (including by way of Guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by such Person. For purposes of the definition of "Unrestricted Subsidiary" and Section 4.04, (i) "Investment" shall include the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets of any Subsidiary of the Company at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to (x) the Company's "Investment" in such Subsidiary at the time of such redesignation less (y) the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time of such redesignation; and (ii) any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors.

"Issue Date", with respect to any Initial Notes, means the date on which the Initial Notes are originally issued.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"Net Available Cash" from an Asset Disposition means cash payments received (including (a) any cash payments received upon the sale or other disposition of any Designated Noncash Consideration received in any Asset Disposition, (b) any cash proceeds received by way of deferred payment of principal pursuant to a note or

installment receivable or otherwise and (c) any cash proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of (i) all legal, title and recording tax expenses, commissions and other fees and expenses incurred (including, without limitation, all broker's and finder's fees and expenses, all investment banking fees and expenses, employee severance and termination costs, and trade payable and similar liabilities solely related to the assets sold or otherwise disposed of and required to be paid by the seller as a result thereof), and all Federal, state, provincial, foreign and local taxes required to be paid or accrued as a liability under GAAP, as a consequence of such Asset Disposition, (ii) all relocation expenses incurred as a result thereof, (iii) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon or other security agreement of any kind with respect to such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law be repaid out of the proceeds from such Asset Disposition, (iv) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Disposition and (v) appropriate amounts to be provided by the seller as a reserve, in accordance with GAAP, against any liabilities associated with the property or other assets disposed of in such Asset Disposition and retained by the Company or any Restricted Subsidiary after such Asset Disposition.

"Net Cash Proceeds", with respect to any issuance or sale of Capital Stock, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"Noteholder" or "Holder" means the Person in whose name a Note is registered on the Registrar's books.

"Notes" means the Notes issued under this Indenture.

"1998 Notes" means the $300,000,000 aggregate principal amount of the Company's 9-1/8% Senior Subordinated Notes due 2008 issued under the 1998 Notes Indenture.

"1998 Notes Indenture" means the indenture dated as of June 5, 1998, among the Company, Holdings and Bank One, N.A., as trustee, under which the 1998 Notes were issued.

"Officer" means the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Company.

"Officers' Certificate" means a certificate signed by two Officers.

"Opinion of Counsel" means a written opinion from legal counsel who is acceptable to the Trustee. The counsel may be an employee of or counsel to the Company or the Trustee.

"Permitted Holders" means (i) The Cypress Group L.L.C., Cypress Merchant Banking Partners L.P., Cypress Offshore Partners L.P., Chase Equity Associates, L.P., Co-Investment Partners, L.P. and any Person who on June 5, 1998 was an Affiliate of any of the foregoing; (ii) any Person who is a member of the senior management of the Company or Holdings and a stockholder of Holdings on June 5, 1998; and (iii) any Person acting in the capacity of an underwriter in connection with a public or private offering of the Company's or Holdings' Capital Stock.

"Permitted Investment" means an Investment by the Company or any Restricted Subsidiary in (i) the Company, a Restricted Subsidiary or a Person that will, upon the making of such Investment, become a Restricted Subsidiary; (ii) another Person if as a result of such Investment such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, the Company or a Restricted Subsidiary; (iii) Temporary Cash Investments; (iv) receivables owing to the Company or any Restricted Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; provided, however, that such trade terms may include such concessionary trade terms as the Company or any such Restricted Subsidiary deems reasonable under the circumstances; (v) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business; (vi) loans or advances to employees made in the ordinary course of business consistent with past practices of the Company or such Restricted Subsidiary and not exceeding $5.0 million in the aggregate outstanding at any one time; (vii) stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Company or any Restricted Subsidiary or in satisfaction of judgments; (viii) any Person to the extent such Investment represents the non-cash portion of the consideration received for an Asset Disposition that was made pursuant to and in compliance with Section 4.06; (ix) Investments made in connection with any Asset Disposition or other sale, lease, transfer or other disposition permitted under this Indenture; (x) a Receivables Entity or any Investment by a Receivables Entity in any other Person in connection with a Qualified Receivables Transaction, including Investments of funds held in accounts permitted or required by the arrangements governing such Qualified Receivables Transaction or any related Indebtedness; provided that any Investment in a Receivables Entity is in the form of a Purchase Money Note, contribution of additional receivables or an equity interest; (xi) Investments in a Related Business having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (xi) that are at that time outstanding (and not including any Investments outstanding on the Closing Date, but including Investments made on or after June 5, 1998 pursuant to clause (xi) of the definition of "Permitted Investment" in the 1998 Notes Indenture), not to exceed 5% of Adjusted Consolidated Assets at the time of such Investments (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value); and (xii) additional Investments in an aggregate amount which, together with all other Investments made pursuant to this clause that are then outstanding, does not exceed $10.0 million (provided that such amount shall be reduced by all outstanding Investments made pursuant to clause (xii) of the definition of "Permitted Investment" in the 1998 Notes Indenture prior to the Closing Date).

"Permitted Liens" means (a) Liens of the Company and its Restricted Subsidiaries securing Indebtedness of the Company or any of its Restricted Subsidiaries Incurred under the Credit Agreement or other Credit Facilities to the extent permitted to be Incurred under Section 4.03(b)(i) and (xiii); (b) Liens in favor of the Company or its Wholly Owned Restricted Subsidiaries; (c) Liens on property of a Person existing at the time such Person becomes a Restricted Subsidiary of the Company or is merged into or consolidated with the Company or any Restricted Subsidiary of the Company; provided that such Liens were not Incurred in connection with, or in contemplation of, such merger or consolidation and such Liens do not extend to or cover any property other than such property, improvements thereon and any proceeds therefrom; (d) Liens of the Company securing Indebtedness of the Company Incurred under Section 4.03(b)(v); (e) Liens of the Company and its Restricted Subsidiaries securing Indebtedness of the Company or any of its Restricted Subsidiaries (including under a Sale/Leaseback Transaction) permitted to be Incurred under Section 4.03(b)(vi), (vii) and (viii) so long as the Capital Stock, property (real or personal) or equipment to which such Lien attaches solely consists of the Capital Stock, property or equipment which is the subject of such acquisition, purchase, lease, improvement, Sale/Leaseback Transaction and additions and improvements thereto (and the proceeds therefrom); (f) Liens on property existing at the time of acquisition thereof by the Company or any Restricted Subsidiary of the Company; provided that such Liens were not Incurred in connection with, or in contemplation of, such acquisition and such Liens do not extend to or cover any property other than such property, additions and improvements thereon and any proceeds therefrom; (g) Liens Incurred or deposits made to secure the performance of tenders, bids, leases, statutory obligations, surety or appeal bonds, government contracts, performance and return of money bonds or other obligations of a like nature Incurred in the ordinary course of business; (h) Liens existing on June 5, 1998 and any additional Liens created under the terms of the agreements relating to such Liens existing on June 5, 1998; (i) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings; provided that any reserve or other appropriate provision as shall be required in conformity with GAAP shall have been made therefor; (j) Liens Incurred in the ordinary course of business of the Company or any Restricted Subsidiary with respect to obligations that do not exceed $20.0 million in the aggregate at any one time outstanding and that (1) are not Incurred in connection with or in contemplation of the borrowing of money or the obtaining of advances or credit (other than trade credit in the ordinary course of business) and (2) do not in the aggregate materially detract from the value of the property or materially impair the use thereof in the operation of the business by the Company or such Restricted Subsidiary; (k) statutory Liens of landlords and warehousemen's, carrier's, mechanics', suppliers', materialmen's, repairmen's or other like Liens (including contractual landlords' liens) arising in the ordinary course of business of the Company and its Restricted Subsidiaries; (l) Liens Incurred or deposits made in the ordinary course of business of the Company and its Restricted Subsidiaries in connection with workers' compensation, unemployment insurance and other types of social security; (m) easements, rights of way, restrictions, minor defects or irregularities in title and other similar charges or encumbrances not interfering in any material respect with the business of the Company or any of its Restricted Subsidiaries; (n) Liens securing reimbursement obligations with respect to letters of credit permitted under Section 4.03 which encumber only cash and marketable securities and documents and other property relating to such letters of credit and the products and proceeds thereof; (o) judgment and attachment Liens not giving rise to an Event of Default; (p) any interest or title of a lessor in the property subject to any Capitalized Lease Obligation permitted under Section 4.03; (q) Liens on accounts

receivable and related assets of the type specified in the definition of "Qualified Receivables Transaction" Incurred in connection with a Qualified Receivables Transaction; (r) Liens securing Refinancing Indebtedness to the extent such Liens do not extend to or cover any property of the Company not previously subjected to Liens relating to the Indebtedness being refinanced; or (s) Liens on pledges of the capital stock of any Unrestricted Subsidiary securing any Indebtedness of such Unrestricted Subsidiary.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Preferred Stock", as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) that is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"principal" of a Note means the principal of the Note plus the premium, if any, payable on the Note that is due or overdue or is to become due at the relevant time.

"Purchase Money Note" means a promissory note of a Receivables Entity evidencing a line of credit, which may be irrevocable, from the Company or any Subsidiary of the Company in connection with a Qualified Receivables Transaction to a Receivables Entity, which note (a) shall be repaid from cash available to the Receivables Entity, other than (i) amounts required to be established as reserves pursuant to agreements, (ii) amounts paid to investors in respect of interest, (iii) principal and other amounts owing to such investors and amounts owing to such investors, (iv) amounts required to pay expenses in connection with such Qualified Receivables Transaction and (v) amounts paid in connection with the purchase of newly generated receivables and (b) may be subordinated to the payments described in (a).

"Qualified Receivables Transaction" means any financing by the Company or any of its Subsidiaries of accounts receivable in any transaction or series of transactions that may be entered into by the Company or any of its Subsidiaries pursuant to which (a) the Company or any of its Subsidiaries sells, conveys or otherwise transfers to a Receivables Entity and (b) a Receivables Entity sells, conveys or otherwise transfers to any other Person or grants a security interest to any Person in, any accounts receivable (whether now existing or arising in the future) of the Company or any of its Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such accounts receivable, all contracts and all Guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable; provided that (i) the Board of Directors shall have determined in good faith that such Qualified Receivables Transaction is economically fair and reasonable to the Company and the Receivables Entity and (ii) all sales of accounts receivable and related assets to the Receivables Entity are made at fair market value (as determined in good faith by the Company). The grant of a security interest in any accounts receivable of the Company or any of its Restricted Subsidiaries to secure Bank Indebtedness shall not be deemed a Qualified Receivables Transaction.

"Receivables Entity" means any Wholly Owned Subsidiary of the Company (or another Person in which the Company or any Subsidiary of the Company makes an Investment and to which the Company or any Subsidiary of the Company transfers accounts receivable and related assets) (i) which engages in no activities other than in connection with the financing of accounts receivable, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, (ii) which is designated by the Board of Directors (as provided below) as a Receivables Entity and (iii) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (A) is Guaranteed by the Company or any other Subsidiary of the Company (excluding Guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (B) is recourse to or obligates the Company or any other Subsidiary of the Company in any way other than pursuant to Standard Securitization Undertakings or (C) subjects any property or asset of the Company or any other Subsidiary of the Company, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings. Any such designation by the Board of Directors shall be evidenced to the Trustee by filing with the Trustee a certified copy of the resolution of the Board of Directors giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing conditions.

"Refinance" means, in respect of any Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue other Indebtedness in exchange or replacement for, such Indebtedness. "Refinanced" and "Refinancing" shall have correlative meanings.

"Refinancing Indebtedness" means Indebtedness that is Incurred to refund, refinance, replace, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness of the Company or any Restricted Subsidiary existing on June 5, 1998 or Incurred in compliance with this Indenture (including Indebtedness of the Company that Refinances Refinancing Indebtedness); provided, however, that (i) the Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being Refinanced, (ii) the Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Average Life of the Indebtedness being refinanced and (iii) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being Refinanced (plus any accrued interest and premium thereon and reasonable expenses Incurred in connection therewith); provided further, however, that Refinancing Indebtedness shall not include (x) Indebtedness of a Restricted Subsidiary that Refinances Indebtedness of the Company or (y) Indebtedness of the Company or a Restricted Subsidiary that Refinances Indebtedness of an Unrestricted Subsidiary.

"Related Business" means any businesses of the Company and the Restricted Subsidiaries on June 5, 1998 and any business related, ancillary or complementary thereto.

"Representative" means the trustee, agent or representative (if any) for an issue of Senior Indebtedness of the Company.

"Restricted Subsidiary" means any Subsidiary of the Company other than an Unrestricted Subsidiary.

"Sale/Leaseback Transaction" means an arrangement relating to property now owned or hereafter acquired by the Company or a Restricted Subsidiary whereby the Company or a Restricted Subsidiary transfers such property to a Person and the Company or such Restricted Subsidiary leases it from such Person, other than leases between the Company and a Wholly Owned Subsidiary or between Wholly Owned Subsidiaries.

"SEC" means the Securities and Exchange Commission.

"Secured Indebtedness" means any Indebtedness of the Company secured by a Lien. "Secured Indebtedness" of Holdings has a correlative meaning.

"Securities Act" means the Securities Act of 1933, as amended.

"Senior Discount Notes" means the 11-1/8% senior discount notes due 2008 issued by Holdings under the indenture dated as of June 5, 1998 between Holdings and Bank One, N.A., as trustee.

"Senior Indebtedness" of the Company means the principal of, premium (if any) and accrued and unpaid interest on (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization of the Company, regardless of whether or not a claim for post-filing interest is allowed in such proceedings), and fees and all other amounts owing in respect of, Bank Indebtedness and all other Indebtedness of the Company, whether outstanding on the Closing Date or thereafter Incurred, unless in the instrument creating or evidencing the same or pursuant to which the same is outstanding it is provided that such obligations are not superior in right of payment to the Notes; provided, however, that Senior Indebtedness shall not include (i) any obligation of the Company to any Subsidiary, (ii) any liability for Federal, state, local or other taxes owed or owing by the Company, (iii) any accounts payable or other liability to trade creditors arising in the ordinary course of business (including Guarantees thereof or instruments evidencing such liabilities), (iv) any Indebtedness or obligation of the Company (and any accrued and unpaid interest in respect thereof) that by its terms is subordinate or junior in any respect to any other Indebtedness or obligation of the Company, including any Senior Subordinated Indebtedness of the Company and any Subordinated Obligations of the Company, (v) any payment obligations with respect to any Capital Stock or (vi) any Indebtedness Incurred in violation of this Indenture. "Senior Indebtedness" of Holdings has a correlative meaning.

"Senior Subordinated Indebtedness" of the Company means the 1998 Notes, the Notes and any other Indebtedness of the Company that specifically provides that such Indebtedness is to rank pari passu with the Notes in right of payment and is not subordinated by its terms in right of payment to any Indebtedness or other obligation of the Company which is not Senior Indebtedness. "Senior Subordinated Indebtedness" of Holdings has a correlative meaning.

"Significant Subsidiary" means any Restricted Subsidiary that would be a "Significant Subsidiary" of the Company within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC, but shall in no event include a Receivables Entity.

"Standard Securitization Undertakings" means representations, warranties, covenants and indemnities entered into by the Company or any Subsidiary of the Company which the Company has determined in good faith to be customary in an accounts receivable transaction including, without limitation, those relating to the servicing of the assets of a Receivables Entity.

"Stated Maturity" means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency beyond the control of the issuer unless such contingency has occurred).

"Subordinated Obligation" means any Indebtedness of the Company (whether outstanding on the Closing Date or thereafter Incurred) that is subordinate or junior in right of payment to the Notes pursuant to a written agreement. "Subordinated Obligation" of Holdings has a correlative meaning.

"Subsidiary" of any Person means any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Capital Stock or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by (i) such Person, (ii) such Person and one or more Subsidiaries of such Person or (iii) one or more Subsidiaries of such Person.

"Temporary Cash Investments" means any of the following: (i) any investment in direct obligations of the United States of America or any agency thereof or obligations Guaranteed by the United States of America or any agency thereof, (ii) investments in time deposit accounts, certificates of deposit and money market deposits maturing within one year of the date of acquisition thereof issued by a bank or trust company that is organized under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America having capital, surplus and undivided profits aggregating in excess of $100,000,000 (or the foreign currency equivalent thereof) and whose long-term debt is rated "A" (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) or any money market fund sponsored by a registered broker-dealer or mutual fund distributor, (iii) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (i) above entered into with a financial institution meeting the qualifications described in clause (ii) above, (iv) investments in commercial paper, maturing not more than one year after the date of acquisition, issued by a corporation (other than an Affiliate of the Company) organized and in existence under the laws of the United States of America or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of "P-1" (or higher) according to Moody's Investors Service, Inc. or "A-1" (or higher) according to Standard and Poor's Ratings Service, a division of The McGraw-Hill Companies, Inc. ("S&P"), and (v) investments in securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least "A" by S&P or "A" by Moody's Investors Service, Inc.

"TIA" means the Trust Indenture Act of 1939 (15 U.S.C. Sections 77aaa-77bbbb), as amended, as in effect on the date of this Indenture.

"Trade Payables" means, with respect to any Person, any accounts payable or any indebtedness or monetary obligation to trade creditors created, assumed or Guaranteed by such Person arising in the ordinary course of business in connection with the acquisition of goods or services.

"Treasury Rate" means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled by, and published in, the most recent Federal Reserve Statistical Release H.15 (519) which has become publicly available at least two Business Days prior to the date fixed for redemption of the Notes following a Change of Control (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to June 1, 2003; provided, however, that if the period from the redemption date to June 1, 2003 is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the redemption date to June 1, 2003 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

"Trust Officer" means the Chairman of the Board, the President or any other officer or assistant officer of the Trustee assigned by the Trustee to administer its corporate trust matters.

"Trustee" means the party named as such in this Indenture until a successor replaces it and, thereafter, means the successor.

"Uniform Commercial Code" means the New York Uniform Commercial Code as in effect from time to time.

"Unrestricted Subsidiary" means (i) any Subsidiary of the Company that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided below and (ii) any Subsidiary of an Unrestricted Subsidiary. The Board of Directors may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary of the Company) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Capital Stock or Indebtedness of, or owns or holds any Lien on any property of, the Company or any other Subsidiary of the Company that is not a Subsidiary of the Subsidiary to be so designated; provided, however, that either (A) the Subsidiary to be so designated has total Consolidated assets of $1,000 or less or (B) if such Subsidiary has Consolidated assets greater than $1,000, then such designation would be permitted under Section 4.04. The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided, however, that immediately after giving effect to such designation (x) the Company could Incur $1.00 of additional Indebtedness under Section 4.03(a) and (y) no Default shall have occurred and be continuing. Any such designation of a Subsidiary as a Restricted Subsidiary or Unrestricted Subsidiary by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors giving effect to such designation and an

Officers' Certificate certifying that such designation complied with the foregoing provisions.

"U.S. Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable or redeemable at the issuer's option.

"Voting Stock" of a Person means all classes of Capital Stock or other interests (including partnership interests) of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

"Wholly Owned Subsidiary" means a Restricted Subsidiary of the Company all the Capital Stock of which (other than directors' qualifying shares) is owned by the Company or another Wholly Owned Subsidiary.

SECTION 1.02. Other Definitions.

Term	Defined in Section
"Affiliate Transaction"	4.07
"Bankruptcy Law"	6.01
"Blockage Notice"	10.03
"Change of Control Offer"	4.08(b)
"covenant defeasance option"	8.01(b)
"Custodian"	6.01
"Event of Default"	6.01
"Guaranteed Obligations"	11.01
"legal defeasance option"	8.01(b)
"Legal Holiday"	13.08
"Offer"	4.06(b)
"Offer Amount"	4.06(c)(2)
"Offer Period"	4.06(c)(2)
"pay its Holdings Guarantee"	12.03
"pay the Notes"	10.03
"Paying Agent"	2.04
"Payment Blockage Period"	10.03
"protected purchaser"	2.08
"Purchase Date"	4.06(c)(1)
"Registrar"	2.04
"Restricted Payment"	4.04(b)
"Successor Company"	5.01

SECTION 1.03. Incorporation by Reference of Trust Indenture Act. This Indenture is subject to the mandatory provisions of the TIA, which are incorporated by

reference in and made a part of this Indenture. The following TIA terms have the following meanings:

"Commission" means the SEC.

"indenture securities" means the Notes and the Holdings Guarantee.

"indenture security holder" means a Noteholder.

"indenture to be qualified" means this Indenture.

"indenture trustee" or "institutional trustee" means the Trustee.

"obligor" on the indenture securities means the Company, Holdings and any other obligor on the indenture securities.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule have the meanings assigned to them by such definitions.

SECTION 1.04. Rules of Construction. Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(3) "or" is not exclusive;

(4) "including" means including without limitation;

(5) words in the singular include the plural and words in the plural include the singular;

(6) unsecured Indebtedness shall not be deemed to be subordinate or junior to Secured Indebtedness merely by virtue of its nature as unsecured Indebtedness;

(7) the principal amount of any noninterest bearing or other discount security at any date shall be the principal amount thereof that would be shown on a balance sheet of the issuer dated such date prepared in accordance with GAAP; and

(8) the principal amount of any Preferred Stock shall be (i) the maximum liquidation value of such Preferred Stock or (ii) the maximum mandatory redemption or mandatory repurchase price with respect to such Preferred Stock, whichever is greater.

ARTICLE 2

The Notes

SECTION 2.01. Amount of Notes; Issuable in Series. The aggregate principal amount of Notes which may be authenticated and delivered under this Indenture shall not be limited. The Notes may be issued in one or more series. All Notes of any one series shall be substantially identical except as to denomination.

With respect to any Additional Notes issued after the Closing Date (except for Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes pursuant to Section 2.07, 2.08, 2.09, 2.10 or 3.06 or the Appendix), there shall be (i) established in or pursuant to a resolution of the Board of Directors and (ii) (A) set forth or determined in the manner provided in an Officers' Certificate or (B) established in one or more indentures supplemental hereto, prior to the issuance of such Additional Notes:

(1) whether such Additional Notes shall be issued as part of a new or existing series of Notes and the title of such Additional Notes (which shall distinguish the Additional Notes of the series from Notes of any other series);

(2) the aggregate principal amount of such Additional Notes which may be authenticated and delivered under this Indenture, which may be in an unlimited aggregate principal amount;

(3) the issue price and issuance date of such Additional Notes, including the date from which interest on such Additional Notes shall accrue;

(4) if applicable, that such Additional Notes shall be issuable in whole or in part in the form of one or more Global Notes (as defined in the Appendix) and, in such case, the respective depositaries for such Global Notes, the form of any legend or legends which shall be borne by such Global Notes in addition to or in lieu of those set forth in Exhibit A hereto and any circumstances in addition to or in lieu of those set forth in Section 2.3 of the Appendix in which any such Global Note may be exchanged in whole or in part for Additional Notes registered, or any transfer of such Global Note in whole or in part may be registered, in the name or names of Persons other than the depositary for such Global Note or a nominee thereof; and

(5) if applicable, that such Additional Notes shall not be issued in the form of Initial Notes as set forth in Exhibit A, but shall be issued in the form of Exchange Notes as set forth in Exhibit B.

If any of the terms of any Additional Notes are established by action taken pursuant to a resolution of the Board of Directors, a copy of an appropriate record of such action shall be certified by the Secretary or any Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Officers' Certificate or the indenture supplemental hereto setting forth the terms of the Additional Notes.

SECTION 2.02. Form and Dating. Provisions relating to the Original Notes, the Additional Notes, the Private Exchange Notes and the Exchange Notes are set forth in the Appendix, which is hereby incorporated in and expressly made a part of this Indenture. The (i) Original Notes and the Trustee's certificate of authentication, (ii) Private Exchange Notes and the Trustee's certificate of authentication and (iii) any Additional Notes (if issued as Transfer Restricted Notes (as defined in the Appendix)) and the Trustee's certificate of authentication shall each be substantially in the form of Exhibit A hereto, which is hereby incorporated in and expressly made a part of this Indenture. The Exchange Notes and any Additional Notes issued other than as Transfer Restricted Notes and the Trustee's certificate of authentication shall each be substantially in the form of Exhibit B hereto, which is hereby incorporated in and expressly made a part of this Indenture. The Notes may have notations, legends or endorsements required by law, stock exchange rule, agreements to which the Company or Holdings is subject, if any, or usage (provided that any such notation, legend or endorsement is in a form acceptable to the Company). Each Note shall be dated the date of its authentication. The Notes shall be issued only in registered form without coupons and only in denominations of $1,000 and integral multiples thereof.

SECTION 2.03. Execution and Authentication. One or more Officers shall sign the Notes for the Company by manual or facsimile signature.

If an Officer whose signature is on a Note no longer holds that office at the time the Trustee authenticates the Note, the Note shall be valid nevertheless.

A Note shall not be valid until an authorized signatory of the Trustee manually signs the certificate of authentication on the Note. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee shall authenticate and make available for delivery Notes as set forth in the Appendix.

The Trustee may appoint an authenticating agent reasonably acceptable to the Company to authenticate the Notes. Any such appointment shall be evidenced by an instrument signed by a Trust Officer, a copy of which shall be furnished to the Company. Unless limited by the terms of such appointment, an authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as any Registrar, Paying Agent or agent for service of notices and demands.

SECTION 2.04. Registrar and Paying Agent. The Company shall maintain an office or agency where Notes may be presented for registration of transfer or for exchange (the "Registrar") and an office or agency where Notes may be presented for payment (the "Paying Agent"). The Registrar shall keep a register of the Notes and of their transfer and exchange. The Company may have one or more co-registrars and one or more additional paying agents. The term "Paying Agent" includes any additional paying agent, and the term "Registrar" includes any co-registrars. The Company initially appoints the Trustee as (i) Registrar and Paying Agent in connection with the Notes and (ii) the Custodian (as defined in the Appendix) with respect to the Global Notes.

The Company shall enter into an appropriate agency agreement with any Registrar or Paying Agent not a party to this Indenture, which shall incorporate the terms of the TIA. The agreement shall implement the provisions of this Indenture that relate to such agent. The Company shall notify the Trustee of the name and address of any such agent. If the Company fails to maintain a Registrar or Paying Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.07. The Company or any of its domestically organized Wholly Owned Subsidiaries may act as Paying Agent or Registrar.

The Company may remove any Registrar or Paying Agent upon written notice to such Registrar or Paying Agent and to the Trustee; provided, however, that no such removal shall become effective until (1) acceptance of an appointment by a successor as evidenced by an appropriate agreement entered into by the Company and such successor Registrar or Paying Agent, as the case may be, and delivered to the Trustee or (2) notification to the Trustee that the Trustee shall serve as Registrar or Paying Agent until the appointment of a successor in accordance with clause (1) above. The Registrar or Paying Agent may resign at any time upon written notice; provided, however, that the Trustee may resign as Paying Agent or Registrar only if the Trustee also resigns as Trustee in accordance with Section 7.08.

SECTION 2.05. Paying Agent To Hold Money in Trust. Prior to each due date of the principal and interest on any Note, the Company shall deposit with the Paying Agent (or if the Company or a Subsidiary is acting as Paying Agent, segregate and hold in trust for the benefit of the Persons entitled thereto) a sum sufficient to pay such principal and interest when so becoming due. The Company shall require each Paying Agent (other than the Trustee) to agree in writing that the Paying Agent shall hold in trust for the benefit of Noteholders or the Trustee all money held by the Paying Agent for the payment of principal of or interest on the Notes and shall notify the Trustee of any default by the Company in making any such payment. If the Company or a Subsidiary of the Company acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed by the Paying Agent. Upon complying with this Section, the Paying Agent shall have no further liability for the money delivered to the Trustee.

SECTION 2.06. Noteholder Lists. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Noteholders. If the Trustee is not the Registrar, the Company shall furnish, or cause the Registrar to furnish, to the Trustee, in writing at least five Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Noteholders.

SECTION 2.07. Transfer and Exchange. The Notes shall be issued in registered form and shall be transferable only upon the surrender of a Note for registration of transfer and in compliance with the Appendix. When a Note is presented to the Registrar with a request to register a transfer, the Registrar shall register the transfer as requested if the requirements of Section 8-401(a)(l) of the Uniform Commercial Code are met. When Notes are presented to the Registrar with a request to exchange them for an equal principal amount of Notes of other denominations, the Registrar shall make the exchange as requested if the same requirements are met. To permit registration of

transfers and exchanges, the Company shall execute and the Trustee shall authenticate Notes at the Registrar's request. The Company may require payment of a sum sufficient to pay all taxes, assessments or other governmental charges in connection with any transfer or exchange pursuant to this Section. The Company shall not be required to make and the Registrar need not register transfers or exchanges of Notes selected for redemption (except, in the case of Notes to be redeemed in part, the portion thereof not to be redeemed) or any Notes for a period of 15 days before a selection of Notes to be redeemed.

Prior to the due presentation for registration of transfer of any Note, the Company, Holdings, the Trustee, the Paying Agent, and the Registrar may deem and treat the Person in whose name a Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest, if any, on such Note and for all other purposes whatsoever, whether or not such Note is overdue, and none of the Company, Holdings, the Trustee, the Paying Agent, or the Registrar shall be affected by notice to the contrary.

Any Holder of a Global Note shall, by acceptance of such Global Note, agree that transfers of beneficial interest in such Global Note may be effected only through a book-entry system maintained by (i) the Noteholder of such Global Note (or its agent) or (ii) any Noteholder of a beneficial interest in such Global Note, and that ownership of a beneficial interest in such Global Note shall be required to be reflected in a book entry.

All Notes issued upon any transfer or exchange pursuant to the terms of this Indenture will evidence the same debt and will be entitled to the same benefits under this Indenture as the Notes surrendered upon such transfer or exchange.

SECTION 2.08. Replacement Notes. If a mutilated Note is surrendered to the Registrar or if the Noteholder of a Note claims that the Note has been lost, destroyed or wrongfully taken, the Company shall issue and the Trustee shall authenticate a replacement Note if the requirements of Section 8-405 of the Uniform Commercial Code are met, such that the Noteholder (i) satisfies the Company or the Trustee within a reasonable time after he has notice of such loss, destruction or wrongful taking and the Registrar does not register a transfer prior to receiving such notification, (ii) makes such request to the Company or the Trustee prior to the Note being acquired by a protected purchaser as defined in Section 8-303 of the Uniform Commercial Code (a "protected purchaser") and (iii) satisfies any other reasonable requirements of the Trustee. If required by the Trustee or the Company, such Noteholder shall furnish an indemnity bond sufficient in the judgment of the Trustee to protect the Company, the Trustee, the Paying Agent and the Registrar from any loss that any of them may suffer if a Note is replaced. The Company and the Trustee may charge the Noteholder for their expenses in replacing a Note. In the event any such mutilated, lost, destroyed or wrongfully taken Note has become or is about to become due and payable, the Company in its discretion may pay such Note instead of issuing a new Note in replacement thereof.

Every replacement Note is an additional obligation of the Company.

The provisions of this Section 2.08 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, lost, destroyed or wrongfully taken Notes.

SECTION 2.09. Outstanding Notes. Notes outstanding at any time are all Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancelation and those described in this Section as not outstanding. A Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Note.

If a Note is replaced pursuant to Section 2.08, it ceases to be outstanding unless the Trustee and the Company receive proof satisfactory to them that the replaced Note is held by a protected purchaser.

If the Paying Agent segregates and holds in trust, in accordance with this Indenture, on a redemption date or maturity date money sufficient to pay all principal and interest payable on that date with respect to the Notes (or portions thereof) to be redeemed or maturing, as the case may be, and the Paying Agent is not prohibited from paying such money to the Noteholders on that date pursuant to the terms of this Indenture, then on and after that date such Notes (or portions thereof) cease to be outstanding and interest on them ceases to accrue.

SECTION 2.10. Temporary Notes. In the event that Definitive Notes (as defined in the Appendix) are to be issued under the terms of this Indenture, until such Definitive Notes are ready for delivery, the Company may prepare and the Trustee shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of Definitive Notes but may have variations that the Company considers appropriate for temporary Notes. Without unreasonable delay, the Company shall prepare and the Trustee shall authenticate Definitive Notes and deliver them in exchange for temporary Notes upon surrender of such temporary Notes at the office or agency of the Company, without charge to the Noteholder.

SECTION 2.11. Cancelation. The Company at any time may deliver Notes to the Trustee for cancelation. The Registrar and the Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment or cancelation and deliver canceled Notes to the Company pursuant to written direction by an Officer. The Company may not issue new Notes to replace Notes it has redeemed, paid or delivered to the Trustee for cancelation. The Trustee shall not authenticate Notes in place of canceled Notes other than pursuant to the terms of this Indenture.

SECTION 2.12. Defaulted Interest. If the Company defaults in a payment of interest on the Notes, the Company shall pay the defaulted interest (plus interest on such defaulted interest at the rate of 9 1/8% per annum to the extent lawful) in any lawful manner. The Company may pay the defaulted interest to the Persons who are Noteholders on a subsequent special record date. The Company shall fix or cause to be fixed any such special record date and payment date to the reasonable satisfaction of the Trustee and shall promptly mail or cause to be mailed to each Noteholder a notice that states the special record date, the payment date and the amount of defaulted interest to be paid.

SECTION 2.13. CUSIP and ISIN Numbers. The Company in issuing the Notes may use "CUSIP" and "ISIN" numbers (if then generally in use) and, if so, the Trustee shall use "CUSIP" and "ISIN" numbers in notices of redemption as a convenience

to Noteholders; provided, however, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers.

ARTICLE 3

Redemption

SECTION 3.01. Notices to Trustee. If the Company elects to redeem Notes pursuant to paragraph 5 of the Notes, it shall notify the Trustee in writing of the redemption date and the principal amount of Notes to be redeemed.

The Company shall give each notice to the Trustee provided for in this Section at least 60 days before the redemption date unless the Trustee consents to a shorter period. Such notice shall be accompanied by an Officers' Certificate and an Opinion of Counsel from the Company to the effect that such redemption will comply with the conditions herein. If fewer than all the Notes are to be redeemed, the record date relating to such redemption shall be selected by the Company and given to the Trustee, which record date shall be not fewer than 15 days after the date of notice to the Trustee. Any such notice may be canceled at any time prior to notice of such redemption being mailed to any Noteholder and shall thereby be void and of no effect.

SECTION 3.02. Selection of Notes To Be Redeemed. If fewer than all the Notes are to be redeemed, the Trustee shall select the Notes to be redeemed pro rata or by lot. The Trustee shall make the selection from outstanding Notes not previously called for redemption. The Trustee may select for redemption portions of the principal of Notes that have denominations larger than $1,000. Notes and portions of them the Trustee selects shall be in amounts of $1,000 or a whole multiple of $1,000. Provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption. The Trustee shall notify the Company promptly of the Notes or portions of Notes to be redeemed.

SECTION 3.03. Notice of Redemption. At least 30 days but not more than 60 days before a date for redemption of Notes, the Company shall mail a notice of redemption by first-class mail to each Noteholder of Notes to be redeemed at such Noteholder's registered address.

The notice shall identify the Notes to be redeemed and shall state:

(1) the redemption date;

(2) the redemption price and the amount of accrued interest to the redemption date;

(3) the name and address of the Paying Agent;

(4) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(5) if fewer than all the outstanding Notes are to be redeemed, the certificate numbers and principal amounts of the particular Notes to be redeemed;

(6) that, unless the Company defaults in making such redemption payment or the Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture, interest on Notes (or portion thereof) called for redemption ceases to accrue on and after the redemption date;

(7) the CUSIP or ISIN number, if any, printed on the Notes being redeemed;

(8) that no representation is made as to the correctness or accuracy of the CUSIP number or ISIN number, if any, listed in such notice or printed on the Notes; and

(9) if applicable, that a Change of Control has occurred and the circumstances and relevant facts regarding such Change of Control.

At the Company's request, the Trustee shall give the notice of redemption in the Company's name and at the Company's expense. In such event, the Company shall provide the Trustee with the information required by this Section.

SECTION 3.04. Effect of Notice of Redemption. Once notice of redemption is mailed, Notes called for redemption become due and payable on the redemption date and at the redemption price stated in the notice. Upon surrender to the Paying Agent, such Notes shall be paid at the redemption price stated in the notice, plus accrued interest, if any, to the redemption date; provided, however, that if the redemption date is after a regular record date and on or prior to the interest payment date, the accrued interest shall be payable to the Noteholder of the redeemed Notes registered on the relevant record date. Failure to give notice or any defect in the notice to any Noteholder shall not affect the validity of the notice to any other Noteholder.

SECTION 3.05. Deposit of Redemption Price. Prior to 10:00 a.m. on the redemption date, the Company shall deposit with the Paying Agent (or, if the Company or a Subsidiary is the Paying Agent, shall segregate and hold in trust) money sufficient to pay the redemption price of and accrued interest on all Notes to be redeemed on that date other than Notes or portions of Notes called for redemption that have been delivered by the Company to the Trustee for cancelation.

SECTION 3.06. Notes Redeemed in Part. Upon surrender of a Note that is redeemed in part, the Company shall execute and the Trustee shall authenticate for the Noteholder (at the Company's expense) a new Note equal in principal amount to the unredeemed portion of the Note surrendered.

ARTICLE 4

Covenants

SECTION 4.01. Payment of Notes. The Company shall promptly pay the principal of and interest on the Notes on the dates and in the manner provided in the

Notes and in this Indenture. Principal and interest shall be considered paid on the date due if on such date the Trustee or the Paying Agent holds in accordance with this Indenture money sufficient to pay all principal and interest then due and the Trustee or the Paying Agent, as the case may be, is not prohibited from paying such money to the Noteholders on that date pursuant to the terms of this Indenture.

The Company shall pay interest on overdue principal at the rate specified therefor in the Notes, and it shall pay interest on overdue installments of interest at the same rate to the extent lawful.

SECTION 4.02. SEC Reports. Holdings shall continue to file with the SEC and provide the Trustee and any Noteholder or prospective Noteholder (upon the request of such Noteholder or prospective Noteholder) with such annual reports and such information, documents and other reports as are specified in Sections 13 and 15(d) of the Exchange Act and applicable to a U.S. corporation subject to such Sections, such information, documents and other reports to be so filed and provided at the times specified for the filing of such information, documents and reports under such Sections.

SECTION 4.03. Limitation on Indebtedness. (a) The Company shall not, and shall not permit any Restricted Subsidiary to, Incur, directly or indirectly, any Indebtedness; provided, however, that the Company may Incur Indebtedness if on the date of such Incurrence and after giving effect thereto the Consolidated Coverage Ratio would be greater than 2.00:1.00.

(b) Notwithstanding Section 4.03(a), the Company and its Restricted Subsidiaries may Incur the following Indebtedness:

(i) Indebtedness Incurred pursuant to the Credit Agreement or any other Credit Facility in an aggregate principal amount at any time outstanding not to exceed $400 million;

(ii) Indebtedness of the Company owed to and held by any Wholly Owned Subsidiary or Indebtedness of a Restricted Subsidiary owed to and held by the Company or any Wholly Owned Subsidiary; provided, however, that (A) any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Wholly Owned Subsidiary ceasing to be a Wholly Owned Subsidiary or any subsequent transfer of any such Indebtedness (except to the Company or a Wholly Owned Subsidiary) shall be deemed, in each case, to constitute the Incurrence of such Indebtedness by the issuer thereof and (B) if the Company is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations with respect to the Notes;

(iii) Indebtedness (A) represented by the Notes (not including any Additional Notes) and the 1998 Notes, (B) outstanding on June 5, 1998 (other than the Indebtedness described in clauses (i) and (ii) above and Indebtedness Incurred prior to the Closing Date and outstanding pursuant to Section 4.03(a) of the 1998 Notes Indenture), (C) consisting of Refinancing Indebtedness Incurred in respect of any Indebtedness described in this clause (iii) (including Indebtedness that Refinances any Refinancing Indebtedness) or Section 4.03(a) and (D) consisting of Guarantees of any Indebtedness permitted under clauses (i) and (ii) of this paragraph (b);

(iv) (A) Indebtedness of a Restricted Subsidiary Incurred and outstanding on or prior to the date on which such Restricted Subsidiary was acquired by the Company (other than Indebtedness Incurred as consideration in, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Subsidiary of or was otherwise acquired by the Company); provided, however, if the aggregate amount of all such Indebtedness of all such Restricted Subsidiaries would exceed $20 million, that on the date that such Restricted Subsidiary is acquired by the Company, the Company would have been able to Incur $1.00 of additional Indebtedness pursuant to Section 4.03(a) after giving effect to the Incurrence of such Indebtedness pursuant to this clause (iv) and (B) Refinancing Indebtedness Incurred by a Restricted Subsidiary in respect of Indebtedness Incurred by such Restricted Subsidiary pursuant to this clause (iv);

(v) Indebtedness (A) in respect of performance bonds, bankers' acceptances, letters of credit and surety or appeal bonds provided by the Company and the Restricted Subsidiaries in the ordinary course of their business, and (B) under Hedging Obligations consisting of Interest Rate Agreements directly related (as determined in good faith by the Company) to Indebtedness permitted to be Incurred by the Company and its Restricted Subsidiaries pursuant to this Indenture and Currency Agreements Incurred in the ordinary course of business;

(vi) Indebtedness Incurred by the Company or any Restricted Subsidiary (including Capitalized Lease Obligations) financing the purchase, lease or improvement of property (real or personal) or equipment (whether through the direct purchase of assets or the Capital Stock of the Person owning such assets), in each case Incurred no more than 180 days after such purchase, lease or improvement of such property and any Refinancing Indebtedness in respect of such Indebtedness; provided, however, that at the time of the Incurrence of such Indebtedness and after giving effect thereto, the aggregate principal amount of all such Indebtedness incurred pursuant to this clause (vi) (or, prior to the Closing Date, pursuant to Section 4.03(vi) of the 1998 Notes Indenture) and then outstanding shall not exceed the greater of $25.0 million and 5% of Adjusted Consolidated Assets;

(vii) Indebtedness Incurred by the Company in connection with the acquisition of a Related Business and any Refinancing Indebtedness in respect of such Indebtedness; provided, however, that the aggregate amount of all such Indebtedness Incurred and outstanding pursuant to this clause (vii) (or, prior to the Closing Date, pursuant to Section 4.03(vii) of the 1998 Notes Indenture) shall not exceed $50.0 million at any one time;

(viii) Attributable Debt Incurred by the Company in respect of Sale/Leaseback Transactions; provided, however, that the aggregate amount of any such Attributable Debt Incurred and outstanding pursuant to this clause (viii) (or, prior to the Closing Date, pursuant to Section 4.03(viii) of the 1998 Notes Indenture) shall not exceed $75.0 million at any one time;

(ix) Indebtedness arising from agreements of the Company or a Restricted Subsidiary providing for indemnification, purchase price adjustment or similar

obligations, in each case, Incurred or assumed in connection with the disposition of any business, assets or a Subsidiary, other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition; provided, however, that the maximum assumable liability in respect of all such Indebtedness shall at no time exceed the gross proceeds actually received by the Company and its Restricted Subsidiaries in connection with such disposition;

(x) any Guarantee by the Company of Indebtedness or other obligations of any of its Restricted Subsidiaries so long as the Incurrence of such Indebtedness Incurred by such Restricted Subsidiary is permitted under the terms of this Indenture;

(xi) Indebtedness arising from Guarantees to suppliers, lessors, licensees, contractors, franchisees or customers Incurred in the ordinary course of business;

(xii) Indebtedness Incurred by a Receivables Entity in a Qualified Receivables Transaction that is not recourse to the Company or any other Restricted Subsidiary of the Company (except for Standard Securitization Undertakings); and

(xiii) Indebtedness (other than Indebtedness permitted to be Incurred pursuant to Section 4.03(a) or any other clause of this Section 4.03(b)) in an aggregate principal amount on the date of Incurrence that, when added to all other Indebtedness Incurred pursuant to this clause (xiii) (or, prior to the Closing Date, pursuant to Section 4.03(xiii) of the 1998 Notes Indenture) and then outstanding, shall not exceed $50.0 million.

(c) The Company shall not Incur any Indebtedness if such Indebtedness is subordinate or junior in ranking in any respect to any Senior Indebtedness of the Company unless such Indebtedness is Senior Subordinated Indebtedness of the Company or is expressly subordinated in right of payment to Senior Subordinated Indebtedness of the Company.

(d) Notwithstanding any other provision of this Section 4.03, the maximum amount of Indebtedness that the Company or any Restricted Subsidiary may Incur pursuant to this Section shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rates of currencies. For purposes of determining the outstanding principal amount of any particular Indebtedness Incurred pursuant to this Section 4.03, (i) Indebtedness permitted by this Section 4.03 need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this Section permitting such Indebtedness and (ii) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in this Section, the Company, in its sole discretion, shall classify or reclassify such Indebtedness and only be required to include the amount of such Indebtedness in one of such clauses.

SECTION 4.04. Limitation on Restricted Payments. (a) The Company shall not, and shall not permit any Restricted Subsidiary, directly or indirectly, to (i) declare or pay any dividend or make any distribution on or in respect of its Capital Stock (including any payment in connection with any merger or consolidation involving

the Company) or similar payment to the direct or indirect holders of its Capital Stock except dividends or distributions payable solely in its Capital Stock (other than Disqualified Stock) and except dividends or distributions payable to the Company or another Restricted Subsidiary (and, if such Restricted Subsidiary has equity holders other than the Company or other Restricted Subsidiaries, to its other equity holders on a pro rata basis), (ii) purchase, redeem, retire or otherwise acquire for value any Capital Stock of Holdings, the Company or any Restricted Subsidiary held by Persons other than the Company or another Restricted Subsidiary, (iii) purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment any Subordinated Obligations of the Company (other than the purchase, repurchase or other acquisition of Subordinated Obligations of the Company purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of acquisition) or (iv) make any Investment (other than a Permitted Investment) in any Person (any such dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Investment being herein referred to as a "Restricted Payment") if at the time the Company or such Restricted Subsidiary makes such Restricted Payment:

(1) a Default shall have occurred and be continuing (or would result therefrom);

(2) the Company could not Incur at least $1.00 of additional Indebtedness under Section 4.03(a); or

(3) the aggregate amount of such Restricted Payment and all other Restricted Payments (the amount so expended, if other than in cash, to be determined in good faith by the Board of Directors, whose determination shall be conclusive and evidenced by a resolution of the Board of Directors) declared or made subsequent to June 5, 1998 would exceed the sum of:

(A) 50% of the Consolidated Net Income accrued during the period (treated as one accounting period) from the beginning of the fiscal quarter beginning July 1, 1998 to the end of the most recent fiscal quarter for which internal financial statements are available prior to the date of such Restricted Payment (or, in case such Consolidated Net Income will be a deficit, minus 100% of such deficit);

(B) the aggregate Net Cash Proceeds or fair market value of assets or property received by the Company as a contribution to its equity capital or from the issue or sale of its Capital Stock (in each case other than Disqualified Stock and Excluded Contributions) subsequent to June 5, 1998 (other than an issuance or sale to (x) a Subsidiary of the Company or (y) an employee stock ownership plan or other trust established by the Company or any of its Subsidiaries);

(C) the amount by which Indebtedness or Disqualified Stock of the Company or its Restricted Subsidiaries is reduced on the Company's balance sheet upon the conversion or exchange (other than by a Subsidiary of the Company) subsequent to June 5, 1998 of any Indebtedness or Disqualified Stock of the Company or its Restricted Subsidiaries issued after June 5, 1998, for Capital Stock (other than Disqualified Stock) of the

Company (less the amount of any cash or the fair market value of other property distributed by the Company or any Restricted Subsidiary upon such conversion or exchange); and

(D) the amount equal to the net reduction in Investments in any Person (other than a Restricted Subsidiary) since June 5, 1998 resulting from (i) payments of dividends, repayments of the principal of loans or advances or other transfers of assets to the Company or any Restricted Subsidiary from such Person, (ii) the sale or liquidation for cash of such Investment or (iii) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued in each case as provided in the definition of "Investment") not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by the Company or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount was included in the calculation of the amount of Restricted Payments.

(b) The provisions of Section 4.04(a) shall not prohibit:

(i) any Restricted Payment made by exchange for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of the Company (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary of the Company or an employee stock ownership plan or other trust established by the Company or any of its Subsidiaries); provided, however, that (A) such Restricted Payment shall be excluded in the calculation of the amount of Restricted Payments and (B) the Net Cash Proceeds from such sale applied in the manner set forth in this clause (i) shall be excluded from the calculation of amounts under Section 4.04(a)(3)(B);

(ii) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Obligations of the Company made by exchange for, or out of the proceeds of the substantially concurrent sale of, Indebtedness of the Company that is permitted to be Incurred pursuant to Section 4.03(b); provided, however, that such purchase, repurchase, redemption, defeasance or other acquisition or retirement for value shall be excluded in the calculation of the amount of Restricted Payments;

(iii) any purchase or redemption of Subordinated Obligations of the Company from Net Available Cash to the extent permitted by Section 4.06; provided, however, that such purchase or redemption shall be excluded in the calculation of the amount of Restricted Payments;

(iv) dividends paid within 60 days after the date of declaration thereof if at such date of declaration such dividend would have complied with Section 4.04(a); provided, however, that such dividend shall be included in the calculation of the amount of Restricted Payments;

(v) any Restricted Payment made for the repurchase, redemption or other acquisition or retirement for value of any Capital Stock of Holdings, the Company or any of their respective Subsidiaries held by any employee, former employee, director or former director of Holdings, the Company or any of their respective Subsidiaries (and any permitted transferees thereof) pursuant to any equity

subscription agreement, stock option agreement or plan or other similar agreement; provided, however, that the aggregate amount of such Restricted Payments shall not exceed $5.0 million in any calendar year and $20.0 million in the aggregate, in each case since June 5, 1998; provided further, however, that such Restricted Payments shall be included in the calculation of the amount of Restricted Payments;

(vi) payment of dividends, other distributions or other amounts by the Company for the purposes set forth in clauses (A) through (E) below; provided, however, that such dividend, distribution or amount shall be excluded in the calculation of the amount of Restricted Payments:

(A) to Holdings in amounts equal to the amounts required for Holdings to pay franchise taxes and other fees required to maintain its corporate existence and provide for other operating costs of up to $2.0 million per calendar year;

(B) to Holdings in amounts equal to amounts required for Holdings to pay Federal, state and local income taxes that are then actually due and owing by Holdings to the extent such items relate to the Company and its Subsidiaries;

(C) to Holdings to permit Holdings to pay financial advisory, financing, underwriting or placement fees to [Cypress] and its Affiliates;

(D) to Holdings to permit Holdings to pay any employment, noncompetition, compensation or confidentiality arrangements entered into with its employees in the ordinary course of business to the extent such employees are primarily engaged in activities which relate to the Company and its Subsidiaries; and

(E) to Holdings to permit Holdings to pay customary fees and indemnities to directors and officers of Holdings to the extent such directors and officers are primarily engaged in activities which relate to the Company and its Subsidiaries;

(vii) following the initial Equity Offering by Holdings, any payment of dividends or common stock buybacks by the Company in an aggregate amount in any year not to exceed 6% of the aggregate Net Cash Proceeds actually received by the Company in connection with such initial Equity Offering and any subsequent Equity Offering by the Company or Holdings; provided, however, that no Default or Event of Default shall have occurred and be continuing immediately before or after any such payment; provided further, however, that such dividends or common stock buybacks shall be included in the calculation of the amount of Restricted Payments;

(viii) any repurchase of Capital Stock deemed to occur upon exercise of stock options if such Capital Stock represents a portion of the exercise price of such option; provided, however, that such repurchase shall be included in the calculation of the amount of Restricted Payments;

(ix) the payment of any dividend or the making of any distribution to Holdings in amounts sufficient to permit Holdings (A) to pay interest when due on the Senior Discount Notes and (B) to make any mandatory redemptions, repurchases or principal or accreted value payments in respect of the Senior Discount Notes; provided, however, that such payments, dividends and distributions shall be excluded in the calculation of the amount of Restricted Payments;

(x) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of the Company issued in accordance with Section 4.03(b) to the extent such dividends are included in the definition of Consolidated Interest Expense; provided, however, that such dividends shall be included in the calculation of the amount of Restricted Payments;

(xi) Investments made with Excluded Contributions; provided, however, that such Investments shall be excluded in the calculation of the amount of Restricted Payments;

(xii) any Restricted Payment made to fund the Recapitalization (including fees and expenses); provided, however, that such Restricted Payment shall be excluded in the calculation of the amount of Restricted Payments; or

(xiii) other Restricted Payments in an aggregate amount not to exceed $10.0 million since June 5, 1998; provided, however, that such payments shall be included in the calculation of the amount of Restricted Payments.

SECTION 4.05. Limitation on Restrictions on Distributions from Restricted Subsidiaries. The Company shall not, and shall not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (i) pay dividends or make any other distributions on its Capital Stock or pay any Indebtedness or other obligations owed to the Company, (ii) make any loans or advances to the Company or (iii) transfer any of its property or assets to the Company, except:

(1) any encumbrance or restriction pursuant to an agreement in effect at or entered into on June 5, 1998;

(2) any encumbrance or restriction with respect to a Restricted Subsidiary pursuant to an agreement relating to any Indebtedness Incurred by such Restricted Subsidiary on or prior to the date on which such Restricted Subsidiary was acquired by the Company (other than Indebtedness Incurred as consideration in, in contemplation of, or to provide all or any portion of the funds or credit support utilized to consummate the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Restricted Subsidiary or was otherwise acquired by the Company) and outstanding on such date;

(3) any encumbrance or restriction pursuant to an agreement effecting a Refinancing of Indebtedness Incurred pursuant to an agreement referred to in clause (1) or (2) of this Section 4.05 or this clause (3) or contained in any amendment to an agreement referred to in clause (1) or (2) of this Section 4.05 or this clause (3); provided, however, that the encumbrances and restrictions

contained in any such Refinancing agreement or amendment are no less favorable to the Noteholders than the encumbrances and restrictions contained in such predecessor agreements;

(4) in the case of clause (iii), any encumbrance or restriction (A) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, (B) contained in security agreements or mortgages securing Indebtedness of a Restricted Subsidiary to the extent such encumbrance or restriction restricts the transfer of the property subject to such security agreements or mortgages or (C) in connection with purchase money obligations for property acquired in the ordinary course of business;

(5) with respect to a Restricted Subsidiary, any restriction imposed pursuant to an agreement entered into for the sale or disposition of all or substantially all the Capital Stock or assets of such Restricted Subsidiary pending the closing of such sale or disposition;

(6) any encumbrance or restriction of a Receivables Entity effected in connection with a Qualified Receivables Transaction; provided, however, that such restrictions apply only to such Receivables Entity; and

(7) any encumbrance or restriction existing pursuant to other Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to Section 4.03; provided, however, that any such encumbrance or restrictions are ordinary and customary with respect to the type of Indebtedness being Incurred (under the relevant circumstances).

SECTION 4.06. Limitation on Sales of Assets and Subsidiary Stock. (a) The Company shall not, and shall not permit any Restricted Subsidiary to, make any Asset Disposition unless (i) the Company or such Restricted Subsidiary receives consideration (including by way of relief from, or by any other Person assuming sole responsibility for, any liabilities, contingent or otherwise) at the time of such Asset Disposition at least equal to the fair market value (as determined in good faith by the Company) of the shares and assets subject to such Asset Disposition, (ii) at least 75% of the consideration thereof received by the Company or such Restricted Subsidiary is in the form of cash or cash equivalents (provided that the amount of (w) any liabilities (as shown on the Company's or such Restricted Subsidiary's most recent balance sheet or in the notes thereto) of the Company or any Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Notes) that are assumed by the transferee of any such assets without recourse to the Company or any of the Restricted Subsidiaries, (x) any notes or other obligations received by the Company or such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash (to the extent of the cash received) within 180 days following the closing of such Asset Disposition, (y) any Designated Noncash Consideration received by the Company or any of its Restricted Subsidiaries in such Asset Disposition having an aggregate fair market value, taken together with all other Designated Noncash Consideration received pursuant to this clause (y) and Section 4.06(a)(ii)(y) of the 1998 Notes Indenture that is at that time outstanding, not to exceed 5% of Adjusted Consolidated Assets at the time of the receipt of such Designated Noncash Consideration (with the fair market value of each item of Designated Noncash Consideration being

measured at the time received and without giving effect to subsequent changes in value) and (z) any assets received in exchange for assets related to a Related Business of comparable market value in the good faith determination of the Board of Directors shall be deemed to be cash for purposes of this provision) and (iii) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Company (or such Restricted Subsidiary, as the case may be) (A) first, to the extent the Company elects (or is required by the terms of any Indebtedness), to prepay, repay, redeem or purchase Senior Indebtedness of the Company or Indebtedness (other than any Disqualified Stock and other than any Preferred Stock) of a Wholly Owned Subsidiary (in each case other than Indebtedness owed to the Company or an Affiliate of the Company) within 365 days after the later of the date of such Asset Disposition or the receipt of such Net Available Cash; (B) second, to the extent of the balance of Net Available Cash after application in accordance with clause (A), to the extent the Company or such Restricted Subsidiary elects, to reinvest in Additional Assets (including by means of an Investment in Additional Assets by a Restricted Subsidiary with Net Available Cash received by the Company or another Restricted Subsidiary) within 365 days from the later of such Asset Disposition or the receipt of such Net Available Cash; and (C) third, to the extent of the balance of such Net Available Cash after application in accordance with clauses (A) and (B), to make an Offer (as defined below) to purchase Notes pursuant to and subject to the conditions of Section 4.06(b); provided, however, that if the Company elects (or is required by the terms of any other Senior Subordinated Indebtedness of the Company), such Offer may be made ratably to purchase the Notes and other Senior Subordinated Indebtedness of the Company; provided, however, that in connection with any prepay- ment, repayment or purchase of Indebtedness pursuant to clause (A) or (C) above, the Company or such Restricted Subsidiary shall retire such Indebtedness and shall cause the related loan commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased. Notwithstanding the foregoing provisions of this Section 4.06, the Company and the Restricted Subsidiaries shall not be required to apply any Net Available Cash in accordance with this Section 4.06(a) except to the extent that the aggregate Net Available Cash from all Asset Dispositions that is not applied in accordance with this Section 4.06 (a) exceeds $20.0 million (provided that such amount shall be reduced by the aggregate Net Available Cash from all Asset Dispositions not applied in accordance with Section 4.06(a) of the 1998 Notes Indenture prior to the Closing Date).

(b) In the event of an Asset Disposition that requires the purchase of Notes (and other Senior Subordinated Indebtedness of the Company) pursuant to Section 4.06(a)(iii)(C), the Company shall be required to purchase Notes (and other Senior Subordinated Indebtedness of the Company) tendered pursuant to an offer by the Company for the Notes (and other Senior Subordinated Indebtedness of the Company) (the "Offer") at a purchase price of 100% of their principal amount plus accrued and unpaid interest and liquidated damages, if any, to the date of purchase in accordance with the procedures (including prorating in the event of oversubscription), set forth in Section 4.06(c). If the aggregate purchase price of Notes (and other Senior Subordinated Indebtedness of the Company) tendered pursuant to the Offer is less than the Net Available Cash allotted to the purchase of the Notes (and other Senior Subordinated Indebtedness of the Company), the Company may apply the remaining Net Available Cash for any purpose permitted by the terms of this Indenture. The Company shall not be required to make an Offer for Notes (and other Senior Subordinated Indebtedness of the Company) pursuant to this Section 4.06 if the Net Available Cash available therefor (after application of the proceeds as provided in clauses (A) and (B) of Section 4.06(a)(iii)) is

less than $10.0 million for any particular Asset Disposition (which lesser amount shall be carried forward for purposes of determining whether an Offer is required with respect to the Net Available Cash from any subsequent Asset Disposition).

(c) (1) Promptly, and in any event within 30 days after the Company becomes obligated to make an Offer, the Company shall be obligated to deliver to the Trustee and send, by first-class mail to each Noteholder, a written notice stating that the Noteholder may elect to have his Notes purchased by the Company either in whole or in part (subject to prorating as hereinafter described in the event the Offer is oversubscribed) in integral multiples of $1,000 of principal amount, at the applicable purchase price. The notice shall specify a purchase date not less than 30 days nor more than 60 days after the date of such notice (the "Purchase Date") and shall contain or incorporate by reference such information concerning the business of the Company which the Company in good faith believes will enable such Noteholders to make an informed decision and all instructions and materials necessary to tender Notes pursuant to the Offer, together with the address referred to in clause (3).

(2) Not later than the date upon which written notice of an Offer is delivered to the Trustee as provided above, the Company shall deliver to the Trustee an Officers' Certificate as to (i) the amount of the Offer (the "Offer Amount"), (ii) the allocation of the Net Available Cash from the Asset Dispositions pursuant to which such Offer is being made and (iii) the compliance of such allocation with the provisions of Section 4.06(a). On such date, the Company shall also irrevocably deposit with the Trustee or with a paying agent (or, if the Company is acting as its own paying agent, segregate and hold in trust) an amount equal to the Offer Amount to be invested in Temporary Cash Investments and to be held for payment in accordance with the provisions of this Section. Upon the expiration of the period for which the Offer remains open (the "Offer Period"), the Company shall deliver to the Trustee for cancelation the Notes or portions thereof that have been properly tendered to and are to be accepted by the Company. The Trustee (or the Paying Agent, if not the Trustee) shall, on the date of purchase, mail or deliver payment to each tendering Noteholder in the amount of the purchase price. In the event that the aggregate purchase price of the Notes (and other Senior Subordinated Indebtedness of the Company) delivered by the Company to the Trustee is less than the Offer Amount applicable to the Notes (and other Senior Subordinated Indebtedness of the Company), the Trustee shall deliver the excess to the Company immediately after the expiration of the Offer Period for application in accordance with this Section 4.06.

(3) Noteholders electing to have a Note purchased shall be required to surrender the Note, with an appropriate form duly completed, to the Company at the address specified in the notice at least three Business Days prior to the Purchase Date. Noteholders shall be entitled to withdraw their election if the Trustee or the Company receives not later than one Business Day prior to the Purchase Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Noteholder, the principal amount of the Note which was delivered by the Noteholder for purchase and a statement that such Noteholder is withdrawing his election to have such Note purchased. If at the expiration of the Offer Period the aggregate principal amount of Notes and any other Senior Subordinated Indebtedness of the Company included in the Offer surrendered by holders thereof exceeds the Offer Amount, the Company shall select the Notes and other Senior Subordinated Indebtedness of the Company to be purchased on a pro rata basis (with such adjustments as may be deemed appropriate by the Company so that only Notes

and other Senior Subordinated Indebtedness of the Company in denominations of $1,000, or integral multiples thereof, shall be purchased). Noteholders whose Notes are purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered.

(4) At the time the Company delivers Notes to the Trustee which are to be accepted for purchase, the Company shall also deliver an Officers' Certificate stating that such Notes are to be accepted by the Company pursuant to and in accordance with the terms of this Section. A Note shall be deemed to have been accepted for purchase at the time the Trustee, directly or through an agent, mails or delivers payment therefor to the surrendering Noteholder.

(d) The Company shall comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this Section. To the extent that the provisions of any securities laws or regulations conflict with provisions of this Section, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this Section by virtue thereof.

SECTION 4.07. Limitation on Transactions with Affiliates. (a) The Company shall not, and shall not cause or permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or Guarantee with, or for the benefit of, any Affiliate (each of the foregoing, an "Affiliate Transaction") involving aggregate consideration in excess of $5.0 million, unless (i) such Affiliate Transaction is on terms that are not materially less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person and (ii) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $10.0 million, the Company delivers to the Trustee a resolution adopted by the majority of the Board of Directors, approving such Affiliate Transaction and set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with clause (i) above.

(b) The provisions of Section 4.07(a) shall not prohibit (i) any Restricted Payment permitted to be paid pursuant to Section 4.04, (ii) any issuance of securities, or other payments, Guarantees, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock options and stock ownership plans approved by the Board of Directors, (iii) the grant of stock options or similar rights to employees and directors of the Company pursuant to plans approved by the Board of Directors, (iv) loans or advances to employees in the ordinary course of business in accordance with past practices of the Company, but in any event not to exceed $5.0 million in the aggregate outstanding at any one time, (v) the payment of reasonable fees to directors of the Company and its Restricted Subsidiaries who are not employees of the Company or its Subsidiaries, (vi) any transaction between the Company and a Restricted Subsidiary or between Restricted Subsidiaries, (vii) any transaction effected as part of a Qualified Receivables Transaction, (viii) any payment by the Company to Holdings to permit Holdings to pay any Federal, state, local or other taxes that are then actually due and owing by Holdings, (ix) indemnification agreements with, and the payment of fees

and indemnities to, directors, officers and employees of the Company and its Restricted Subsidiaries, in each case, in the ordinary course of business, (x) any employment, compensation, noncompetition or confidentiality agreement entered into by the Company and its Restricted Subsidiaries with its employees in the ordinary course of business, (xi) the payment by the Company of fees, expenses and other amounts to Cypress and its Affiliates in connection with the Recapitalization, (xii) payments by the Company or any of its Restricted Subsidiaries to Cypress and its Affiliates made pursuant to any financial advisory, financing, underwriting or placement agreement, or in respect of other investment banking activities, in each case, as determined by the Board of Directors in good faith, (xiii) any issuance of Capital Stock of the Company (other than Disqualified Stock), (xiv) any agreement as in effect as of June 5, 1998 or any amendment or replacement hereto so long as any such amendment or replacement agreement is not more disadvantageous to the Noteholders of the Notes in any material respect than the original agreement as in effect on June 5, 1998 and (xv) transactions in which the Company or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Company or such Restricted Subsidiary from a financial point of view or meets the requirements of Section 4.07(a).

SECTION 4.08. Change of Control. (a) Upon the occurrence of a Change of Control, unless all Notes have been called for redemption pursuant to paragraph 5 of the Notes, each Noteholder shall have the right to require the Company to repurchase all or any part of such Noteholder's Notes at a purchase price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest and liquidated damages, if any, to the date of repurchase (subject to the right of Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date), in accordance with Section 4.08(b). Prior to the mailing of the notice referred to below, but in any event within 30 days following the date on which the Company becomes aware that a Change of Control has occurred, if the purchase of the Notes would violate or constitute a default under any other Indebtedness of the Company, then the Company shall, to the extent needed to permit such purchase of Notes, either (i) repay all such Indebtedness and terminate all commitments outstanding thereunder or (ii) request the holders of such Indebtedness to give the requisite consents to permit the purchase of the Notes as provided below. Until such time as the Company is able to repay all such Indebtedness and terminate all commitments outstanding thereunder or such time as such requisite consents are obtained, the Company shall not be required to make the Change of Control Offer or purchase the Notes pursuant to the provisions described below.

(b) Within 30 days following any Change of Control, unless all Notes have been called for redemption pursuant to paragraph 5 of the Notes, the Company shall mail a notice to each Noteholder with a copy to the Trustee (the "Change of Control Offer") stating:

(1) that a Change of Control has occurred and that such Noteholder has the right to require the Company to purchase such Noteholder's Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest and liquidated damages, if any, to the date of repurchase (subject to the right of Noteholders of record on the relevant record date to receive interest on the relevant interest payment date);

(2) the circumstances and relevant facts regarding such Change of Control;

(3) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); and

(4) the instructions determined by the Company, consistent with this Section, that a Noteholder must follow in order to have its Notes repurchased.

(c) Noteholders electing to have a Note repurchased shall be required to surrender the Note, with an appropriate form duly completed, to the Company at the address specified in the notice at least three Business Days prior to the repurchase date. Noteholders shall be entitled to withdraw their election if the Trustee or the Company receives not later than one Business Day prior to the repurchase date a telegram, telex, facsimile transmission or letter setting forth the name of the Noteholder, the principal amount of the Note which was delivered for repurchase by the Noteholder and a statement that such Noteholder is withdrawing his election to have such Note repurchased.

(d) On the repurchase date, all Notes repurchased by the Company under this Section shall be delivered to the Trustee for cancelation, and the Company shall pay the purchase price plus accrued and unpaid interest and liquidated damages, if any, to the Noteholders entitled thereto.

(e) Notwithstanding the foregoing provisions of this Section, the Company will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in Section 4.08(b) applicable to a Change of Control Offer made by the Company and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

(f) The Company shall comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this Section. To the extent that the provisions of any securities laws or regulations conflict with provisions of this Section, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this Section by virtue thereof.

SECTION 4.09. Compliance Certificate. The Company shall deliver to the Trustee within 120 days after the end of each fiscal year of the Company an Officers' Certificate stating that a review of the Company's activities during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the Company has kept, observed, performed and fulfilled its obligations under this Indenture and further stating, as to each such Officer signing such certificate, whether to the best of such Officer's knowledge the Company during such preceding fiscal year has kept, observed, performed and fulfilled each and every such covenant contained in this Indenture and that in the course of the performance by the signers of their duties as Officers of the Company they would normally have knowledge of any Default and whether or not the signers know of any Default that occurred during such period. If they do know of any Default, the certificate shall describe the Default, its status and what action the Company is taking or proposes to take with respect thereto. The Company also shall comply with Section 314(a)(4) of the TIA.

SECTION 4.10. Further Instruments and Acts. Upon request of the Trustee, the Company shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

SECTION 4.11. Limitation on the Sale or Issuance of Capital Stock of Restricted Subsidiaries. The Company shall not sell or otherwise dispose of any shares of Capital Stock of a Restricted Subsidiary, and shall not permit any Restricted Subsidiary, directly or indirectly, to issue or sell or otherwise dispose of any shares of its Capital Stock except: (i) to the Company or a Wholly Owned Subsidiary or to any director of a Restricted Subsidiary to the extent required as director's qualifying shares; (ii) if, immediately after giving effect to such issuance, sale or other disposition, neither the Company nor any of its Subsidiaries own any Capital Stock of such Restricted Subsidiary or (iii) if, immediately after giving effect to such issuance or sale, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any Investment in such Person remaining after giving effect thereto would have been permitted to be made under Section 4.04 if made on the date of such issuance, sale or other disposition. The provisions of this Section 4.11 shall not prohibit any transaction effected as part of a Qualified Receivables Transaction. The proceeds of any sale of such Capital Stock permitted hereby shall be treated as Net Available Cash from an Asset Disposition and shall be applied in accordance with Section 4.06.

SECTION 4.12. Limitation on Liens. The Company shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, Incur or permit to exist any Lien of any nature whatsoever that secures Senior Subordinated Indebtedness of the Company or Subordinated Obligations of the Company on any of its property or assets (including Capital Stock of a Restricted Subsidiary), whether owned at the Closing Date or thereafter acquired, other than Permitted Liens, without effectively providing that the Notes shall be secured equally and ratably with (or on a senior basis to in the case of Subordinated Obligations of the Company) the obligations so secured for so long as such obligations are so secured.

ARTICLE 5

Successor Company

SECTION 5.01. When Company May Merge or Transfer Assets. The Company shall not consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless:

(i) the resulting, surviving or transferee Person (the "Successor Company") shall be a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and the Successor Company (if not the Company) shall expressly assume, by an indenture supple- mental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Company under the Notes and this Indenture;

(ii) immediately after giving effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Company or any Restricted Subsidiary as a result of such transaction as having been Incurred by

the Successor Company or such Restricted Subsidiary at the time of such transaction), no Default shall have occurred and be continuing;

(iii) immediately after giving effect to such transaction, (A) the Successor Company would be able to Incur an additional $1.00 of Indebtedness pursuant to Section 4.03(a) or (B) the Consolidated Coverage Ratio for the Successor Company and its Restricted Subsidiaries would be greater than such ratio for the Company and its Restricted Subsidiaries immediately prior to such transaction;

(iv) immediately after giving effect to such transaction, the Successor Company shall have Consolidated Net Worth in an amount which is not less than the Consolidated Net Worth of the Company immediately prior to such transaction; and

(v) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with this Indenture.

The Successor Company shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture, but the predecessor Company in the case of a conveyance, transfer or lease of all or substantially all its assets shall not be released from the obligation to pay the principal of and interest on the Notes.

Notwithstanding clause (iii) above, a Wholly Owned Subsidiary may be consolidated with or merged into the Company and the Company may consolidate with or merge with or into (A) another Person, if such Person is a single purpose corporation that has not conducted any business or Incurred any Indebtedness or other liabilities and such transaction is being consummated solely to change the state of incorporation of the Company and (B) Holdings; provided, however, that, in the case of clause (B), (x) Holdings shall not have owned any assets other than the Capital Stock of the Company (and other immaterial assets incidental to its ownership of such Capital Stock) or conducted any business other than owning the Capital Stock of the Company, (y) Holdings shall not have any Indebtedness or other liabilities (other than ordinary course liabilities incidental to its ownership of the Capital Stock of the Company) and (z) immediately after giving effect to such consolidation or merger, the Successor Company shall have a pro forma Consolidated Coverage Ratio that is not less than the Consolidated Coverage Ratio of the Company immediately prior to such consolidation or merger.

ARTICLE 6

Defaults and Remedies

SECTION 6.01. Events of Default. An "Event of Default" occurs if:

(1) the Company defaults in any payment of interest on any Note when the same becomes due and payable, whether or not such payment shall be prohibited by Article 10, and such default continues for a period of 30 days;

(2) the Company (i) defaults in the payment of the principal of any Note when the same becomes due and payable at its Stated Maturity, upon redemption, upon declaration or otherwise, whether or not such payment shall be prohibited by Article 10 or (ii) fails to redeem or purchase Notes when required pursuant to this Indenture or the Notes, whether or not such redemption or purchase shall be prohibited by Article 10;

(3) the Company fails to comply with Section 5.01;

(4) the Company fails to comply with Section 4.02, 4.03, 4.04, 4.05, 4.06, 4.07, 4.08, 4.11 or 4.12 (other than a failure to purchase Notes when required under Section 4.06 or 4.08) and such failure continues for 30 days after the notice specified below;

(5) the Company fails to comply with any of its agreements in the Notes or this Indenture (other than those referred to in (1), (2), (3) or (4) above) and such failure continues for 60 days after the notice specified below;

(6) Indebtedness of the Company or any Significant Subsidiary is not paid within any applicable grace period after final maturity or the acceleration of any such Indebtedness by the holders thereof because of a default and the total amount of such Indebtedness unpaid or accelerated exceeds $25 million or its foreign currency equivalent at the time and such failure continues for 10 days after the notice specified below;

(7) the Company or any Significant Subsidiary pursuant to or within the meaning of any Bankruptcy Law:

(A) commences a voluntary case;

(B) consents to the entry of an order for relief against it in an involuntary case;

(C) consents to the appointment of a Custodian of it or for any substantial part of its property; or

(D) makes a general assignment for the benefit of its creditors;

or takes any comparable action under any foreign laws relating to insolvency;

(8) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against the Company or any Significant Subsidiary in an involuntary case;

(B) appoints a Custodian of the Company or any Significant Subsidiary or for any substantial part of its property; or

(C) orders the winding up or liquidation of the Company or any Significant Subsidiary;

or any similar relief is granted under any foreign laws and the order or decree remains unstayed and in effect for 60 days; or

(9) any judgment or decree for the payment of money in excess of $25 million or its foreign currency equivalent at the time is entered against the Company or any Significant Subsidiary and is not discharged, waived or stayed and either (A) an enforcement proceeding has been commenced by any creditor upon such judgment or decree or (B) there is a period of 60 days following the entry of such judgment or decree during which such judgment or decree is not discharged, waived or the execution thereof stayed and such judgment or decree is not discharged, waived or the execution thereof stayed within 10 days after the notice specified below.

The foregoing shall constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

The term "Bankruptcy Law" means Title 11, United States Code, or any similar Federal or state law for the relief of debtors. The term "Custodian" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

A Default under clause (4), (5), (6) or (9) above is not an Event of Default until the Trustee or the Noteholders of at least 25% in principal amount of the outstanding Notes notify the Company of the Default and the Company does not cure such Default within the time specified after receipt of such notice. Such notice must specify the Default, demand that it be remedied and state that such notice is a "Notice of Default".

The Company shall deliver to the Trustee, within 30 days after the occurrence thereof, written notice in the form of an Officers' Certificate of any event which with the giving of notice or the lapse of time would become an Event of Default under clause (4), (5) or (9), its status and what action the Company is taking or proposes to take with respect thereto.

SECTION 6.02. Acceleration. If an Event of Default (other than an Event of Default specified in Section 6.01(7) or (8) with respect to the Company) occurs and is continuing, the Trustee by notice to the Company, or the Noteholders of at least 25% in principal amount of the outstanding Notes by notice to the Company, may declare the principal of and accrued but unpaid interest on all the Notes to be due and payable. Upon such a declaration, such principal and interest shall be due and payable immediately. If an Event of Default specified in Section 6.01(7) or (8) with respect to the Company occurs, the principal of and interest on all the Notes shall ipso facto become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Noteholders. The Noteholders of a majority in principal amount of the Notes by notice to the Trustee may rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing Events of Default have been cured or waived except nonpayment of principal or interest that has become due solely because of acceleration. No such rescission shall affect any subsequent Default or impair any right consequent thereto.

SECTION 6.03. Other Remedies. If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal of or interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Noteholder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative.

SECTION 6.04. Waiver of Past Defaults. The Holders of a majority in principal amount of the Notes by notice to the Trustee may waive an existing Default and its consequences except (i) a Default in the payment of the principal of or interest on a Note, (ii) a Default arising from the failure to redeem or purchase any Note when required pursuant to the terms of this Indenture or (iii) a Default in respect of a provision that under Section 9.02 cannot be amended without the consent of each Noteholder affected. When a Default is waived, it is deemed cured, but no such waiver shall extend to any subsequent or other Default or impair any consequent right.

SECTION 6.05. Control by Majority. The Noteholders of a majority in principal amount of the Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture or, subject to Section 7.01, that the Trustee determines is unduly prejudicial to the rights of other Noteholders or would involve the Trustee in personal liability; provided, however, that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction. Prior to taking any action hereunder, the Trustee shall be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

SECTION 6.06. Limitation on Suits. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no Noteholder may pursue any remedy with respect to this Indenture or the Notes unless:

(1) the Noteholder gives to the Trustee written notice stating that an Event of Default is continuing;

(2) the Noteholders of at least 25% in principal amount of the Notes make a written request to the Trustee to pursue the remedy;

(3) such Noteholder or Noteholders offer to the Trustee reasonable security or indemnity against any loss, liability or expense;

(4) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of security or indemnity; and

(5) the Noteholders of a majority in principal amount of the Notes do not give the Trustee a direction inconsistent with the request during such 60-day period.

A Noteholder may not use this Indenture to prejudice the rights of another Noteholder or to obtain a preference or priority over another Noteholder.

SECTION 6.07. Rights of Noteholders to Receive Payment. Notwithstanding any other provision of this Indenture, the right of any Noteholder to receive payment of principal of and liquidated damages and interest on the Notes held by such Noteholder, on or after the respective due dates expressed in the Notes, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Noteholder.

SECTION 6.08. Collection Suit by Trustee. If an Event of Default specified in Section 6.01(1) or (2) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company for the whole amount then due and owing (together with interest on any unpaid interest to the extent lawful) and the amounts provided for in Section 7.07.

SECTION 6.09. Trustee May File Proofs of Claim. The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Noteholders allowed in any judicial proceedings relative to the Company, Holdings, their creditors or their property and, unless prohibited by law or applicable regulations, may vote on behalf of the Noteholders in any election of a trustee in bankruptcy or other Person performing similar functions, and any Custodian in any such judicial proceeding is hereby authorized by each Noteholder to make payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Noteholders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and its counsel, and any other amounts due the Trustee under Section 7.07.

SECTION 6.10. Priorities. If the Trustee collects any money or property pursuant to this Article 6, it shall pay out the money or property in the following order:

FIRST: to the Trustee for amounts due under Section 7.07;

SECOND: to holders of Senior Indebtedness of the Company to the extent required by Article 10;

THIRD: to Noteholders for amounts due and unpaid on the Notes for principal and interest, ratably, and any liquidated damages without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, any liquidated damages and interest, respectively; and

FOURTH: to the Company.

The Trustee may fix a record date and payment date for any payment to Noteholders pursuant to this Section. At least 15 days before such record date, the

Trustee shall mail to each Noteholder and the Company a notice that states the record date, the payment date and amount to be paid.

SECTION 6.11. Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee, a suit by a Noteholder pursuant to Section 6.07 or a suit by Noteholders of more than 10% in principal amount of the Notes.

SECTION 6.12. Waiver of Stay or Extension Laws. Neither the Company nor Holdings (to the extent it may lawfully do so) shall at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company and Holdings (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and shall not hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE 7

Trustee

SECTION 7.01. Duties of Trustee. (a) If an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) the Trustee need only perform such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own wilful misconduct, except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

(d) Every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b) and (c) of this Section.

(e) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company.

(f) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(g) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(h) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section and to the provisions of the TIA.

SECTION 7.02. Rights of Trustee. (a) The Trustee may rely on any document believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the Officers' Certificate or Opinion of Counsel.

(c) The Trustee may act through agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers.

(e) The Trustee may consult with counsel, and the advice or opinion of counsel with respect to legal matters relating to this Indenture and the Notes shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond, debenture, note or other paper or

document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

(g) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Noteholders pursuant to the provisions of this Indenture, unless such Noteholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby.

SECTION 7.03. Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee. Any Paying Agent, Registrar or co-paying agent may do the same with like rights. However, the Trustee must comply with Sections 7.10 and 7.11.

SECTION 7.04. Trustee's Disclaimer. The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Company's use of the proceeds from the Notes, and it shall not be responsible for any statement of the Company in this Indenture or in any document issued in connection with the sale of the Notes or in the Notes other than the Trustee's certificate of authentication.

SECTION 7.05. Notice of Defaults. (a) The Trustee shall not be deemed to have notice of any Default, other than a payment default, unless a Trust Officer shall have been advised in writing that a Default has occurred. No duty imposed upon the Trustee in this Indenture shall be applicable with respect to any Default of which the Trustee is not deemed to have notice.

(b) If a Default occurs and is continuing and if it is known to the Trustee, the Trustee shall mail to each Noteholder notice of the Default within the earlier of 90 days after it occurs or 30 days after it is known to a Trust Officer or written notice of it is received by the Trustee. Except in the case of a Default in payment of principal, premium (if any) or interest on any Note (including payments pursuant to the redemption provisions of such Note), the Trustee may withhold notice if and so long as a committee of its Trust Officers in good faith determines that withholding notice is in the interests of the Noteholders.

SECTION 7.06. Reports by Trustee to Noteholders. As promptly as practicable after each June 30 beginning with the June 30 following the first anniversary of the date of this Indenture, and in any event prior to August 31 in each subsequent year, the Trustee shall, to the extent that any of the events described in TIA ss. 313(a) occurred within the previous twelve months, but not otherwise, mail to each Noteholder a brief report dated as of June 30 that complies with Section 313(a) of the TIA. The Trustee shall also comply with Section 313(b) of the TIA.

A copy of each report at the time of its mailing to Noteholders shall be filed with the SEC and each stock exchange (if any) on which the Notes are listed. The Company agrees to notify promptly the Trustee whenever the Notes become listed on any stock exchange and of any delisting thereof.

SECTION 7.07. Compensation and Indemnity. The Company shall pay to the Trustee from time to time such compensation as the Company and the Trustee shall

from time to time agree in writing. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee upon request for all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Trustee's agents, counsel, accountants and experts. The Company and Holdings, jointly and severally shall indemnify the Trustee, and hold it harmless, against any and all loss, liability or expense (including reasonable attorneys' fees) incurred by or in connection with the offer and sale of the Notes or the administration of this trust and the performance of its duties hereunder. The Trustee shall notify the Company of any claim for which it may seek indemnity promptly upon obtaining actual knowledge thereof; provided, however, that any failure so to notify the Company shall not relieve the Company or Holdings of its indemnity obligations hereunder. The Company shall defend the claim and the indemnified party shall provide reasonable cooperation at the Company's expense in the defense. Such indemnified parties may have separate counsel and the Company and Holdings, as applicable, shall pay the fees and expenses of such counsel; provided, however, that the Company shall not be required to pay such fees and expenses if it assumes such indemnified parties' defense and, in such indemnified parties' reasonable judgment, there is no conflict of interest between the Company and Holdings, as applicable, and such parties in connection with such defense. The Company need not reimburse any expense or indemnify against any loss, liability or expense incurred by an indemnified party through such party's own wilful misconduct and negligence.

To secure the Company's payment obligations in this Section, the Trustee shall have a lien prior to the Notes on all money or property held or collected by the Trustee other than money or property held in trust to pay principal of and interest and any liquidated damages on particular Notes.

The Company's payment obligations pursuant to this Section shall survive the satisfaction or discharge of this Indenture, any rejection or termination of this Indenture under any bankruptcy law or the resignation or removal of the Trustee. When the Trustee incurs expenses after the occurrence of a Default specified in Section 6.01(7) or (8) with respect to the Company, the expenses are intended to constitute expenses of administration under the Bankruptcy Law.

SECTION 7.08. Replacement of Trustee. The Trustee may resign at any time by so notifying the Company. The Holders of a majority in principal amount of the Notes may remove the Trustee by so notifying the Trustee and may appoint a successor Trustee. The Company shall remove the Trustee if:

(1) the Trustee fails to comply with Section 7.10;

(2) the Trustee is adjudged bankrupt or insolvent;

(3) a receiver or other public officer takes charge of the Trustee or its property; or

(4) the Trustee otherwise becomes incapable of acting.

If the Trustee resigns, is removed by the Company or by the Holders of a majority in principal amount of the Notes and such Noteholders do not reasonably

promptly appoint a successor Trustee, or if a vacancy exists in the office of Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Company shall promptly appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Noteholders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 7.07.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee or the Holders of 10% in principal amount of the Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee fails to comply with Section 7.10, any Noteholder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

Notwithstanding the replacement of the Trustee pursuant to this Section, the Company's obligations under Section 7.07 shall continue for the benefit of the retiring Trustee.

SECTION 7.09. Successor Trustee by Merger. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

In case at the time such successor or successors by merger, conversion or consolidation to the Trustee shall succeed to the trusts created by this Indenture any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Notes or in this Indenture provided that the certificate of the Trustee shall have.

SECTION 7.10. Eligibility; Disqualification. The Trustee shall at all times satisfy the requirements of TIA Section 310(a). The Trustee shall have a combined capital and surplus of at least $100,000,000 as set forth in its most recent published annual report of condition. The Trustee shall comply with TIA Section 310(b); provided, however, that there shall be excluded from the operation of TIA Section 310(b)(1) any indenture or indentures under which other securities or certificates of interest or participation in other securities of the Company are outstanding if the requirements for such exclusion set forth in TIA Section 310(b)(1) are met.

SECTION 7.11. Preferential Collection of Claims Against Company. The Trustee shall comply with TIA Section 311(a), excluding any creditor relationship listed in TIA

Section 311(b). A Trustee who has resigned or been removed shall be subject to TIA Section 311(a) to the extent indicated.

ARTICLE 8

Discharge of Indenture; Defeasance

SECTION 8.01. Discharge of Liability on Notes; Defeasance. (a) When (i) the Company delivers to the Trustee all outstanding Notes (other than Notes replaced pursuant to Section 2.08) for cancelation or (ii) all outstanding Notes have become due and payable, whether at maturity or as a result of the mailing of a notice of redemption pursuant to Article 3 hereof, and the Company irrevocably deposits with the Trustee funds or U.S. Government Obligations on which payment of principal and interest when due will be sufficient to pay at maturity or upon redemption all outstanding Notes, including interest thereon to maturity or such redemption date (other than Notes replaced pursuant to Section 2.08), and if in either case the Company pays all other sums payable hereunder by the Company, then this Indenture shall, subject to Section 8.01(c), cease to be of further effect. The Trustee shall acknowledge satisfaction and discharge of this Indenture on demand of the Company accompanied by an Officers' Certificate and an Opinion of Counsel and at the cost and expense of the Company.

(b) Subject to Sections 8.01(c) and 8.02, the Company at any time may terminate (i) all of its obligations under the Notes and this Indenture ("legal defeasance option") or (ii) its obligations under Sections 4.02, 4.03, 4.04, 4.05, 4.06, 4.07, 4.08, 4.09, 4.10, 4.11 and 4.12 and the operation of Section 5.01(iii), 5.01(iv), 6.01(4), 6.01(6), 6.01(7) (with respect to Significant Subsidiaries of the Company only), 6.01(8) (with respect to Significant Subsidiaries of the Company only) and 6.01(9) ("covenant defeasance option"). The Company may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. In the event that the Company terminates all of its obligations under the Notes and this Indenture by exercising its legal defeasance option, the obligations under the Holdings Guarantee shall be terminated simultaneously with the termination of such obligations.

If the Company exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default. If the Company exercises its covenant defeasance option, payment of the Notes may not be accelerated because of an Event of Default specified in Section 6.01(4), 6.01(6), 6.01(7) (with respect to Significant Subsidiaries of the Company only) or 6.01(8) (with respect to Significant Subsidiaries of the Company only) or because of the failure of the Company to comply with clauses (iii) and (iv) of Section 5.01.

Upon satisfaction of the conditions set forth herein and upon request of the Company, the Trustee shall acknowledge in writing the discharge of those obligations that the Company terminates.

(c) Notwithstanding clauses (a) and (b) above, the Company's obligations in Sections 2.04, 2.05, 2.06, 2.07, 2.08, 2.09, 7.07, 7.08 and in this Article 8 shall survive until the Notes have been paid in full. Thereafter, the Company's obligations in Sections 7.07, 8.04 and 8.05 shall survive.

SECTION 8.02. Conditions to Defeasance. The Company may exercise its legal defeasance option or its covenant defeasance option only if:

(1) the Company irrevocably deposits in trust with the Trustee money or U.S. Government Obligations for the payment of principal, premium (if any) and interest on the Notes to maturity or redemption, as the case may be;

(2) the Company delivers to the Trustee a certificate from a nationally recognized firm of independent accountants expressing their opinion that the payments of principal and interest when due and without reinvestment on the deposited U.S. Government Obligations plus any deposited money without investment will provide cash at such times and in such amounts as will be sufficient to pay principal and interest when due on all the Notes to maturity or redemption, as the case may be;

(3) 123 days pass after the deposit is made and during the 123-day period no Default specified in Section 6.01(7) or (8) with respect to the Company occurs which is continuing at the end of the period;

(4) the deposit does not constitute a default under any other agreement binding on the Company and is not prohibited by Article 10;

(5) the Company delivers to the Trustee an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the Investment Company Act of 1940;

(6) in the case of the legal defeasance option, the Company shall have delivered to the Trustee an Opinion of Counsel stating that (i) the Company has received from, or there has been published by, the Internal Revenue Service a ruling, or (ii) since the date of this Indenture there has been a change in the applicable Federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Noteholders will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit and defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred;

(7) in the case of the covenant defeasance option, the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that the Noteholders will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit and defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred; and

(8) the Company delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent to the defeasance and discharge of the Notes as contemplated by this Article 8 have been complied with.

Before or after a deposit, the Company may make arrangements satisfactory to the Trustee for the redemption of Notes at a future date in accordance with Article 3.

SECTION 8.03. Application of Trust Money. The Trustee shall hold in trust money or U.S. Government Obligations deposited with it pursuant to this Article 8. It shall apply the deposited money and the money from U.S. Government Obligations through the Paying Agent and in accordance with this Indenture to the payment of principal of and interest on the Notes. Money and securities so held in trust are not subject to Article 10.

SECTION 8.04. Repayment to Company. The Trustee and the Paying Agent shall promptly turn over to the Company upon request any excess money or securities held by them at any time.

Subject to any applicable abandoned property law, the Trustee and the Paying Agent shall pay to the Company upon written request any money held by them for the payment of principal or interest that remains unclaimed for two years, and, thereafter, Noteholders entitled to the money must look to the Company for payment as general creditors.

SECTION 8.05. Indemnity for Government Obligations. The Company shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against deposited U.S. Government Obligations or the principal and interest received on such U.S. Government Obligations.

SECTION 8.06. Reinstatement. If the Trustee or Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with this Article 8 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to this Article 8 until such time as the Trustee or Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with this Article 8; provided, however, that, if the Company has made any payment of interest on or principal of any Notes because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Noteholders of such Notes to receive such payment from the money or U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE 9

Amendments

SECTION 9.01. Without Consent of Noteholders. The Company, Holdings and the Trustee may amend this Indenture or the Notes without notice to or consent of any Noteholder:

(1) to cure any ambiguity, omission, defect or inconsistency;

(2) to comply with Article 5;

(3) to provide for uncertificated Notes in addition to or in place of certificated Notes; provided, however, that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code;

(4) to make any change in Article 10 or Article 12 that would limit or terminate the benefits available to any holder of Senior Indebtedness (or Representatives therefor) under Article 10 or Article 12;

(5) to add additional Guarantees with respect to the Notes or to secure the Notes;

(6) to add to the covenants of the Company for the benefit of the Noteholders or to surrender any right or power herein conferred upon the Company;

(7) to comply with any requirements of the SEC in connection with qualifying, or maintaining the qualification of, this Indenture under the TIA;

(8) to make any change that does not adversely affect the rights of any Noteholder; or

(9) to provide for the issuance of the Exchange Notes, Private Exchange Notes or Additional Notes, which shall have terms substantially identical in all material respects to the Original Notes (except that the transfer restrictions contained in the Original Notes shall be modified or eliminated, as appropriate), and which shall be treated, together with any outstanding Original Notes, as a single issue of securities.

An amendment under this Section may not make any change that adversely affects the rights under Article 10 or Article 12 of any holder of Senior Indebtedness then outstanding unless the holders of such Senior Indebtedness (or any group or representative thereof authorized to give a consent) consent to such change.

After an amendment under this Section becomes effective, the Company shall mail to Noteholders a notice briefly describing such amendment. The failure to give such notice to all Noteholders, or any defect therein, shall not impair or affect the validity of an amendment under this Section.

SECTION 9.02. With Consent of Noteholders. The Company, Holdings and the Trustee may amend this Indenture or the Notes with the written consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a tender offer or exchange offer for the Notes), without notice to any other Noteholder. However, without the consent of each Holder of an outstanding Note affected, an amendment may not:

(1) reduce the principal amount of Notes whose Noteholders must consent to an amendment;

(2) reduce the rate of or extend the time for payment of interest or any liquidated damages on any Note;

(3) reduce the principal of or extend the Stated Maturity of any Note;

(4) reduce the premium payable upon the redemption of any Note or change the time at which any Note may be redeemed in accordance with Article 3;

(5) make any Note payable in money other than that stated in the Note;

(6) make any change in Article 10 or Article 12 that adversely affects the rights of any Noteholder under Article 10 or Article 12; or

(7) make any change in Section 6.04 or 6.07 or the second sentence of this Section 9.02.

It shall not be necessary for the consent of the Noteholders under this Section to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof.

An amendment under this Section 9.02 may not make any change that adversely affects the rights under Article 10 of any holder of Senior Indebtedness of the Company then outstanding unless the holders of such Senior Indebtedness (or any group or representative thereof authorized to give a consent) consent to such change.

After an amendment under this Section becomes effective, the Company shall mail to Noteholders a notice briefly describing such amendment. The failure to give such notice to all Noteholders, or any defect therein, shall not impair or affect the validity of an amendment under this Section.

SECTION 9.03. Compliance with Trust Indenture Act. Every amendment to this Indenture or the Notes shall comply with the TIA as then in effect.

SECTION 9.04. Revocation and Effect of Consents and Waivers. A consent to an amendment or a waiver by a Noteholder of a Note shall bind the Noteholder and every subsequent Noteholder of that Note or portion of the Note that evidences the same debt as the consenting Noteholder's Note, even if notation of the consent or waiver is not made on the Note. However, any such Noteholder or subsequent Noteholder may revoke the consent or waiver as to such Noteholder's Note or portion of the Note if the Trustee receives the notice of revocation before the date the amendment or waiver becomes effective. After an amendment or waiver becomes effective, it shall bind every Noteholder. An amendment or waiver becomes effective once both (i) the requisite number of consents have been received by the Company or the Trustee and (ii) such amendment or waiver has been executed by the Company and the Trustee.

The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Noteholders entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding the immediately preceding paragraph, those Persons who were Noteholders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Noteholders after such record date. No such consent shall be valid or effective for more than 120 days after such record date.

SECTION 9.05. Notation on or Exchange of Notes. If an amendment changes the terms of a Note, the Trustee may require the Noteholder of the Note to deliver it to the Trustee. The Trustee may place an appropriate notation on the Note regarding the changed terms and return it to the Noteholder. Alternatively, if the Company or the Trustee so determines, the Company in exchange for the Note shall issue and the Trustee shall authenticate a new Note that reflects the changed terms. Failure to make the appropriate notation or to issue a new Note shall not affect the validity of such amendment.

SECTION 9.06. Trustee To Sign Amendments. The Trustee shall sign any amendment authorized pursuant to this Article 9 if the amendment does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may but need not sign it. In signing such amendment the Trustee shall be entitled to receive indemnity reasonably satisfactory to it and to receive, and (subject to Section 7.01) shall be fully protected in relying upon, an Officers' Certificate and an Opinion of Counsel stating that such amendment is authorized or permitted by this Indenture and that such amendment is the legal, valid and binding obligation of the Company and Holdings enforceable against them in accordance with its terms, subject to customary exceptions, and complies with the provisions hereof (including Section 9.03).

ARTICLE 10

Subordination

SECTION 10.01. Agreement To Subordinate. The Company agrees, and each Noteholder by accepting a Note agrees, that the Indebtedness evidenced by the Notes is subordinated in right of payment, to the extent and in the manner provided in this Article 10, to the prior payment in full in cash or cash equivalents of all Senior Indebtedness of the Company and that the subordination is for the benefit of and enforceable by the holders of such Senior Indebtedness. The Notes shall in all respects rank pari passu with all other Senior Subordinated Indebtedness of the Company and only Indebtedness of the Company that is Senior Indebtedness of the Company shall rank senior to the Notes in accordance with the provisions set forth herein. For purposes of this Article 10, the Indebtedness evidenced by the Notes shall be deemed to include the liquidated damages payable pursuant to the provisions set forth in the Notes and the Registration Agreement. All provisions of this Article 10 shall be subject to Section 10.12.

SECTION 10.02. Liquidation, Dissolution, Bankruptcy. Upon any payment or distribution of the assets of the Company to creditors upon a total or partial liquidation or a total or partial dissolution of the Company or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Company or its property:

(1) holders of Senior Indebtedness of the Company shall be entitled to receive payment in full in cash or cash equivalents of such Senior Indebtedness before the Noteholders shall be entitled to receive any payment of principal of, interest, premium (if any) or liquidated damages on the Notes; and

(2) until the Senior Indebtedness of the Company is paid in full in cash or cash equivalents, any payment or distribution to which Noteholders would be entitled but for this Article 10 shall be made to holders of such Senior Indebtedness as their interests may appear.

SECTION 10.03. Default on Senior Indebtedness. The Company may not pay the principal of, premium (if any) or interest on the Notes, or any liquidated damages payable pursuant to the provisions set forth in the Registration Agreement (as defined in the Appendix), or make any deposit pursuant to Section 8.01 and may not repurchase, redeem or otherwise retire any Notes (collectively, "pay the Notes") if (i) any Designated Senior Indebtedness of the Company is not paid in cash or cash equivalents when due or (ii) any other default on Designated Senior Indebtedness of the Company occurs and the maturity of such Designated Senior Indebtedness is accelerated in accordance with its terms unless, in either case, (x) the default has been cured or waived and any such acceleration has been rescinded or (y) such Designated Senior Indebtedness has been paid in full in cash or cash equivalents; provided, however, that the Company may pay the Notes without regard to the foregoing if the Company and the Trustee receive written notice approving such payment from the Representative of the Designated Senior Indebtedness with respect to which either of the events set forth in clause (i) or (ii) of this sentence has occurred and is continuing. During the continuance of any default (other than a default described in clause (i) or (ii) of the immediately preceding sentence) with respect to any Designated Senior Indebtedness of the Company pursuant to which the maturity thereof may be accelerated immediately without further notice (except such notice as may be required to effect such acceleration) or the expiration of any applicable grace periods, the Company may not pay the Notes for a period (a "Payment Blockage Period") commencing upon the receipt by the Trustee (with a copy to the Company) of written notice (a "Blockage Notice") of such default from the Representative of such Designated Senior Indebtedness specifying an election to effect a Payment Blockage Period and ending 179 days thereafter (or earlier if such Payment Blockage Period is terminated (i) by written notice to the Trustee and the Company from the Person or Persons who gave such Blockage Notice, (ii) by repayment in full in cash or cash equivalents of such Designated Senior Indebtedness or (iii) because the default giving rise to such Blockage Notice is no longer continuing). Notwithstanding the provisions described in the immediately preceding sentence (but subject to the provisions contained in the first sentence of this Section), unless the holders of such Designated Senior Indebtedness or the Representative of such holders shall have accelerated the maturity of such Designated Senior Indebtedness, the Company may resume payments on the Notes after the end of such Payment Blockage Period. Not more than one Blockage Notice may be given in any consecutive 360-day period, irrespective of the number of defaults with respect to Designated Senior Indebtedness of the Company during such period; provided, however, that if any Blockage Notice within such 360-day period is given by or on behalf of any holders of Designated Senior Indebtedness of the Company other than the Bank Indebtedness, the Representative of the Bank Indebtedness may give another Blockage Notice within such period; provided further, however, that in no event may the total number of days during which any Payment Blockage Period or Periods is in effect exceed 179 days in the aggregate during any 360-consecutive day period. For purposes of this Section, no default or event of default that existed or was continuing on the date of the commencement of any Payment Blockage Period with respect to the Designated Senior Indebtedness initiating such Payment Blockage Period shall be, or be made, the basis of the commencement of a subsequent Payment Blockage Period by the Representative of such Designated Senior Indebtedness, whether or not within a period of 360 consecutive

days, unless such default or event of default shall have been cured or waived for a period of not less than 90 consecutive days.

SECTION 10.04. Acceleration of Payment of Notes. If payment of the Notes is accelerated because of an Event of Default, the Company or the Trustee shall promptly notify the holders of the Designated Senior Indebtedness of the Company (or their Representative) of the acceleration. If any Designated Senior Indebtedness of the Company is outstanding, the Company may not pay the Notes until five Business Days after such holders or the Representative of the Designated Senior Indebtedness receive notice of such acceleration and, thereafter, may pay the Notes only if this Article 10 otherwise permits payment at that time.

SECTION 10.05. When Distribution Must Be Paid Over. If a distribution is made to Noteholders that because of this Article 10 should not have been made to them, the Noteholders who receive the distribution shall hold it in trust for holders of Senior Indebtedness of the Company and pay it over to them as their interests may appear.

SECTION 10.06. Subrogation. After all Senior Indebtedness of the Company is paid in full and until the Notes are paid in full, Noteholders shall be subrogated to the rights of holders of such Senior Indebtedness to receive distributions applicable to Senior Indebtedness. A distribution made under this Article 10 to holders of such Senior Indebtedness which otherwise would have been made to Noteholders is not, as between the Company and Noteholders, a payment by the Company on such Senior Indebtedness.

SECTION 10.07. Relative Rights. This Article 10 defines the relative rights of Noteholders and holders of Senior Indebtedness of the Company. Nothing in this Indenture shall:

(1) impair, as between the Company and Noteholders, the obligation of the Company, which is absolute and unconditional, to pay principal of and interest on and liquidated damages in respect of, the Notes in accordance with their terms; or

(2) prevent the Trustee or any Noteholder from exercising its available remedies upon a Default, subject to the rights of holders of Senior Indebtedness of the Company to receive distributions otherwise payable to Noteholders.

SECTION 10.08. Subordination May Not Be Impaired by the Company. No right of any holder of Senior Indebtedness of the Company to enforce the subordination of the Indebtedness evidenced by the Notes shall be impaired by any act or failure to act by the Company or by its failure to comply with this Indenture.

SECTION 10.09. Rights of Trustee and Paying Agent. Notwithstanding Section 10.03, the Trustee or Paying Agent may continue to make payments on the Notes and shall not be charged with knowledge of the existence of facts that would prohibit the making of any such payments unless, not less than two Business Days prior to the date of such payment, a Trust Officer of the Trustee receives notice satisfactory to it that payments may not be made under this Article 10. The Company, the Registrar, the Paying Agent, a Representative or a holder of Senior Indebtedness of the Company may give the notice; provided, however, that, if an issue of Senior Indebtedness of the Company has a Representative, only the Representative may give the notice.

The Trustee in its individual or any other capacity may hold Senior Indebtedness of the Company with the same rights it would have if it were not Trustee. The Registrar and the Paying Agent may do the same with like rights. The Trustee shall be entitled to all the rights set forth in this Article 10 with respect to any Senior Indebtedness of the Company which may at any time be held by it, to the same extent as any other holder of such Senior Indebtedness; and nothing in Article 7 shall deprive the Trustee of any of its rights as such holder. Nothing in this Article 10 shall apply to claims of, or payments to, the Trustee under or pursuant to Section 7.07.

SECTION 10.10. Distribution or Notice to Representative. Whenever a distribution is to be made or a notice given to holders of Senior Indebtedness of the Company, the distribution may be made and the notice given to their Representative (if any).

SECTION 10.11. Article 10 Not To Prevent Events of Default or Limit Right To Accelerate. The failure to make a payment pursuant to the Notes by reason of any provision in this Article 10 shall not be construed as preventing the occurrence of a Default. Nothing in this Article 10 shall have any effect on the right of the Noteholders or the Trustee to accelerate the maturity of the Notes.

SECTION 10.12. Trust Moneys Not Subordinated. Notwithstanding anything contained herein to the contrary, payments from money or the proceeds of U.S. Government Obligations held in trust under Article 8 by the Trustee for the payment of principal of and interest on the Notes shall not be subordinated to the prior payment of any Senior Indebtedness of the Company or subject to the restrictions set forth in this Article 10, and none of the Noteholders shall be obligated to pay over any such amount to the Company or any holder of Senior Indebtedness of the Company or any other creditor of the Company.

SECTION 10.13. Trustee Entitled To Rely. Upon any payment or distribution pursuant to this Article 10, the Trustee and the Noteholders shall be entitled to rely (i) upon any order or decree of a court of competent jurisdiction in which any proceedings of the nature referred to in Section 10.02 are pending, (ii) upon a certificate of the liquidating trustee or agent or other Person making such payment or distribution to the Trustee or to the Noteholders or (iii) upon the Representatives for the holders of Senior Indebtedness of the Company for the purpose of ascertaining the Persons entitled to participate in such payment or distribution, the holders of such Senior Indebtedness and other Indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article 10. In the event that the Trustee determines, in good faith, that evidence is required with respect to the right of any Person as a holder of Senior Indebtedness of the Company to participate in any payment or distribution pursuant to this Article 10, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of such Senior Indebtedness held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and other facts pertinent to the rights of such Person under this Article 10, and, if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment. The provisions of Sections 7.01 and 7.02 shall be applicable to all actions or omissions of actions by the Trustee pursuant to this Article 10.

SECTION 10.14. Trustee To Effectuate Subordination. Each Noteholder by accepting a Note authorizes and directs the Trustee on his or her behalf to take such action as may be necessary or appropriate to acknowledge or effectuate the subordination between the Noteholders and the holders of Senior Indebtedness of the Company as provided in this Article 10 and appoints the Trustee as attorney-in-fact for any and all such purposes.

SECTION 10.15. Trustee Not Fiduciary for Holders of Senior Indebtedness. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Indebtedness of the Company and shall not be liable to any such holders if it shall mistakenly pay over or distribute to Noteholders or the Company or any other Person, money or assets to which any holders of Senior Indebtedness of the Company shall be entitled by virtue of this Article 10 or otherwise.

SECTION 10.16. Reliance by Holders of Senior Indebtedness on Subordination Provisions. Each Noteholder by accepting a Note acknowledges and agrees that the foregoing subordination provisions are, and are intended to be, an inducement and a consideration to each holder of any Senior Indebtedness of the Company, whether such Senior Indebtedness was created or acquired before or after the issuance of the Notes, to acquire and continue to hold, or to continue to hold, such Senior Indebtedness and such holder of such Senior Indebtedness shall be deemed conclusively to have relied on such subordination provisions in acquiring and continuing to hold, or in continuing to hold, such Senior Indebtedness.

SECTION 10.17. Trustee's Compensation Not Prejudiced. Nothing in this Article shall apply to amounts due to the Trustee pursuant to other sections of this Indenture.

ARTICLE 11

Holdings Guarantee

SECTION 11.01. Holdings Guarantee. Holdings hereby unconditionally and irrevocably guarantees, as a primary obligor and not merely as a surety, to each Noteholder and to the Trustee and its successors and assigns (a) the full and punctual payment of principal of and interest on and liquidated damages in respect of the Notes when due, whether at Stated Maturity, by acceleration, by redemption or otherwise, and all other monetary obligations of the Company under this Indenture (including obligations to the Trustee) and the Notes and (b) the full and punctual performance within applicable grace periods of all other obligations of the Company whether for expenses, indemnification or otherwise under this Indenture and the Notes (all the foregoing being hereinafter collectively called the "Guaranteed Obligations"). Holdings further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from Holdings, and that Holdings shall remain bound under this Article 11 notwithstanding any extension or renewal of any Guaranteed Obligation.

Holdings waives presentation to, demand of, payment from and protest to the Company of any of the Guaranteed Obligations and also waives notice of protest for nonpayment. Holdings waives notice of any default under the Notes or the Guaranteed Obligations. The obligations of Holdings hereunder shall not be affected by (a) the

failure of any Noteholder or the Trustee to assert any claim or demand or to enforce any right or remedy against the Company or any other Person under this Indenture, the Notes or any other agreement or otherwise; (b) any extension or renewal of any thereof; (c) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Notes or any other agreement; (d) the release of any security held by any Noteholder or the Trustee for the Guaranteed Obligations or any of them; (e) the failure of any Noteholder or Trustee to exercise any right or remedy against any other guarantor of the Guaranteed Obligations; or (f) any change in the ownership of Holdings, except as provided in Section 11.02(b).

Holdings hereby waives any right to which it may be entitled to have the assets of the Company first be used and depleted as payment of the Company's or Holdings obligations hereunder prior to any amounts being claimed from or paid by Holdings hereunder. Holdings hereby waives any right to which it may be entitled to require that the Company be sued prior to an action being initiated against Holdings.

Holdings further agrees that its Holdings Guarantee herein constitutes a guarantee of payment, performance and compliance when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Noteholder or the Trustee to any security held for payment of the Guaranteed Obligations.

The Holdings Guarantee is, to the extent and in the manner set forth in Article 12, subordinated and subject in right of payment to the prior payment in full of the principal of and premium, if any, and interest on all Senior Indebtedness of Holdings and is made subject to such provisions of this Indenture.

Except as expressly set forth in Sections 8.01(b) and 11.02, the obligations of Holdings hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of Holdings herein shall not be discharged or impaired or otherwise affected by the failure of any Noteholder or the Trustee to assert any claim or demand or to enforce any remedy under this Indenture, the Notes or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, wilful or otherwise, in the performance of the obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of Holdings or would otherwise operate as a discharge of Holdings as a matter of law or equity.

Holdings agrees that its Holdings Guarantee shall remain in full force and effect until payment in full of all the Guaranteed Obligations. Holdings further agrees that its Holdings Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any Guaranteed Obligation is rescinded or must otherwise be restored by any Noteholder or the Trustee upon the bankruptcy or reorganization of the Company or otherwise.

In furtherance of the foregoing and not in limitation of any other right which any Noteholder or the Trustee has at law or in equity against Holdings by virtue hereof, upon the failure of the Company to pay the principal of or interest on any

Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Guaranteed Obligation, Holdings hereby promises to and shall, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Noteholders or the Trustee an amount equal to the sum of (i) the unpaid principal amount of such Guaranteed Obligations, (ii) accrued and unpaid interest on such Guaranteed Obligations (but only to the extent not prohibited by law) and (iii) all other monetary obligations of the Company to the Noteholders and the Trustee.

Holdings agrees that it shall not be entitled to any right of subrogation in relation to the Noteholders in respect of any Guaranteed Obligations guaranteed hereby until payment in full of all Guaranteed Obligations and all obligations to which the Guaranteed Obligations are subordinated as provided in Article 12. Holdings further agrees that, as between it, on the one hand, and the Noteholders and the Trustee, on the other hand, (x) the maturity of the Guaranteed Obligations guaranteed hereby may be accelerated as provided in Article 6 for the purposes of the Holdings Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such Guaranteed Obligations as provided in Article 6, such Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable by Holdings for the purposes of this Section 11.01.

Holdings also agrees to pay any and all costs and expenses (including reasonable attorneys' fees and expenses) incurred by the Trustee or any Noteholder in enforcing any rights under this Section 11.01.

Upon request of the Trustee, Holdings shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

SECTION 11.02. Limitation on Liability. (a) Any term or provision of this Indenture to the contrary notwithstanding, the maximum, aggregate amount of the Guaranteed Obligations guaranteed hereunder by Holdings shall not exceed the maximum amount that can be hereby guaranteed without rendering this Indenture, as it relates to Holdings, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

(b) This Holdings Guarantee shall terminate and be of no further force or effect and Holdings shall be deemed to be released from all obligations under this Article 11 upon the merger or consolidation of Holdings with or into any Person other than the Company or a Subsidiary or Affiliate of the Company where Holdings is not the surviving entity of such consolidation or merger; provided, however, that each such merger or consolidation shall comply with Section 5.01. At the request of the Company, the Trustee shall execute and deliver an appropriate instrument evidencing such release.

SECTION 11.03. Successors and Assigns. This Article 11 shall be binding upon Holdings and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Noteholders and, in the event of any transfer or assignment of rights by any Noteholder or the Trustee, the rights and privileges conferred upon that party in this Indenture and in the Notes shall automatically extend to

and be vested in such transferee or assignee, all subject to the terms and conditions of this Indenture.

SECTION 11.04. No Waiver. Neither a failure nor a delay on the part of either the Trustee or the Noteholders in exercising any right, power or privilege under this Article 11 shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee and the Noteholders herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which either may have under this Article 11 at law, in equity, by statute or otherwise.

SECTION 11.05. Modification. No modification, amendment or waiver of any provision of this Article 11, nor the consent to any departure by Holdings therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on Holdings in any case shall entitle Holdings to any other or further notice or demand in the same, similar or other circumstances.

ARTICLE 12

Subordination of the Holdings Guarantee

SECTION 12.01. Agreement To Subordinate. Holdings agrees, and each Noteholder by accepting a Note agrees, that the obligations of Holdings hereunder are subordinated in right of payment, to the extent and in the manner provided in this Article 12, to the prior payment in full in cash or cash equivalents of all Senior Indebtedness of Holdings (including all Indebtedness evidenced by the Senior Discount Notes) and that the subordination is for the benefit of and enforceable by the holders of such Senior Indebtedness of Holdings. The obligations hereunder with respect to Holdings shall in all respects rank pari passu with all other Indebtedness of Holdings and shall rank senior to all existing and future Subordinated Obligations of Holdings; and only Indebtedness of Holdings that is Senior Indebtedness of Holdings shall rank senior to the obligations of Holdings in accordance with the provisions set forth herein.

SECTION 12.02. Liquidation, Dissolution, Bankruptcy. Upon any payment or distribution of the assets of Holdings to creditors upon a total or partial liquidation or a total or partial dissolution of Holdings or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to Holdings and its properties:

(1) holders of Senior Indebtedness of Holdings shall be entitled to receive payment in full in cash or cash equivalents of such Senior Indebtedness before the Noteholders shall be entitled to receive any payment pursuant to any Guaranteed Obligations from Holdings; and

(2) until the Senior Indebtedness of Holdings is paid in full in cash or cash equivalents, any payment or distribution to which Noteholders would be entitled but for this Article 12 shall be made to holders of such Senior Indebtedness as their interests may appear.

SECTION 12.03. Default on Designated Senior Indebtedness of Holdings. Holdings may not make any payment pursuant to any of the Guaranteed Obligations or repurchase, redeem or otherwise retire any Notes (collectively, "pay its Holdings Guarantee") if (i) any Designated Senior Indebtedness of Holdings is not paid in cash or cash equivalents when due or (ii) any other default on Designated Senior Indebtedness of Holdings occurs and the maturity of such Designated Senior Indebtedness is accelerated in accordance with its terms unless, in either case, (x) the default has been cured or waived and any such acceleration has been rescinded or (y) such Designated Senior Indebtedness has been paid in full in cash or cash equivalents; provided, however, that Holdings may pay its Holdings Guarantee without regard to the foregoing if Holdings and the Trustee receive written notice approving such payment from the Representative of such Designated Senior Indebtedness with respect to which either of the events set forth in clause (i) or (ii) of this sentence has occurred and is continuing. During the continuance of any default (other than a default described in clause (i) or (ii) of the immediately preceding sentence) with respect to any Designated Senior Indebtedness of Holdings pursuant to which the maturity thereof may be accelerated immediately without further notice (except such notice as may be required to effect such acceleration) or the expiration of any applicable grace periods, Holdings may not pay its Holdings Guarantee for a period (a "Payment Blockage Period") commencing upon the receipt by the Trustee (with a copy to Holdings and the Company) of written notice (a "Blockage Notice") of such default from the Representative of such Designated Senior Indebtedness of Holdings specifying an election to effect a Payment Blockage Period and ending 179 days thereafter (or earlier if such Payment Blockage Period is terminated (i) by written notice to the Trustee (with a copy to Holdings and the Company) from the Person or Persons who gave such Blockage Notice, (ii) by repayment in full in cash or cash equivalents of such Designated Senior Indebtedness or (iii) because the default giving rise to such Blockage Notice is no longer continuing). Notwithstanding the provisions described in the immediately preceding sentence (but subject to the provisions contained in the first sentence of this Section), unless the holders of such Designated Senior Indebtedness or the Representative of such holders shall have accelerated the maturity of such Designated Senior Indebtedness, Holdings may resume to paying its Holdings Guarantee after the end of such Payment Blockage Period, including any missed payments. Not more than one Blockage Notice may be given with respect to Holdings in any consecutive 360-day period, irrespective of the number of defaults with respect to Designated Senior Indebtedness of Holdings during such period; provided, however, that if any Blockage Notice within such 360-day period is given by or on behalf of any holders of Designated Senior Indebtedness of Holdings other than the Bank Indebtedness, the Representative of the Bank Indebtedness may give another Blockage Notice within such period; provided further, however, that in no event may the total number of days during which any Payment Blockage Period or Periods is in effect exceed 179 days in the aggregate during any 360-consecutive day period. For purposes of this Section, no default or event of default that existed or was continuing on the date of the commencement of any Payment Blockage Period with respect to the Designated Senior Indebtedness initiating such Payment Blockage Period shall be, or be made, the basis of the commencement of a subsequent Payment Blockage Period by the Representative of such Designated Senior Indebtedness, whether or not within a period of 360 consecutive days, unless such default or event of default shall have been cured or waived for a period of not less than 90 consecutive days.

SECTION 12.04. Demand for Payment. If payment of the Notes is accelerated because of an Event of Default and a demand for payment is made on

Holdings pursuant to Article 11, the Trustee shall promptly notify the holders of the Designated Senior Indebtedness of Holdings (or the Representative of such holders) of such demand. If any Designated Senior Indebtedness of Holdings is outstanding, Holdings may not pay its Holdings Guarantee until five Business Days after such holders or the Representative of the holders of the Designated Senior Indebtedness of Holdings receive notice of such demand and, thereafter, may pay its Holdings Guarantee only if this Article 12 otherwise permits payment at that time.

SECTION 12.05. When Distribution Must Be Paid Over. If a payment or distribution is made to Noteholders that because of this Article 12 should not have been made to them, the Noteholders who receive the payment or distribution shall hold such payment or distribution in trust for holders of the Senior Indebtedness of Holdings and pay it over to them as their respective interests may appear.

SECTION 12.06. Subrogation. After all Senior Indebtedness of Holdings is paid in full and until the Notes are paid in full, Noteholders shall be subrogated to the rights of holders of such Senior Indebtedness of Holdings to receive distributions applicable to Senior Indebtedness of Holdings. A distribution made under this Article 12 to holders of Designated Senior Indebtedness of Holdings which otherwise would have been made to Noteholders is not, as between Holdings and Noteholders, a payment by Holdings on such Senior Indebtedness of Holdings.

SECTION 12.07. Relative Rights. This Article 12 defines the relative rights of Noteholders and holders of Senior Indebtedness of Holdings. Nothing in this Indenture shall:

(1) impair, as between Holdings and Noteholders, the obligation of Holdings which is absolute and unconditional, to make payments with respect to the Guaranteed Obligations to the extent set forth in Article 11; or

(2) prevent the Trustee or any Noteholder from exercising its available remedies upon a default by Holdings under its obligations with respect to the Guaranteed Obligations, subject to the rights of holders of Senior Indebtedness of Holdings to receive distributions otherwise payable to Noteholders.

SECTION 12.08. Subordination May Not Be Impaired by Holdings. No right of any holder of Senior Indebtedness of Holdings to enforce the subordination of the obligations of Holdings hereunder shall be impaired by any act or failure to act by Holdings or by its failure to comply with this Indenture.

SECTION 12.09. Rights of Trustee and Paying Agent. Notwithstanding Section 12.03, the Trustee or the Paying Agent may continue to make payments on the Notes and shall not be charged with knowledge of the existence of facts that would prohibit the making of any such payments unless, not less than two Business Days prior to the date of such payment, a Trust Officer of the Trustee receives notice satisfactory to it that payments may not be made under this Article 12. Holdings, the Registrar or co-registrar, the Paying Agent, a Representative or a holder of Senior Indebtedness of Holdings give the notice; provided, however, that if an issue of Senior Indebtedness of Holdings has a Representative, only the Representative may give the notice.

The Trustee in its individual or any other capacity may hold Senior Indebtedness of Holdings with the same rights it would have if it were not Trustee. The Registrar and co-registrar and the Paying Agent may do the same with like rights. The Trustee shall be entitled to all the rights set forth in this Article 12 with respect to any Senior Indebtedness of Holdings which may at any time be held by it, to the same extent as any other holder of Senior Indebtedness of Holdings; and nothing in Article 7 shall deprive the Trustee of any of its rights as such holder. Nothing in this Article 12 shall apply to claims of, or payments to, the Trustee under or pursuant to Section 7.07.

SECTION 12.10. Distribution or Notice to Representative. Whenever a distribution is to be made or a notice given to holders of Senior Indebtedness of Holdings, the distribution may be made and the notice given to their Representative (if any).

SECTION 12.11. Article 12 Not To Prevent Events of Default or Limit Right To Accelerate. The failure of Holdings to make a payment on any of its obligations by reason of any provision in this Article 12 shall not be construed as preventing the occurrence of a default by Holdings under such obligations. Nothing in this Article 12 shall have any effect on the right of the Noteholders or the Trustee to make a demand for payment on Holdings pursuant to Article 11.

SECTION 12.12. Trustee Entitled To Rely. Upon any payment or distribution pursuant to this Article 12, the Trustee and the Noteholders shall be entitled to rely (i) upon any order or decree of a court of competent jurisdiction in which any proceedings of the nature referred to in Section 12.02 are pending, (ii) upon a certificate of the liquidating trustee or agent or other Person making such payment or distribution to the Trustee or to the Noteholders or (iii) upon the Representatives for the holders of Senior Indebtedness of Holdings for the purpose of ascertaining the Persons entitled to participate in such payment or distribution, the holders of such Senior Indebtedness of Holdings and other Indebtedness of Holdings, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article 12. In the event that the Trustee determines, in good faith, that evidence is required with respect to the right of any Person as a holder of Senior Indebtedness of Holdings to participate in any payment or distribution pursuant to this Article 12, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of such Senior Indebtedness of Holdings held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and other facts pertinent to the rights of such Person under this Article 12, and, if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment. The provisions of Sections 7.01 and 7.02 shall be applicable to all actions or omissions of actions by the Trustee pursuant to this Article 12.

SECTION 12.13. Trustee To Effectuate Subordination. Each Noteholder by accepting a Note authorizes and directs the Trustee on his or her behalf to take such action as may be necessary or appropriate to acknowledge or effectuate the subordination between the Noteholders and the holders of Senior Indebtedness of Holdings as provided in this Article 12 and appoints the Trustee as attorney-in-fact for any and all such purposes.

SECTION 12.14. Trustee Not Fiduciary for Holders of Senior Indebtedness of Holdings. The Trustee shall not be deemed to owe any fiduciary duty to

the holders of Senior Indebtedness of Holdings and shall not be liable to any such holders if it shall mistakenly pay over or distribute to Noteholders or Holdings or any other Person, money or assets to which any holders of Senior Indebtedness of Holdings shall be entitled by virtue of this Article 12 or otherwise.

SECTION 12.15. Reliance by Holders of Senior Indebtedness of Holdings on Subordination Provisions. Each Noteholder by accepting a Note acknowledges and agrees that the foregoing subordination provisions are, and are intended to be, an inducement and a consideration to each holder of any Senior Indebtedness of Holdings, whether such Senior Indebtedness was created or acquired before or after the issuance of the Notes, to acquire and continue to hold, or to continue to hold, such Senior Indebtedness and such holder of Senior Indebtedness shall be deemed conclusively to have relied on such subordination provisions in acquiring and continuing to hold, or in continuing to hold, such Senior Indebtedness.

SECTION 12.16. Defeasance. The terms of this Article 12 shall not apply to payments from money or the proceeds of U.S. Government Obligations held in trust by the Trustee for the payment of principal of and interest on the Notes pursuant to the provisions described in Section 8.03.

ARTICLE 13

Miscellaneous

SECTION 13.01. Trust Indenture Act Controls. If any provision of this Indenture limits, qualifies or conflicts with another provision which is required to be included in this Indenture by the TIA, the required provision shall control.

SECTION 13.02. Notices. Any notice or communication shall be in writing and delivered in person or mailed by first-class mail addressed as follows:

if to the Company:

WESCO Distribution, Inc.
Commerce Court, Suite 700
Four Station Square
Pittsburgh, PA 15219

Attention: Daniel A. Brailer, Corporate Secretary

if to the Trustee:

Bank One, N.A.
100 East Broad Street, 8th Floor
OH1-0181
Columbus, OH 43215

Attention: Corporate Trust Department

The Company or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

Any notice or communication mailed to a Noteholder shall be mailed to the Noteholder at the Noteholder's address as it appears on the registration books of the Registrar and shall be sufficiently given if so mailed within the time prescribed.

Failure to mail a notice or communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

SECTION 13.03. Communication by Noteholders with Other Noteholders. Noteholders may communicate pursuant to TIA Section 312(b) with other Noteholders with respect to their rights under this Indenture or the Notes. The Company, the Trustee, the Registrar and anyone else shall have the protection of TIA Section 312(c).

SECTION 13.04. Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Company to the Trustee to take or refrain from taking any action under this Indenture, the Company shall furnish to the Trustee:

(1) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(2) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

SECTION 13.05. Statements Required in Certificate or Opinion. Each certificate or opinion with respect to compliance with a covenant or condition provided for in this Indenture shall include:

(1) a statement that the individual making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether or not, in the opinion of such individual, such covenant or condition has been complied with.

SECTION 13.06. When Notes Disregarded. In determining whether the Noteholders of the required principal amount of Notes have concurred in any direction,

waiver or consent, Notes owned by the Company, Holdings or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or Holdings shall be disregarded and deemed not to be outstanding, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes which the Trustee knows are so owned shall be so disregarded. Subject to the foregoing, only Notes outstanding at the time shall be considered in any such determination.

SECTION 13.07. Rules by Trustee, Paying Agent and Registrar. The Trustee may make reasonable rules for action by or a meeting of Noteholders. The Registrar and the Paying Agent may make reasonable rules for their functions.

SECTION 13.08. Legal Holidays. A "Legal Holiday" is a Saturday, a Sunday or a day on which banking institutions are not required to be open in the State of New York or the State of Ohio. If a payment date is a Legal Holiday, payment shall be made on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period. If a regular record date is a Legal Holiday, the record date shall not be affected.

SECTION 13.09. GOVERNING LAW. THIS INDENTURE AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

SECTION 13.10. No Recourse Against Others. A director, officer, employee or stockholder, as such, of the Company shall not have any liability for any obligations of the Company under the Notes or this Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Noteholder shall waive and release all such liability. The waiver and release shall be part of the consideration for the issue of the Notes.

SECTION 13.11. Successors. All agreements of the Company and Holdings in this Indenture and the Notes shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors.

SECTION 13.12. Multiple Originals. The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture.

SECTION 13.13. Table of Contents; Headings. The table of contents, cross-reference sheet and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed as of the date first written above.

WESCO DISTRIBUTION, INC.,

by /s/ DANIEL A. BRAILER

Name: Daniel A. Brailer
Title: Treasurer and Secretary

WESCO INTERNATIONAL, INC.,

by /s/ DANIEL A. BRAILER

Name: Daniel A. Brailer
Title: Treasurer and Secretary

BANK ONE, N.A., as Trustee,

by /s/ DAVID B. KNOX

Name: David B. Knox
Title: Authorized Officer

APPENDIX A

PROVISIONS RELATING TO ORIGINAL NOTES,
ADDITIONAL NOTES, PRIVATE EXCHANGE NOTES AND
EXCHANGE NOTES

1. Definitions

1.1 Definitions

For the purposes of this Appendix A the following terms shall have the meanings indicated below:

"Applicable Procedures" means, with respect to any transfer or transaction involving a Regulation S Global Note or beneficial interest therein, the rules and procedures of the Depositary for such Global Note, Euroclear and Clearstream, in each case to the extent applicable to such transaction and as in effect from time to time.

"Clearstream" means Clearstream Banking, societe anonyme, or any successor securities clearing agency.

"Custodian" means the custodian with respect to a Global Note (as appointed by the Depositary) or any successor person thereto, who shall initially be the Trustee.

"Definitive Note" means a certificated Initial Note or Exchange Note (bearing the Restricted Notes Legend if the transfer of such Note is restricted by applicable law) that does not include the Global Notes Legend.

"Depositary" means The Depository Trust Company, its nominees and their respective successors.

"Euroclear" means the Euroclear Clearance System or any successor securities clearing agency.

"Global Notes Legend" means the legend set forth under that caption in Exhibit A to this Indenture.

"IAI" means an institutional "accredited investor" as described in Rule 501(a)(1), (2), (3) or (7) under the Securities Act.

"Initial Purchasers" means J.P. Morgan Securities Inc., Lehman Brothers Inc., ABN AMRO Incorporated, BNY Capital Markets, Inc., Comerica Securities, Fleet Securities Inc., PNC Capital Markets, Inc., Scotia Capital (USA) Inc. and TD Securities (USA) Inc.

"Private Exchange" means an offer by the Company, pursuant to a Registration Agreement, to issue and deliver to certain purchasers, in exchange for the Initial Notes held by such purchasers as part of their initial distribution, a like aggregate principal amount of Private Exchange Notes.

"Private Exchange Notes" means the Notes of the Company issued in exchange for Initial Notes pursuant to this Indenture in connection with a Private Exchange pursuant to a Registration Agreement.

"Purchase Agreement" means (i) the Purchase Agreement dated August 16, 2001, among the Company, Holdings and the Initial Purchasers and (ii) any other similar Purchase Agreement relating to Additional Notes.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Registered Exchange Offer" means an offer by the Company, pursuant to a Registration Agreement, to certain Holders of Initial Notes, to issue and deliver to such Holders, in exchange for their Initial Notes, a like aggregate principal amount of Exchange Notes registered under the Securities Act.

"Registration Agreement" means (i) the Exchange and Registration Rights Agreement dated August 23, 2001, among the Company, Holdings and the Initial Purchasers and (ii) any other similar Exchange and Registration Rights Agreement relating to Additional Notes.

"Regulation S" means Regulation S under the Securities Act.

"Regulation S Notes" means all Initial Notes offered and sold outside the United States in reliance on Regulation S.

"Restricted Period", with respect to any Notes, means the period of 40 consecutive days beginning on and including the later of (i) the day on which such Notes are first offered to persons other than distributors (as defined in Regulation S under the Securities Act) in reliance on Regulation S and (ii) the Issue Date with respect to such Notes.

"Restricted Notes Legend" means the legend set forth in Section 2.3(e)(i) herein.

"Rule 501" means Rule 501(a)(1), (2), (3) or (7) under the Securities Act.

"Rule 144A" means Rule 144A under the Securities Act.

"Rule 144A Notes" means all Initial Notes offered and sold to QIBs in reliance on Rule 144A.

"Securities Act" means the Securities Act of 1933, as amended.

"Shelf Registration Statement" means a registration statement filed by the Company in connection with the offer and sale of Initial Notes pursuant to a Registration Agreement.

"Transfer Restricted Notes" means Definitive Notes and any other Notes that bear or are required to bear the Restricted Notes Legend.

1.2 Other Definitions

Term:	Defined in Section:
"Agent Members"	2.1(b)
"IAI Global Note	2.1(a)
"Global Note"	2.1(a)
"Regulation S Global Note"	2.1(a)
"Rule 144A Global Note"	2.1(a)

2. The Notes

2.1 Form and Dating

The Initial Notes issued on the date hereof will be (i) offered and sold by the Company pursuant to the Purchase Agreement and (ii) resold, initially only to (A) QIBs in reliance on Rule 144A and (B) Persons other than U.S. Persons (as defined in Regulation S) in reliance on Regulation S. Such Initial Notes may thereafter be transferred to, among others, QIBs, purchasers in reliance on Regulation S and, except as set forth below, IAIs in accordance with Rule 501. Additional Notes offered after the date hereof may be offered and sold by the Company from time to time pursuant to one or more Purchase Agreements in accordance with applicable law.

(a) Global Notes. Rule 144A Notes shall be issued initially in the form of one or more permanent global Notes in definitive, fully registered form (collectively, the "Rule 144A Global Note") and Regulation S Notes shall be issued initially in the form of one or more global Notes (collectively, the "Regulation S Global Note"), in each case without interest coupons and bearing the Global Notes Legend and Restricted Notes Legend, which shall be deposited on behalf of the purchasers of the Notes represented thereby with the Custodian, and registered in the name of the Depositary or a nominee of the Depositary, duly executed by the Company and authenticated by the Trustee as provided in this Indenture. One or more global securities in definitive, fully registered form without interest coupons and bearing the Global Notes Legend and the Restricted Notes Legend (collectively, the "IAI Global Note") shall also be issued on the Closing Date, deposited with the Custodian, and registered in the name of the Depositary or a nominee of the Depositary, duly executed by the Company and authenticated by the Trustee as provided in this Indenture to accommodate transfers of beneficial interests in the Notes to IAIs subsequent to the initial distribution. Beneficial ownership interests in the Regulation S Global Note will not be exchangeable for interests in the Rule 144A Global Note, the IAI Global Note or any other Note without a Restricted Notes Legend until the expiration of the Restricted Period. The Rule 144A Global Note, the IAI Global Note and the Regulation S Global Note are each referred to herein as a "Global Note" and are collectively referred to herein as "Global Notes." Subject to the terms of this Indenture, the aggregate principal amount of the Global Notes may from time to time be increased or decreased by adjustments made on the records of the Trustee and the Depositary or its nominee as hereinafter provided.

(b) Book-Entry Provisions. This Section 2.1(b) shall apply only to a Global Note deposited with or on behalf of the Depositary.

The Company shall execute and the Trustee shall, in accordance with this Section 2.1(b) and pursuant to an order of the Company, authenticate and deliver initially one or more Global Notes that (a) shall be registered in the name of the Depositary for such Global Note or Global Notes or the nominee of such Depositary and (b) shall be delivered by the Trustee to such Depositary or pursuant to such Depositary's instructions or held by the Trustee as Custodian.

Members of, or participants in, the Depositary ("Agent Members") shall have no rights under this Indenture with respect to any Global Note held on their behalf by the Depositary or by the Trustee as Custodian or under such Global Note, and the Depositary may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Depositary and its Agent Members, the operation of customary practices of such Depositary governing the exercise of the rights of a holder of a beneficial interest in any Global Note.

(c) Definitive Notes. Except as provided in Section 2.3 or 2.4, owners of beneficial interests in Global Notes will not be entitled to receive physical delivery of certificated Notes.

2.2 Authentication. The Trustee shall authenticate and make available for delivery upon a written order of the Company signed by one Officer (1) Original Notes for original issue on the date hereof in an aggregate principal amount of $100 million, (2) subject to the terms of this Indenture, Additional Notes in an unlimited aggregate principal amount and (3) the (A) Exchange Notes for issue only in a Registered Exchange Offer and (B) Private Exchange Notes for issue only in a Private Exchange, in the case of each of (A) and (B) pursuant to a Registration Agreement and for a like principal amount of Initial Notes exchanged pursuant thereto. Such order shall specify the amount of the Notes to be authenticated, the date on which the original issue of Notes is to be authenticated and whether the Notes are to be Initial Notes, Exchange Notes or Private Exchange Notes. The aggregate principal amount of Notes that may be outstanding at any time is unlimited. Notwithstanding anything to the contrary in this Appendix or otherwise in this Indenture, any issuance of Additional Notes after the Closing Date shall be in a principal amount of at least $50 million, whether such Additional Notes are of the same or a different series than the Original Notes.

2.3 Transfer and Exchange. (a) Transfer and Exchange of Definitive Notes. When Definitive Notes are presented to the Registrar with a request:

(x) to register the transfer of such Definitive Notes; or

(y) to exchange such Definitive Notes for an equal principal amount of Definitive Notes of other authorized denominations,

the Registrar shall register the transfer or make the exchange as requested if its reasonable requirements for such transaction are met; provided, however, that the Definitive Notes surrendered for transfer or exchange:

(i) shall be duly endorsed or accompanied by a written instrument of transfer in form reasonably satisfactory to the Company and the Registrar, duly executed by the Noteholder thereof or his attorney duly authorized in writing; and

(ii) are accompanied by the following additional information and documents, as applicable:

(A) if such Definitive Notes are being delivered to the Registrar by a Noteholder for registration in the name of such Noteholder, without transfer, a certification from such Noteholder to that effect (in the form set forth on the reverse side of the Initial Note); or

(B) if such Definitive Notes are being transferred to the Company, a certification to that effect (in the form set forth on the reverse side of the Initial Note); or

(C) if such Definitive Notes are being transferred pursuant to an exemption from registration in accordance with Rule 144 under the Securities Act or in reliance upon another exemption from the registration requirements of the Securities Act, (i) a certification to that effect (in the form set forth on the reverse side of the Initial Note) and (ii) if the Company so requests, an opinion of counsel or other evidence reasonably satisfactory to it as to the compliance with the restrictions set forth in the legend set forth in Section 2.3(e)(i).

(b) Restrictions on Transfer of a Definitive Note for a Beneficial Interest in a Global Note. A Definitive Note may not be exchanged for a beneficial interest in a Global Note except upon satisfaction of the requirements set forth below. Upon receipt by the Trustee of a Definitive Note, duly endorsed or accompanied by a written instrument of transfer in form reasonably satisfactory to the Company and the Registrar, together with:

(i) certification (in the form set forth on the reverse side of the Initial Note) that such Definitive Note is being transferred (A) to a QIB in accordance with Rule 144A, (B) to an IAI that has furnished to the Trustee a signed letter substantially in the form of Exhibit C or (C) outside the United States in an offshore transaction within the meaning of Regulation S and in compliance with Rule 904 under the Securities Act; and

(ii) written instructions directing the Trustee to make, or to direct the Custodian to make, an adjustment on its books and records with respect to such Global Note to reflect an increase in the aggregate principal amount of the Notes represented by the Global Note, such instructions to contain information regarding the Depositary account to be credited with such increase,

then the Trustee shall cancel such Definitive Note and cause, or direct the Custodian to cause, in accordance with the standing instructions and procedures existing between the Depositary and the Custodian, the aggregate principal amount of Notes represented by the Global Note to

be increased by the aggregate principal amount of the Definitive Note to be exchanged and shall credit or cause to be credited to the account of the Person specified in such instructions a beneficial interest in the Global Note equal to the principal amount of the Definitive Note so canceled. If no Global Notes are then outstanding and the Global Note has not been previously exchanged for certificated securities pursuant to Section 2.4, the Company shall issue and the Trustee shall authenticate, upon written order of the Company in the form of an Officers' Certificate, a new Global Note in the appropriate principal amount.

(c) Transfer and Exchange of Global Notes. (i) The transfer and exchange of Global Notes or beneficial interests therein shall be effected through the Depositary, in accordance with this Indenture (including applicable restrictions on transfer set forth herein, if any) and the procedures of the Depositary therefor. A transferor of a beneficial interest in a Global Note shall deliver a written order given in accordance with the Depositary's procedures containing information regarding the participant account of the Depositary to be credited with a beneficial interest in such Global Note or another Global Note and such account shall be credited in accordance with such order with a beneficial interest in the applicable Global Note and the account of the Person making the transfer shall be debited by an amount equal to the beneficial interest in the Global Note being transferred. Transfers by an owner of a beneficial interest in the Rule 144A Global Note or the IAI Global Note to a transferee who takes delivery of such interest through the Regulation S Global Note, whether before or after the expiration of the Restricted Period, will be made only upon receipt by the Trustee of a certification from the transferor to the effect that such transfer is being made in accordance with Regulation S or (if available) Rule 144 under the Securities Act and that, if such transfer is being made prior to the expiration of the Restricted Period, the interest transferred will be held immediately thereafter through Euroclear or Clearstream. In the case of a transfer of a beneficial interest in either the Regulation S Global Note or the Rule 144A Global Note for an interest in the IAI Global Note, the transferee must furnish a signed letter substantially in the form of Exhibit C to the Trustee.

(ii) If the proposed transfer is a transfer of a beneficial interest in one Global Note to a beneficial interest in another Global Note, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Global Note to which such interest is being transferred in an amount equal to the principal amount of the interest to be so transferred, and the Registrar shall reflect on its books and records the date and a corresponding decrease in the principal amount of Global Note from which such interest is being transferred.

(iii) Notwithstanding any other provisions of this Appendix (other than the provisions set forth in Section 2.4), a Global Note may not be transferred as a whole except by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary.

(iv) In the event that a Global Note is exchanged for Definitive Notes pursuant to Section 2.4 prior to the consummation of a Registered Exchange Offer or the effectiveness of a Shelf Registration Statement with respect to such Notes, such Notes may be exchanged only in accordance with such procedures as are substantially consistent with the provisions of this Section 2.3 (including the certification requirements set forth on the reverse of the Initial Notes intended to ensure that such transfers comply with Rule 144A, Regulation S or such other applicable exemption

from registration under the Securities Act, as the case may be) and such other procedures as may from time to time be adopted by the Company.

(d) Restrictions on Transfer of Regulation S Global Note. (i) Prior to the expiration of the Restricted Period, interests in the Regulation S Global Note may only be held through Euroclear or Clearstream. During the Restricted Period, beneficial ownership interests in the Regulation S Global Note may only be sold, pledged or transferred through Euroclear or Clearstream in accordance with the Applicable Procedures and only (A) to the Company, (B) so long as such security is eligible for resale pursuant to Rule 144A, to a person whom the selling holder reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the resale, pledge or transfer is being made in reliance on Rule 144A, (C) in an offshore transaction in accordance with Regulation S, (D) pursuant to an exemption from registration under the Securities Act provided by Rule 144 (if applicable) under the Securities Act, (E) to an IAI purchasing for its own account, or for the account of such an IAI, in a minimum principal amount of Notes of $250,000 or (F) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States. Prior to the expiration of the Restricted Period, transfers by an owner of a beneficial interest in the Regulation S Global Note to a transferee who takes delivery of such interest through the Rule 144A Global Note or the IAI Global Note will be made only in accordance with Applicable Procedures and upon receipt by the Trustee of a written certification from the transferor of the beneficial interest in the form provided on the reverse of the Initial Note to the effect that such transfer is being made to (i) a person whom the transferor reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or (ii) an IAI purchasing for its own account, or for the account of such an IAI, in a minimum principal amount of the Notes of $250,000. Such written certification will no longer be required after the expiration of the Restricted Period. In the case of a transfer of a beneficial interest in the Regulation S Global Note for an interest in the IAI Global Note, the transferee must furnish a signed letter substantially in the form of Exhibit C to the Trustee.

(ii) Upon the expiration of the Restricted Period, beneficial ownership interests in the Regulation S Global Note will be transferable in accordance with applicable law and the other terms of this Indenture.

(e) Legend.

(i) Except as permitted by the following paragraphs (ii), (iii) or (iv), each Note certificate evidencing the Global Notes and the Definitive Notes (and all Notes issued in exchange therefor or in substitution thereof) shall bear a legend in substantially the following form (each defined term in the legend being defined as such for purposes of the legend only):

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS TWO YEARS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY), ONLY (A) TO THE COMPANY, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (E) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT IS AN INSTITUTIONAL INVESTOR ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF THE SECURITIES OF $250,000, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT OR (F) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (D), (E) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE.

Each Definitive Note will also bear the following additional legend:

"IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS."

(ii) Upon any sale or transfer of a Transfer Restricted Note that is a Definitive Note, the Registrar shall permit the Noteholder thereof to exchange such Transfer Restricted Note for a Definitive Note that does not bear the legends set forth above and rescind any restriction on the transfer of such Transfer Restricted Note if the Noteholder certifies in writing to the Registrar that its request for such exchange was

made in reliance on Rule 144 (such certification to be in the form set forth on the reverse of the Initial Note).

(iii) After a transfer of any Initial Notes or Private Exchange Notes during the period of the effectiveness of a Shelf Registration Statement with respect to such Initial Notes or Private Exchange Notes, as the case may be, all requirements pertaining to the Restricted Notes Legend on such Initial Notes or such Private Exchange Notes will cease to apply and the requirements that any such Initial Notes or such Private Exchange Notes be issued in global form will continue to apply.

(iv) Upon the consummation of a Registered Exchange Offer with respect to the Initial Notes pursuant to which Noteholders of such Initial Notes are offered Exchange Notes in exchange for their Initial Notes, all requirements pertaining to Initial Notes that Initial Notes be issued in global form will continue to apply, and Exchange Notes in global form without the Restricted Notes Legend will be available to Noteholders that exchange such Initial Notes in such Registered Exchange Offer.

(v) Upon the consummation of a Private Exchange with respect to the Initial Notes pursuant to which Holders of such Initial Notes are offered Private Exchange Notes in exchange for their Initial Notes, all requirements pertaining to such Initial Notes that Initial Notes be issued in global form will continue to apply, and Private Exchange Notes in global form with the Restricted Notes Legend will be available to Noteholders that exchange such Initial Notes in such Private Exchange.

(vi) Upon a sale or transfer after the expiration of the Restricted Period of any Initial Note acquired pursuant to Regulation S, all requirements that such Initial Note bear the Restricted Notes Legend will cease to apply and the requirements requiring any such Initial Note be issued in global form will continue to apply.

(vii) Any Additional Notes sold in a registered offering shall not be required to bear the Restricted Notes Legend.

(f) Cancelation or Adjustment of Global Note. At such time as all beneficial interests in a Global Note have either been exchanged for Definitive Notes, transferred, redeemed, repurchased or canceled, such Global Note shall be returned by the Depositary to the Trustee for cancelation or retained and canceled by the Trustee. At any time prior to such cancelation, if any beneficial interest in a Global Note is exchanged for Definitive Notes, transferred in exchange for an interest in another Global Note, redeemed, repurchased or canceled, the principal amount of Notes represented by such Global Note shall be reduced and an adjustment shall be made on the books and records of the Trustee (if it is then the Custodian for such Global Note) with respect to such Global Note, by the Trustee or the Custodian, to reflect such reduction.

(g) Obligations with Respect to Transfers and Exchanges of Notes.

(i) To permit registrations of transfers and exchanges, the Company shall execute and the Trustee shall authenticate, Definitive Notes and Global Notes at the Registrar's request.

(ii) No service charge shall be made for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any

transfer tax, assessments, or similar governmental charge payable in connection therewith (other than any such transfer taxes, assessments or similar governmental charge payable upon exchange or transfer pursuant to Section 3.06, 4.06, 4.08 and 9.05).

(iii) Prior to the due presentation for registration of transfer of any Note, the Company, the Trustee, the Paying Agent or the Registrar may deem and treat the person in whose name a Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Note and for all other purposes whatsoever, whether or not such Note is overdue, and none of the Company, the Trustee, the Paying Agent or the Registrar shall be affected by notice to the contrary.

(iv) All Notes issued upon any transfer or exchange pursuant to the terms of this Indenture shall evidence the same debt and shall be entitled to the same benefits under this Indenture as the Notes surrendered upon such transfer or exchange.

(h) No Obligation of the Trustee.

(i) The Trustee shall have no responsibility or obligation to any beneficial owner of a Global Note, a member of, or a participant in the Depositary or any other Person with respect to the accuracy of the records of the Depositary or its nominee or of any participant or member thereof, with respect to any ownership interest in the Notes or with respect to the delivery to any participant, member, beneficial owner or other Person (other than the Depositary) of any notice (including any notice of redemption or repurchase) or the payment of any amount, under or with respect to such Notes. All notices and communications to be given to the Noteholders and all payments to be made to Noteholders under the Notes shall be given or made only to the registered Noteholders (which shall be the Depositary or its nominee in the case of a Global Note). The rights of beneficial owners in any Global Note shall be exercised only through the Depositary subject to the applicable rules and procedures of the Depositary. The Trustee may rely and shall be fully protected in relying upon information furnished by the Depositary with respect to its members, participants and any beneficial owners.

(ii) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among Depositary participants, members or beneficial owners in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, the terms of this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

2.4 Definitive Notes

(a) A Global Note deposited with the Depositary or with the Trustee as Custodian pursuant to Section 2.1 shall be transferred to the beneficial owners thereof in the form of Definitive Notes in an aggregate principal amount equal to the principal amount of such Global Note, in exchange for such Global Note, only if such transfer complies with

Section 2.3 and (i) the Depositary notifies the Company that it is unwilling or unable to continue as a Depositary for such Global Note or if at any time the Depositary ceases to be a "clearing agency" registered under the Exchange Act, and a successor depositary is not appointed by the Company within 90 days of such notice, or (ii) an Event of Default has occurred and is continuing or (iii) the Company, in its sole discretion, notifies the Trustee in writing that it elects to cause the issuance of certificated Notes under this Indenture.

(b) Any Global Note that is transferable to the beneficial owners thereof pursuant to this Section 2.4 shall be surrendered by the Depositary to the Trustee, to be so transferred, in whole or from time to time in part, without charge, and the Trustee shall authenticate and deliver, upon such transfer of each portion of such Global Note, an equal aggregate principal amount of Definitive Notes of authorized denominations. Any portion of a Global Note transferred pursuant to this Section shall be executed, authenticated and delivered only in denominations of $1,000 and any integral multiple thereof and registered in such names as the Depositary shall direct. Any certificated Initial Note in the form of a Definitive Note delivered in exchange for an interest in the Global Note shall, except as otherwise provided by Section 2.3(e), bear the Restricted Notes Legend.

(c) Subject to the provisions of Section 2.4(b), the registered Noteholder of a Global Note may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which a Noteholder is entitled to take under this Indenture or the Notes.

(d) In the event of the occurrence of any of the events specified in Section 2.4(a)(i), (ii) or (iii), the Company will promptly make available to the Trustee a reasonable supply of Definitive Notes in fully registered form without interest coupons.

EXHIBIT A

[FORM OF FACE OF INITIAL NOTE]

[Global Notes Legend]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), NEW YORK, NEW YORK, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

[Restricted Notes Legend]

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS TWO YEARS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY), ONLY (A) TO THE COMPANY, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF

REGULATION S UNDER THE SECURITIES ACT, (E) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT IS AN INSTITUTIONAL INVESTOR ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF THE SECURITIES OF $250,000, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT OR (F) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (D), (E) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE."

Each Definitive Note will also bear the following additional legend:

"IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS."

No. $ _____

9 1/8% Senior Subordinated Note due 2008

CUSIP No. _____

WESCO Distribution, Inc., a Delaware corporation, promises to pay to Cede & Co., or registered assigns, the principal sum [of Dollars] [listed on the Schedule of Increases or Decreases in Global Note attached hereto](1) on June 1, 2008.

Interest Payment Dates: June 1 and December 1.

Record Dates: May 15 and November 15.

Additional provisions of this Note are set forth on the other side of this Note.

IN WITNESS WHEREOF, the parties have caused this instrument to be duly executed.

WESCO DISTRIBUTION, INC.,

by _____
Name:
Title:

Dated:

TRUSTEE'S CERTIFICATE OF
AUTHENTICATION

BANK ONE, N.A.,
as Trustee, certifies
that this is one of
the Notes referred
to in the Indenture.

By: _____
Authorized Signatory

---

(1) Use the Schedule of Increases and Decreases language if Note is in Global Form.

[FORM OF REVERSE SIDE OF NOTE]

9 1/8% Senior Subordinated Note due 2008

1. Interest

(a) WESCO DISTRIBUTION, INC., a Delaware corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "Company"), promises to pay interest on the principal amount of this Note at the rate per annum shown above. The Company will pay interest semiannually on June 1 and December 1 of each year. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from August 23, 2001. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

(b) Liquidated Damages. The holder of this Note is entitled to the benefits of an Exchange and Registration Rights Agreement, dated as of August 23, 2001, among the Company, WESCO International, Inc. ("Holdings") and the Initial Purchasers named therein (the "Registration Agreement"). Capitalized terms used in this paragraph (b) but not defined herein have the meanings assigned to them in the Registration Agreement. If (i) the Shelf Registration Statement or Exchange Offer Registration Statement, as applicable under the Registration Agreement, is not filed with the Commission on or prior to 90 days after the Issue Date (or, in the case of a Shelf Registration Statement required to be filed in response to a change in law or applicable interpretations of the Commission's staff, if later, within 45 days after publication of the change in law or interpretations, but in no event before 90 days after the Issue Date), (ii) the Exchange Offer Registration Statement or the Shelf Registration Statement, as the case may be, is not declared effective within 180 days after the Issue Date (or in the case of a Shelf Registration Statement required to be filed in response to a change in law or the applicable interpretations of Commission's staff, if later, within 90 days after publication of the change in law or interpretation, but in no event before 180 days after the Issue Date), (iii) the Registered Exchange Offer is not consummated on or prior to 225 days after the Issue Date(other than in the event the Company files a Shelf Registration Statement), or (iv) the Shelf Registration Statement is filed and declared effective within 180 days after the Issue Date (or in the case of a Shelf Registration Statement required to be filed in response to a change in law or the applicable interpretations of Commission's staff, if later, within 90 days after publication of the change in law or interpretation, but in no event before 180 days after the Issue Date) but shall thereafter cease to be effective (at any time that the Company is obligated to maintain the effectiveness thereof) without being succeeded within 90 days by an additional Registration Statement filed and declared effective (each such event referred to in clauses (i) through (iv), a "Registration Default"), the Company shall pay liquidated damages to each holder of Transfer Restricted Notes, during the period of such Registration Default, in an amount equal to $0.192 per week per $1,000 principal amount of the Notes constituting Transfer Restricted Notes held by such holder until (i) the applicable Registration Statement is filed, (ii) the Exchange Offer Registration Statement is declared effective and the Registered Exchange Offer is consummated, (iii) the Shelf Registration Statement is declared effective or (iv) the Shelf Registration Statement again becomes effective, as the case may be. All accrued liquidated damages shall be paid to holders in the same manner as interest payments on the Notes on semi-annual payment dates which correspond to interest payment dates for the Notes. Following the cure of all Registration Defaults, the accrual of liquidated damages will cease. The Trustee shall have no responsibility with respect to the determination of the amount of any such liquidated

damages. For purposes of the foregoing, "Transfer Restricted Notes" means (i) each Initial Note until the date on which such Initial Note has been exchanged for a freely transferable Exchange Note in the Registered Exchange Offer, (ii) each Initial Note or Private Exchange Note until the date on which such Initial Note or Private Exchange Note has been effectively registered under the Securities Act and disposed of in accordance with a Shelf Registration Statement or (iii) each Initial Note or Private Exchange Note until the date on which such Initial Note or Private Exchange Note is distributed to the public pursuant to Rule 144 under the Securities Act or is saleable pursuant to Rule 144(k) under the Securities Act.

2. Method of Payment

The Company will pay interest on the Notes (except defaulted interest) to the Persons who are registered holders of Notes at the close of business on the May 15 or November 15 next preceding the interest payment date even if Notes are canceled after the record date and on or before the interest payment date. Holders must surrender Notes to a Paying Agent to collect principal payments. The Company will pay principal and interest in money of the United States of America that at the time of payment is legal tender for payment of public and private debts. Payments in respect of the Notes represented by a Global Note (including principal, premium and interest) will be made by wire transfer of immediately available funds to the accounts specified by The Depository Trust Company. The Company will make all payments in respect of a certificated Note (including principal, premium and interest), by mailing a check to the registered address of each Noteholder thereof; provided, however, that payments on the Notes may also be made, in the case of a Noteholder of at least $1,000,000 aggregate principal amount of Notes, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Noteholder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. Paying Agent and Registrar

Initially, Bank One, N.A., a national banking association (the "Trustee"), will act as Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Registrar or co-registrar without notice. The Company or any of its domestically incorporated Wholly Owned Subsidiaries may act as Paying Agent, Registrar or co-registrar.

4. Indenture

The Company issued the Notes under an Indenture dated as of August 23, 2001 (the "Indenture"), among the Company, Holdings and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S.C. Sections 77aaa-77bbbb) as in effect on the date of the Indenture (the "TIA"). Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all such terms, and Noteholders are referred to the Indenture and the TIA for a statement of those terms.

The Notes are senior subordinated unsecured obligations of the Company. This Note is one of the Original Notes referred to in the Indenture issued in an aggregate principal amount of $100 million. The Notes include the Initial Notes and any Exchange Notes issued in exchange for Initial Notes. The Initial Notes and the Exchange Notes are treated as a single class of securities under the Indenture. The Indenture imposes certain

limitations on the ability of the Company and its Restricted Subsidiaries to, among other things, make certain Investments and other Restricted Payments, pay dividends and other distributions, incur Indebtedness, enter into consensual restrictions upon the payment of certain dividends and distributions by such Restricted Subsidiaries, issue or sell shares of capital stock of such Restricted Subsidiaries, enter into or permit certain transactions with Affiliates, create or incur Liens and make asset sales. The Indenture also imposes limitations on the ability of the Company to consolidate or merge with or into any other Person or convey, transfer or lease all or substantially all of the property of the Company.

To guarantee the due and punctual payment of the principal and interest on the Notes and all other amounts payable by the Company under the Indenture and the Notes when and as the same shall be due and payable, whether at maturity, by acceleration or otherwise, according to the terms of the Notes and the Indenture, Holdings has unconditionally guaranteed the Guaranteed Obligations on a senior subordinated basis pursuant to the terms of the Indenture.

5. Optional Redemption

Except as set forth in the following paragraph, the Notes will not be redeemable at the option of the Company prior to June 1, 2003. Thereafter, the Notes will be redeemable at the option of the Company, in whole or in part, on not less than 30 nor more than 60 days' prior notice, at the following redemption prices (expressed as percentages of principal amount), plus accrued and unpaid interest and liquidated damages (if any) to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on June 1 of the years set forth below:

Year	Redemption Price
2003	104.563%
2004	103.042%
2005	101.521%
2006 and thereafter	100.000%

At any time prior to June 1, 2003, the Notes may be redeemed, in whole but not in part, at the option of the Company at any time within 180 days after a Change of Control, at a redemption price equal to the sum of (i) the principal amount thereof plus (ii) accrued and unpaid interest and liquidated damages, if any, to the redemption date (subject to the right of Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date that is on or prior to the date of redemption) plus (iii) the Applicable Premium.

6. Sinking Fund

The Notes are not subject to any sinking fund.

7. Notice of Redemption

Notice of redemption will be mailed by first-class mail at least 30 days but not more than 60 days before the redemption date to each Noteholder of Notes to be redeemed at his or her registered address. Notes in denominations larger than $1,000 may be redeemed in

part but only in whole multiples of $1,000. If money sufficient to pay the redemption price of and accrued interest on all Notes (or portions thereof) to be redeemed on the redemption date is deposited with the Paying Agent on or before the redemption date and certain other conditions are satisfied, on and after such date interest ceases to accrue on such Notes (or such portions thereof) called for redemption.

8. Repurchase of Notes at the Option of Noteholders upon Change of Control

Upon a Change of Control, any Noteholder of Notes will have the right, subject to certain conditions specified in the Indenture, to cause the Company to repurchase all or any part of the Notes of such Noteholder at a purchase price equal to 101% of the principal amount of the Notes to be repurchased plus accrued and unpaid interest and liquidated damages, if any, to the date of repurchase (subject to the right of Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date) as provided in, and subject to the terms of, the Indenture.

9. Subordination

The Notes are subordinated to Senior Indebtedness of the Company, as defined in the Indenture. To the extent provided in the Indenture, Senior Indebtedness of the Company must be paid before the Notes may be paid. The Company and Holdings agrees, and each Noteholder by accepting a Note agrees, to the subordination provisions contained in the Indenture and authorizes the Trustee to give it effect and appoints the Trustee as attorney-in-fact for such purpose.

10. Denominations; Transfer; Exchange

The Notes are in registered form without coupons in denominations of $1,000 and whole multiples of $1,000. A Noteholder may transfer or exchange Notes in accordance with the Indenture. Upon any transfer or exchange, the Registrar and the Trustee may require a Noteholder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange any Notes selected for redemption (except, in the case of a Note to be redeemed in part, the portion of the Note not to be redeemed) or to transfer or exchange any Notes for a period of 15 days prior to a selection of Notes to be redeemed.

11. Persons Deemed Owners

The registered Noteholder of this Note may be treated as the owner of it for all purposes.

12. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Company at its written request unless an abandoned property law designates another Person. After any such payment, Noteholders entitled to the money must look only to the Company and not to the Trustee for payment.

13. Discharge and Defeasance

Subject to certain conditions, the Company at any time may terminate some of or all its obligations under the Notes and the Indenture if the Company deposits with the Trustee money or U.S. Government Obligations for the payment of principal and interest on the Notes to redemption or maturity, as the case may be.

14. Amendment, Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture or the Notes may be amended without prior notice to any Noteholder but with the written consent of the Noteholders of at least a majority in aggregate principal amount of the outstanding Notes and (ii) any default or noncompliance with any provision may be waived with the written consent of the Noteholders of at least a majority in principal amount of the outstanding Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any Noteholder of Notes, the Company and the Trustee may amend the Indenture or the Notes (i) to cure any ambiguity, omission, defect or inconsistency; (ii) to comply with Article 5 of the Indenture; (iii) to provide for uncertificated Notes in addition to or in place of certificated Notes; (iv) to add additional Guarantees with respect to the Notes; (v) to secure the Notes; (vi) to add additional covenants of the Company for the benefit of the Noteholders or to surrender rights and powers conferred on the Company; (vii) to comply with the requirements of the SEC in order to effect or maintain the qualification of the Indenture under the TIA; (viii) to make any change that does not adversely affect the rights of any Noteholder; (ix) to make any change in the subordination provisions of the Indenture that would limit or terminate the benefits available to any holder of Senior Indebtedness of the Company (or any representative thereof) under such subordination provisions; or (x) to provide for the issuance of the Exchange Notes, Private Exchange Notes, or Additional Notes.

15. Defaults and Remedies

If an Event of Default occurs (other than an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Company) and is continuing, the Trustee or the Noteholders of at least 25% in principal amount of the outstanding Notes may declare the principal of and accrued but unpaid interest on all the Notes to be due and payable. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Company occurs, the principal of and interest on all the Notes will become immediately due and payable without any declaration or other act on the part of the Trustee or any Noteholders. Under certain circumstances, the Noteholders of a majority in principal amount of the outstanding Notes may rescind any such acceleration with respect to the Notes and its consequences.

If an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Noteholders unless such Noteholders have offered to the Trustee reasonable indemnity or security against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no Noteholder may pursue any remedy with respect to the Indenture or the Notes unless (i) such Noteholder has previously given the Trustee notice that an Event of Default is continuing, (ii) Noteholders of at least 25% in principal amount of the outstanding Notes have requested the Trustee in writing to pursue the remedy, (iii) such Noteholders have offered the Trustee reasonable security or indemnity against any loss, liability or expense, (iv) the Trustee has not

complied with such request within 60 days after the receipt of the request and the offer of security or indemnity and (v) the Noteholders of a majority in principal amount of the out- standing Notes have not given the Trustee a direction inconsistent with such request within such 60-day period. Subject to certain restrictions, the Noteholders of a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Noteholder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

16. Trustee Dealings with the Company

Subject to certain limitations imposed by the TIA, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee.

17. No Recourse Against Others

A director, officer, employee or stockholder, as such, of the Company or Holdings shall not have any liability for any obligations of the Company under the Notes or the Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Noteholder waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Notes.

18. Authentication

This Note shall not be valid until an authorized signatory of the Trustee (or an authenticating agent) manually signs the certificate of authentication on the other side of this Note.

19. Abbreviations

Customary abbreviations may be used in the name of a Noteholder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

20. GOVERNING LAW

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITH- OUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

21. CUSIP and ISIN Numbers

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP and ISIN numbers to be printed on the Notes and has directed the Trustee to use CUSIP and ISIN numbers in notices of redemption as a convenience to Noteholders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

THE COMPANY WILL FURNISH TO ANY NOTEHOLDER OF NOTES UPON WRITTEN REQUEST AND WITHOUT CHARGE TO THE NOTEHOLDER A COPY OF THE INDENTURE WHICH HAS IN IT THE TEXT OF THIS NOTE.

ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to

(Print or type assignee's name, address and zip code)

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint agent to transfer this Note on the books of the Company. The agent may substitute another to act for him.

_____

Date: _____ Your Signature: _____

_____

Sign exactly as your name appears on the other side of this Note.

CERTIFICATE TO BE DELIVERED UPON EXCHANGE OR REGISTRATION OF TRANSFER RESTRICTED NOTES

This certificate relates to $ principal amount of Notes held in (check applicable space) book-entry or definitive form by the undersigned.

The undersigned (check one box below):

o has requested the Trustee by written order to deliver in exchange for its beneficial interest in the Global Note held by the Depositary a Note or Notes in definitive, registered form of authorized denominations and an aggregate principal amount equal to its beneficial interest in such Global Note (or the portion thereof indicated above);

o has requested the Trustee by written order to exchange or register the transfer of a Note or Notes.

In connection with any transfer of any of the Notes evidenced by this certificate occurring prior to the expiration of the period referred to in Rule 144(k) under the Securities Act, the undersigned confirms that such Notes are being transferred in accordance with its terms:

CHECK ONE BOX BELOW

(1) o to the Company; or

(2) o pursuant to an effective registration statement under the Securities Act of 1933; or

(3) o inside the United States to a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933) that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that such transfer is being made in reliance on Rule 144A, in each case pursuant to and in compliance with Rule 144A under the Securities Act of 1933; or

(4) o outside the United States in an offshore transaction within the meaning of Regulation S under the Securities Act in compliance with Rule 904 under the Securities Act of 1933; or

(5) o to an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933) that has furnished to the Trustee a signed letter containing certain representations and agreements; or

(6) o pursuant to any other available exemption from the registration requirements of the Securities Act of 1933.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any Person other than the registered holder thereof; provided, however, that if box (4), (5) or (6) is checked, the Trustee may require, prior to registering any such transfer of the Notes, such legal opinions, certifications and other information as the Company has reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933.

_____
Your Signature

Signature Guarantee:

Date: _____ _____

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee

Signature of Signature Guarantee

_____

TO BE COMPLETED BY PURCHASER IF (3) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: _____ _____

NOTICE: To be executed by an executive officer

[TO BE ATTACHED TO GLOBAL NOTES]

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SENIOR SUBORDINATED NOTE

The initial principal amount of this Global Note is $[ ].
The following increases or decreases in this Global Note have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal amount of this Global Note following such decrease or increase	Signature of authorized signatory of Trustee or Custodian

OPTION OF NOTEHOLDER TO ELECT PURCHASE

IF YOU WANT TO ELECT TO HAVE THIS NOTE PURCHASED BY THE COMPANY PURSUANT TO SECTION 4.06 (ASSET SALE) OR 4.08 (CHANGE OF CONTROL) OF THE INDENTURE, CHECK THE BOX:

ASSET SALE / / CHANGE OF CONTROL / /

IF YOU WANT TO ELECT TO HAVE ONLY PART OF THIS NOTE PURCHASED BY THE COMPANY PURSUANT TO SECTION 4.06 OR 4.08 OF THE INDENTURE, STATE THE AMOUNT:

$

DATE: _____ YOUR SIGNATURE: _____
(SIGN EXACTLY AS YOUR NAME APPEARS ON THE OTHER SIDE OF THE NOTE)

SIGNATURE GUARANTEE: _____
SIGNATURE MUST BE GUARANTEED BY A PARTICIPANT IN A RECOGNIZED SIGNATURE GUARANTY MEDALLION PROGRAM OR OTHER SIGNATURE GUARANTOR ACCEPTABLE TO THE TRUSTEE

EXHIBIT B

[FORM OF FACE OF EXCHANGE NOTE]

No. $ _____

9 1/8% Senior Subordinated Note due 2008

CUSIP No. _____

WESCO Distribution, Inc., a Delaware corporation, promises to pay to Cede & Co., or registered assigns, the principal sum [of Dollars] [listed on the Schedule of Increases or Decreases in Global Note attached hereto](2) on June 1, 2008.

Interest Payment Dates: June 1 and December 1.

Record Dates: May 15 and November 15.

Additional provisions of this Note are set forth on the other side of this Note.

IN WITNESS WHEREOF, the parties have caused this instrument to be duly executed.

WESCO DISTRIBUTION, INC.,

by

_____
Name:
Title:

---

(2) Use the Schedule of Increases and Decreases language if Note is in Global Form.

Dated:

TRUSTEE'S CERTIFICATE OF
AUTHENTICATION

BANK ONE, N.A.,

as Trustee, certifies
that this is one of
the Notes referred
to in the Indenture.

by

_____
Authorized Signatory

(*)/ If the Note is to be issued in global form, add the Global Notes Legend and the attachment from Exhibit A captioned "TO BE ATTACHED TO GLOBAL NOTES - SCHEDULE OF INCREASES OR DECREASES IN GLOBAL NOTE".

[FORM OF REVERSE SIDE OF EXCHANGE NOTE]

9 1/8% Senior Subordinated Note due 2008

1. Interest.

WESCO DISTRIBUTION, INC., a Delaware corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "Company"), promises to pay interest on the principal amount of this Note at the rate per annum shown above. The Company will pay interest semiannually on June 1 and December 1 of each year. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from August 23, 2001. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. Method of Payment

The Company will pay interest on the Notes (except defaulted interest) to the Persons who are registered holders of Notes at the close of business on the May 15 or November 15 next preceding the interest payment date even if Notes are canceled after the record date and on or before the interest payment date. Noteholders must surrender Notes to a Paying Agent to collect principal payments. The Company will pay principal and interest in money of the United States of America that at the time of payment is legal tender for payment of public and private debts. Payments in respect of the Notes represented by a Global Note (including principal, premium and interest) will be made by wire transfer of immediately available funds to the accounts specified by The Depository Trust Company. The Company will make all payments in respect of a certificated Note (including principal, premium and interest), by mailing a check to the registered address of each Noteholder thereof; provided, however, that payments on the Notes may also be made, in the case of a Noteholder of at least $1,000,000 aggregate principal amount of Notes, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Noteholder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. Paying Agent and Registrar

Initially, Bank One, N.A., a national banking association (the "Trustee"), will act as Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Registrar or co-registrar without notice. The Company or any of its domestically incorporated Wholly Owned Subsidiaries may act as Paying Agent, Registrar or co-registrar.

4. Indenture

The Company issued the Notes under an Indenture dated as of August 23, 2001 (the "Indenture"), among the Company, Holdings and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S.C. Sections 77aaa-77bbbb) as in effect on the date of the Indenture (the "TIA"). Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all such terms, and Noteholders are referred to the Indenture and the TIA for a statement of those terms.

The Notes are senior subordinated unsecured obligations of the Company. This Note is one of the Initial Notes referred to in the Indenture issued in an aggregate principal amount of $100 million. The Notes include the Original Notes, the Additional Notes and any Exchange Notes and Private Exchange Notes issued in exchange for the Initial Notes pursuant to the Indenture. The Original Notes, the Additional Notes, the Exchange Notes and the Private Exchange Notes are treated as a single class of securities under the Indenture. The Indenture imposes certain limitations on the ability of the Company and its Restricted Subsidiaries to, among other things, make certain Investments and other Restricted Payments, pay dividends and other distributions, incur Indebtedness, enter into consensual restrictions upon the payment of certain dividends and distributions by such Restricted Subsidiaries, issue or sell shares of capital stock of such Restricted Subsidiaries, enter into or permit certain transactions with Affiliates, create or incur Liens and make Asset Sales. The Indenture also imposes limitations on the ability of the Company to consolidate or merge with or into any other Person or convey, transfer or lease all or substantially all of the property of the Company.

To guarantee the due and punctual payment of the principal and interest, if any, on the Notes and all other amounts payable by the Company under the Indenture and the Notes when and as the same shall be due and payable, whether at maturity, by acceleration or otherwise, according to the terms of the Notes and the Indenture, Holdings has unconditionally guaranteed the Guaranteed Obligations on a senior subordinated basis pursuant to the terms of the Indenture.

5. Optional Redemption

Except as set forth in the following paragraph, the Notes will not be redeemable at the option of the Company prior to June 1, 2003. Thereafter, the Notes will be redeemable at the option of the Company, in whole or in part, on not less than 30 nor more than 60 days' prior notice, at the following redemption prices (expressed as percentages of principal amount), plus accrued and unpaid interest and liquidated damages (if any) to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on June 1 of the years set forth below:

Year	Redemption Price
2003	104.563%
2004	103.042%
2005	101.521%
2006 and thereafter	100.000%

At any time prior to June 1, 2003, the Notes may be redeemed, in whole but not in part, at the option of the Company at any time within 180 days after a Change of Control, at a redemption price equal to the sum of (i) the principal amount thereof plus (ii) accrued and unpaid interest and liquidated damages, if any, to the redemption date (subject to the right of Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date that is on or prior to the date of redemption) plus (iii) the Applicable Premium.

6. Sinking Fund

The Notes are not subject to any sinking fund.

7. Notice of Redemption

Notice of redemption will be mailed by first-class mail at least 30 days but not more than 60 days before the redemption date to each Noteholder of Notes to be redeemed at his or her registered address. Notes in denominations larger than $1,000 may be redeemed in part but only in whole multiples of $1,000. If money sufficient to pay the redemption price of and accrued interest on all Notes (or portions thereof) to be redeemed on the redemption date is deposited with the Paying Agent on or before the redemption date and certain other conditions are satisfied, on and after such date interest ceases to accrue on such Notes (or such portions thereof) called for redemption.

8. Repurchase of Notes at the Option of Senior Subordinated Noteholders upon Change of Control

Upon a Change of Control, any Noteholder of Notes will have the right, subject to certain conditions specified in the Indenture, to cause the Company to repurchase all or any part of the Notes of such Noteholder at a purchase price equal to 101% of the principal amount of the Notes to be repurchased plus accrued and unpaid interest and liquidated damages, if any, to the date of repurchase (subject to the right of Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date) as provided in, and subject to the terms of, the Indenture.

9. Subordination

The Notes are subordinated to Senior Indebtedness of the Company, as defined in the Indenture. To the extent provided in the Indenture, Senior Indebtedness of the Company must be paid before the Notes may be paid. The Company and Holdings agrees, and each Noteholder by accepting a Note agrees, to the subordination provisions contained in the Indenture and authorizes the Trustee to give it effect and appoints the Trustee as attorney-in-fact for such purpose.

10. Denominations; Transfer; Exchange

The Notes are in registered form without coupons in denominations of $1,000 and whole multiples of $1,000. A Noteholder may transfer or exchange Notes in accordance with the Indenture. Upon any transfer or exchange, the Registrar and the Trustee may require a Noteholder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange any Notes selected for redemption (except, in the case of a Note to be redeemed in part, the portion of the Note not to be redeemed) or to transfer or exchange any Notes for a period of 15 days prior to a selection of Notes to be redeemed or 15 days before an interest payment date.

11. Persons Deemed Owners

The registered Noteholder of this Note may be treated as the owner of it for all purposes.

12. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Company at its written request unless an abandoned property law designates another Person. After any such payment, Noteholders entitled to the money must look only to the Company and not to the Trustee for payment.

13. Discharge and Defeasance

Subject to certain conditions, the Company at any time may terminate some of or all its obligations under the Notes and the Indenture if the Company deposits with the Trustee money or U.S. Government Obligations for the payment of principal and interest on the Notes to redemption or maturity, as the case may be.

14. Amendment, Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture or the Notes may be amended without prior notice to any Noteholder but with the written consent of the Noteholders of at least a majority in aggregate principal amount of the outstanding Notes and (ii) any default or noncompliance with any provision may be waived with the written consent of the Noteholders of at least a majority in principal amount of the outstanding Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any Noteholder of Notes, the Company and the Trustee may amend the Indenture or the Notes (i) to cure any ambiguity, omission, defect or inconsistency; (ii) to comply with Article 5 of the Indenture; (iii) to provide for uncertificated Notes in addition to or in place of certificated Notes; (iv) to add additional Guarantees with respect to the Notes; (v) to secure the Notes; (vi) to add additional covenants of the Company for the benefit of the Noteholders or to surrender rights and powers conferred on the Company; (vii) to comply with the requirements of the SEC in order to effect or maintain the qualification of the Indenture under the TIA; (viii) to make any change that does not adversely affect the rights of any Noteholder; (ix) to make any change in the subordination provisions of the Indenture that would limit or terminate the benefits available to any holder of Senior Indebtedness of the Company (or any representative thereof) under such subordination provisions; or (x) to provide for the issuance of the Exchange Notes, Private Exchange Notes, or Additional Notes.

15. Defaults and Remedies

If an Event of Default occurs (other than an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Company) and is continuing, the Trustee or the Noteholders of at least 25% in principal amount of the outstanding Notes may declare the principal of and accrued but unpaid interest on all the Notes to be due and payable. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Company occurs, the principal of and interest on all the Notes will become immediately due and payable without any declaration or other act on the part of the Trustee or any Noteholders. Under certain circumstances, the Noteholders of a majority in principal amount of the outstanding Notes may rescind any such acceleration with respect to the Notes and its consequences.

If an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or

direction of any of the Noteholders unless such Noteholders have offered to the Trustee reasonable indemnity or security against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no Noteholder may pursue any remedy with respect to the Indenture or the Notes unless (i) such Noteholder has previously given the Trustee notice that an Event of Default is continuing, (ii) Noteholders of at least 25% in principal amount of the outstanding Notes have requested the Trustee in writing to pursue the remedy, (iii) such Noteholders have offered the Trustee reasonable security or indemnity against any loss, liability or expense, (iv) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity and (v) the Noteholders of a majority in principal amount of the outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period. Subject to certain restrictions, the Noteholders of a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Noteholder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

16. Trustee Dealings with the Company

Subject to certain limitations imposed by the TIA, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee.

17. No Recourse Against Others

A director, officer, employee or stockholder, as such, of the Company or Holdings shall not have any liability for any obligations of the Company under the Notes or the Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Noteholder waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Notes.

18. Authentication

This Note shall not be valid until an authorized signatory of the Trustee (or an authenticating agent) manually signs the certificate of authentication on the other side of this Note.

19. Abbreviations

Customary abbreviations may be used in the name of a Noteholder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

20. GOVERNING LAW

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

21. CUSIP and ISIN Numbers

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP and ISIN numbers to be printed on the Notes and has directed the Trustee to use CUSIP and ISIN numbers in notices of redemption as a convenience to Noteholders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

THE COMPANY WILL FURNISH TO ANY NOTEHOLDER OF NOTES UPON WRITTEN REQUEST AND WITHOUT CHARGE TO THE NOTEHOLDER A COPY OF THE INDENTURE WHICH HAS IN IT THE TEXT OF THIS NOTE.

ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to

(Print or type assignee's name, address and zip code)

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint agent to transfer this Note on the books of the Company. The agent may substitute another to act for him.

_____

Date: _____ Your Signature: _____

_____

Sign exactly as your name appears on the other side of this Note. Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee.

OPTION OF NOTEHOLDER TO ELECT PURCHASE

IF YOU WANT TO ELECT TO HAVE THIS NOTE PURCHASED BY THE COMPANY PURSUANT TO SECTION 4.06 (ASSET SALE) OR 4.08 (CHANGE OF CONTROL) OF THE INDENTURE, CHECK THE BOX:

ASSET SALE / / CHANGE OF CONTROL / /

IF YOU WANT TO ELECT TO HAVE ONLY PART OF THIS NOTE PURCHASED BY THE COMPANY PURSUANT TO SECTION 4.06 OR 4.08 OF THE INDENTURE, STATE THE AMOUNT:

$

DATE: _____ YOUR SIGNATURE: _____
(SIGN EXACTLY AS YOUR NAME APPEARS ON THE OTHER SIDE OF THE NOTE)

SIGNATURE GUARANTEE: _____
SIGNATURE MUST BE GUARANTEED BY A PARTICIPANT IN A RECOGNIZED SIGNATURE GUARANTY MEDALLION PROGRAM OR OTHER SIGNATURE GUARANTOR ACCEPTABLE TO THE TRUSTEE.

EXHIBIT C

Form of
Transferee Letter of Representation

WESCO Distribution, Inc.

In care of Bank One, N.A.
Bank One Trust Company, N.A.
c/o First Chicago Trust Company
14 Wall Street
8th Floor, Suite 4607
New York, NY 10002

Ladies and Gentlemen:

This certificate is delivered to request a transfer of $ principal amount of the 9 1/8% Senior Subordinated Notes due 2008 (the "Notes") of WESCO Distribution, Inc. (the "Company").

Upon transfer, the Notes would be registered in the name of the new beneficial owner as follows:

Name: _____

Address: _____

Taxpayer ID Number: _____

The undersigned represents and warrants to you that:

1. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933, as amended (the "Securities Act")) purchasing for our own account or for the account of such an institutional "accredited investor" at least $250,000 principal amount of the Notes, and we are acquiring the Notes not with a view to, or for offer or sale in connection with, any distribution in violation of the Securities Act. We have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we invest in or purchase Notes similar to the Notes in the normal course of our business. We, and any accounts for which we are acting, are each able to bear the economic risk of our or its investment.

2. We understand that the Notes have not been registered under the Securities Act and, unless so registered, may not be sold except as permitted in the following sentence. We agree on our own behalf and on behalf of any investor account for which we are purchasing Notes to offer, sell or otherwise transfer such Notes prior to the date that is two years after the later of the date of original issue and the last date on which the Company or any affiliate of the Company was the owner of such Notes (or any predecessor thereto) (the "Resale Restriction Termination Date") only (a) to the Company, (b) pursuant to a

registration statement that has been declared effective under the Securities Act, (c) in a transaction complying with the requirements of Rule 144A under the Securities Act ("Rule 144A"), to a person we reasonably believe is a qualified institutional buyer under Rule 144A (a "QIB") that purchases for its own account or for the account of a QIB and to whom notice is given that the transfer is being made in reliance on Rule 144A, (d) pursuant to offers and sales that occur outside the United States within the meaning of Regulation S under the Securities Act, (e) to an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act that is an institutional investor purchasing for its own account or for the account of such an institutional "accredited investor", in each case in a minimum principal amount of Notes of $250,000, or (f) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of our property or the property of such investor account or accounts be at all times within our or their control and in compliance with any applicable state securities laws. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. If any resale or other transfer of the Notes is proposed to be made pursuant to clause (e) above prior to the Resale Restriction Termination Date, the transferor shall deliver a letter from the transferee substantially in the form of this letter to the Company and the Trustee, which shall provide, among other things, that the transferee is an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act and that it is acquiring such Notes for investment purposes and not for distribution in violation of the Securities Act. Each purchaser acknowledges that the Company and the Trustee reserve the right prior to the offer, sale or other transfer prior to the Resale Restriction Termination Date of the Notes pursuant to clause (d), (e) or (f) above to require the delivery of an opinion of counsel, certifications or other information satisfactory to the Company and the Trustee.

TRANSFEREE: _____,

by: _____

EXHIBIT 4.7

EXECUTION COPY

WESCO DISTRIBUTION, INC.

$100,000,000

9-1/8% Senior Subordinated Notes due 2008

EXCHANGE AND REGISTRATION RIGHTS AGREEMENT

August 23, 2001

J.P. MORGAN SECURITIES INC.
LEHMAN BROTHERS INC.
PNC CAPITAL MARKETS, INC.
TD SECURITIES (USA) INC.
BNY CAPITAL MARKETS, INC.
ABN AMRO INCORPORATED
COMERICA SECURITIES
FLEET SECURITIES, INC.
SCOTIA CAPITAL (USA) INC.

c/o J.P. Morgan Securities Inc.
270 Park Avenue, 4th Floor
New York, New York 10017

Ladies and Gentlemen:

WESCO Distribution, Inc., a Delaware corporation (the "Company"), proposes to issue and sell to J.P. Morgan Securities Inc. ("JPMorgan"), Lehman Brothers Inc., PNC Capital Markets, Inc., TD Securities (USA) Inc., BNY Capital Markets, Inc., ABN AMRO Incorporated, Comerica Securities, Fleet Securities, Inc. and Scotia Capital (USA) Inc. (together with JPMorgan, the "Initial Purchasers"), upon the terms and subject to the conditions set forth in a purchase agreement dated August 16, 2001 (the "Purchase Agreement"), $100,000,000 aggregate principal amount of its 9-1/8% Senior Subordinated Notes due 2008 (the "Securities") to be guaranteed on an unsecured senior subordinated basis by WESCO International, Inc. ("Holdings"). Capitalized terms used but not defined herein shall have the meanings given to such terms in the Purchase Agreement.

As an inducement to the Initial Purchasers to enter into the Purchase Agreement and in satisfaction of a condition to the obligations of the Initial Purchasers thereunder, the Company and Holdings agree with the Initial Purchasers, for the benefit of the holders (including the Initial Purchasers) of the Securities, the Exchange Securities (as defined herein) and the Private Exchange Securities (as defined herein) (collectively, the "Holders"), as follows:

1. Registered Exchange Offer. The Company and Holdings shall (i) prepare and, not later than 90 days following the date of original issuance of the Securities (the "Issue Date"), file with the Commission a registration statement (the "Exchange Offer Registration Statement") on an appropriate form under the Securities Act with respect to a proposed offer to the Holders of the Securities (the "Registered Exchange Offer") to issue and deliver to such Holders, in exchange for the Securities, a like aggregate principal amount of debt securities of the Company (the "Exchange Securities") that are identical in all material respects to the Securities, except for the transfer restrictions relating to the Securities, (ii) use their reasonable best efforts to cause the Exchange Offer Registration Statement to become effective under the Securities Act no later than 180 days after the Issue Date and the Registered Exchange Offer to be consummated no later than 225 days after the Issue Date and (iii) keep the Exchange Offer Registration Statement effective for not less than 20 business days (or longer, if required by applicable law) after the date on which notice of the Registered Exchange Offer is mailed to the Holders (such period being called the "Securities Exchange Offer Registration Period"). The Exchange Securities will be issued under the Indenture or an indenture (the "Exchange Securities Indenture") among the Company, Holdings and the Trustee or such other bank or trust company that is reasonably satisfactory to the Initial Purchasers, as trustee (the "Exchange Securities Trustee"), such indenture to be identical in all material respects to the Indenture, except for the transfer restrictions relating to the Securities (as described above).

As soon as practicable after the effectiveness of the Exchange Offer Registration Statement, the Company shall promptly commence the Registered Exchange Offer, it being the objective of such Registered Exchange Offer to enable each Holder electing to exchange Securities for Exchange Securities (assuming that such Holder (a) is not an affiliate of the Company or an Exchanging Dealer (as defined herein) not complying with the requirements of the next sentence, (b) is not an Initial Purchaser holding Securities that have, or that are reasonably likely to have, the status of an unsold allotment in an initial distribution, (c) acquires the Exchange Securities in the ordinary course of such Holder's business and (d) has no arrangements or understandings with any person to participate in the distribution of the Exchange Securities) and to trade such Exchange Securities from and after their receipt without any limitations or restrictions under the Securities Act and without material restrictions under the securities laws of the several states of the United States. The Company, Holdings, the Initial Purchasers and each Exchanging Dealer acknowledge that, pursuant to current interpretations by the Commission's staff of Section 5 of the Securities Act, each Holder that is a broker-dealer electing to exchange Securities, acquired for its own account as a result of market-making activities or other trading activities, for Exchange Securities (an "Exchanging Dealer"), is required to deliver a prospectus containing substantially the information set forth in Annex A hereto on the cover, in Annex B hereto in the "Exchange Offer Procedures" section and the "Purpose of the Exchange Offer" section and in Annex C hereto in the "Plan of Distribution" section of such prospectus in connection with a sale of any such Exchange Securities received by such Exchanging Dealer pursuant to the Registered Exchange Offer.

If, prior to the consummation of the Registered Exchange Offer, any Holder holds any Securities acquired by it that have, or that are reasonably likely to be determined to have, the status of an unsold allotment in an initial distribution, or any Holder is not entitled to participate in the Registered Exchange Offer, the Company shall, upon the request of any such Holder, simultaneously with the delivery of the Exchange Securities in the Registered Exchange Offer,

issue and deliver to any such Holder, in exchange for the Securities held by such Holder (the "Private Exchange"), a like aggregate principal amount of debt securities of the Company (the "Private Exchange Securities") that are identical in all material respects to the Exchange Securities, except for the transfer restrictions relating to such Private Securities Exchange Securities. The Private Exchange Securities will be issued under the same indenture as the Exchange Securities, and the Company shall use its reasonable best efforts to cause the Private Exchange Securities to bear the same CUSIP number as the Exchange Securities.

In connection with the Registered Exchange Offer, the Company shall:

(a) mail to each Holder a copy of the prospectus forming part of the Exchange Offer Registration Statement, together with an appropriate letter of transmittal and related documents;

(b) keep the Registered Exchange Offer open for not less than 20 business days (or longer, if required by applicable law) after the date on which notice of the Registered Exchange Offer is mailed to the Holders;

(c) utilize the services of a depositary for the Registered Exchange Offer with an address in the Borough of Manhattan, The City of New York;

(d) permit Holders to withdraw tendered Securities at any time prior to the close of business, New York City time, on the last business day on which the Registered Exchange Offer shall remain open; and

(e) otherwise comply in all material respects with all laws that are applicable to the Registered Exchange Offer.

As soon as practicable after the close of the Registered Exchange Offer and any Private Exchange, as the case may be, the Company shall:

(a) accept for exchange all Securities tendered and not validly withdrawn pursuant to the Registered Exchange Offer and the Private Exchange;

(b) deliver to the Trustee for cancellation all Securities so accepted for exchange; and

(c) cause the Trustee or the Exchange Securities Trustee, as the case may be, promptly to authenticate and deliver to each Holder, Exchange Securities or Private Exchange Securities, as the case may be, equal in principal amount to the Securities of such Holder so accepted for exchange.

The Company shall use its reasonable best efforts to keep the Exchange Offer Registration Statement effective and to amend and supplement the prospectus contained therein in order to permit such prospectus to be used by all persons subject to the prospectus delivery requirements of the Securities Act for such period of time as such persons must comply with such requirements in order to resell the Exchange Securities; provided that (i) in the case where such prospectus and any amendment or supplement thereto must be delivered by an Exchanging

Dealer, such period shall be the lesser of 180 days and the date on which all Exchanging Dealers have sold all Securities held by them and (ii) the Company shall make such prospectus and any amendment or supplement thereto available to any broker-dealer for use in connection with any resale of any Exchange Securities for a period of not less than 180 days after the consummation of the Registered Exchange Offer.

The Indenture or the Exchange Securities Indenture, as the case may be, shall provide that the Securities, the Exchange Securities and the Private Exchange Securities shall vote and consent together on all matters as one class and that none of the Securities, the Exchange Securities or the Private Exchange Securities will have the right to vote or consent as a separate class on any matter.

Interest on each Exchange Security and Private Exchange Security issued pursuant to the Registered Exchange Offer and in the Private Exchange will accrue from the last interest payment date on which interest was paid on the Securities surrendered in exchange therefor or, if no interest has been paid on the Securities, from the Issue Date.

Each Holder participating in the Registered Exchange Offer shall be required to represent to the Company that at the time of the consummation of the Registered Exchange Offer (i) any Exchange Securities received by such Holder will be acquired in the ordinary course of business, (ii) such Holder will have no arrangements or understandings with any person to participate in the distribution of the Securities or the Exchange Securities within the meaning of the Securities Act and (iii) such Holder is not an affiliate of the Company or Holdings or, if it is such an affiliate, such Holder will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable.

Notwithstanding any other provisions hereof, the Company and Holdings will ensure that (i) any Exchange Offer Registration Statement and any amendment thereto and any prospectus forming part thereof and any supplement thereto complies in all material respects with the Securities Act and the rules and regulations of the Commission thereunder, (ii) any Exchange Offer Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) any prospectus forming part of any Exchange Offer Registration Statement, and any supplement to such prospectus, does not, as of the consummation of the Registered Exchange Offer, include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

2. Shelf Registration. If (i) because of any change in law or applicable interpretations thereof by the Commission's staff the Company is not permitted to effect the Registered Exchange Offer as contemplated by Section 1 hereof, or (ii) any Securities validly tendered pursuant to the Registered Exchange Offer are not exchanged for Exchange Securities prior to 225 days after the Issue Date, or (iii) any Initial Purchaser so requests with respect to Securities or Private Exchange Securities not eligible to be exchanged for Exchange Securities in the Registered Exchange Offer and held by it following the consummation of the Registered Exchange Offer, or (iv) any applicable law or interpretations do not permit any Holder to

participate in the Registered Exchange Offer, or (v) any Holder that participates in the Registered Exchange Offer does not receive freely transferable Exchange Securities in exchange for tendered Securities, or (vi) the Company and Holdings so elect, then the following provisions shall apply:

(a) The Company and Holdings shall file as promptly as practicable with the Commission, and thereafter shall use their reasonable best efforts to cause to be declared effective, a shelf registration statement on an appropriate form under the Securities Act relating to the offer and sale of the Transfer Restricted Securities (as defined below) by the Holders thereof from time to time in accordance with the methods of distribution set forth in such registration statement (hereafter, a "Shelf Registration Statement").

(b) The Company and Holdings shall use their reasonable best efforts to keep the Shelf Registration Statement continuously effective in order to permit the prospectus forming part thereof to be used by Holders of Transfer Restricted Securities for a period ending on the earlier of (i) two years from the Issue Date or such shorter period that will terminate when all the Transfer Restricted Securities covered by the Shelf Registration Statement have been sold pursuant thereto and (ii) the date on which the Securities become eligible for resale without volume restrictions pursuant to Rule 144 under the Securities Act (in any such case, such period being called the "Shelf Registration Period"). The Company and Holdings shall be deemed not to have used their reasonable best efforts to keep the Shelf Registration Statement effective during the requisite period if any of them voluntarily take any action that would result in Holders of Transfer Restricted Securities covered thereby not being able to offer and sell such Transfer Restricted Securities during that period, unless (A) such action is required by applicable law or (B) such action was permitted by Section 3(b).

(c) Notwithstanding any other provisions hereof, the Company and Holdings will ensure that (i) any Shelf Registration Statement and any amendment thereto and any prospectus forming part thereof and any supplement thereto complies in all material respects with the Securities Act and the rules and regulations of the Commission thereunder, (ii) any Shelf Registration Statement and any amendment thereto (in either case, other than with respect to information included therein in reliance upon or in conformity with written information furnished to the Company by or on behalf of any Holder specifically for use therein (the "Holders' Information")) does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) any prospectus forming part of any Shelf Registration Statement, and any supplement to such prospectus (in either case, other than with respect to Holders' Information), does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

3. Liquidated Damages.

(a) The parties hereto agree that the Holders of Transfer Restricted Securities will suffer damages if the Company and Holdings fail to fulfill their obligations under

Section 1 or Section 2, as applicable, and that it would not be feasible to ascertain the extent of such damages. Accordingly, if (i) the Exchange Offer Registration Statement or Shelf Registration Statement, as the case may be, is not filed with the Commission on or prior to 90 days after the Issue Date (or, in the case of a Shelf Registration Statement required to be filed in response to a change in law or applicable interpretations of the Commission's staff, if later, within 45 days after publication of the change in law or interpretations, but in no event before 90 days after the Issue Date), (ii) the Exchange Offer Registration Statement or the Shelf Registration Statement, as the case may be, is not declared effective within 180 days after the Issue Date (or in the case of a Shelf Registration Statement required to be filed in response to a change in law or the applicable interpretations of Commission's staff, if later, within 90 days after publication of the change in law or interpretation, but in no event before 180 days after the Issue Date), (iii) the Registered Exchange Offer is not consummated on or prior to 225 days after the Issue Date (other than in the event the Company files a Shelf Registration Statement), or (iv) the Shelf Registration Statement is filed and declared effective within 180 days after the Issue Date (or in the case of a Shelf Registration Statement required to be filed in response to a change in law or the applicable interpretations of the Commission's staff, if later, within 90 days after publication of the change in law or interpretation, but in no event before 180 days after the Issue Date) but shall thereafter cease to be effective (at any time that the Company is obligated to maintain the effectiveness thereof) without being succeeded within 90 days by an additional Registration Statement filed and declared effective (each such event referred to in clauses (i) through (iv), a "Registration Default"), the Company and Holdings will be jointly and severally obligated to pay liquidated damages to each Holder of Transfer Restricted Securities, during the period of one or more such Registration Defaults, in an amount equal to $ 0.192 per week per $1,000 principal amount of Transfer Restricted Securities held by such Holder until (i) the Exchange Offer Registration Statement or Shelf Registration Statement, as the case may be, is filed, (ii) the Exchange Offer Registration Statement is declared effective and the Registered Exchange Offer is consummated, (iii) the Shelf Registration Statement is declared effective or (iv) the Shelf Registration Statement again becomes effective, as the case may be. Following the cure of all Registration Defaults, the accrual of liquidated damages will cease. As used herein, the term "Transfer Restricted Securities" means (i) each Security until the date on which such Security has been exchanged for a freely transferable Exchange Security in the Registered Exchange Offer, (ii) each Security or Private Exchange Security until the date on which it has been effectively registered under the Securities Act and disposed of in accordance with the Shelf Registration Statement or (iii) each Security or Private Exchange Security until the date on which it is distributed to the public pursuant to Rule 144 under the Securities Act or is saleable pursuant to Rule 144(k) under the Securities Act. Notwithstanding anything to the contrary in this Section 3(a), the Company shall not be required to pay liquidated damages to a Holder of Transfer Restricted Securities if such Holder failed to comply with its obligations to make the representations set forth in the second to last paragraph of Section 1 or failed to provide the information required to be provided by it, if any, pursuant to Section 4(n).

(b) Notwithstanding the foregoing provisions of Section 3(a), the Company may issue a notice that the Shelf Registration Statement is unusable pending the

announcement of a material development or event and may issue any notice suspending use of the Shelf Registration Statement required under applicable securities laws to be issued and, in the event that the aggregate number of days in any consecutive twelve-month period for which all such notices are issued and effective exceeds 45 days in the aggregate, then the Company and Holdings will be obligated to pay liquidated damages to each Holder of Transfer Restricted Securities in an amount equal to $0.192 per week per $1,000 principal amount of Transfer Restricted Securities held by such Holder. Upon the Company declaring that the Shelf Registration Statement is usable after the period of time described in the preceding sentence the accrual of liquidated damages shall cease; provided, however, that if after any such cessation of the accrual of liquidated damages the Shelf Registration Statement again ceases to be usable beyond the period permitted above, liquidated damages will again accrue pursuant to the foregoing provisions.

(c) The Company shall notify the Trustee and the Paying Agent under the Indenture immediately upon the happening of each and every Registration Default. The Company and Holdings shall pay the liquidated damages due on the Transfer Restricted Securities by depositing with the Paying Agent (which may not be the Company for these purposes), in trust, for the benefit of the Holders thereof, prior to 10:00 a.m., New York City time, on the next interest payment date specified by the Indenture and the Securities, sums sufficient to pay the liquidated damages then due. The liquidated damages due shall be payable on each interest payment date specified by the Indenture and the Securities to the record holder entitled to receive the interest payment to be made on such date. Each obligation to pay liquidated damages shall be deemed to accrue from and including the date of the applicable Registration Default.

(d) The parties hereto agree that the liquidated damages provided for in this Section 3 constitute a reasonable estimate of and are intended to constitute the sole damages that will be suffered by Holders of Transfer Restricted Securities by reason of the failure of (i) the Shelf Registration Statement or the Exchange Offer Registration Statement to be filed, (ii) the Shelf Registration Statement to remain effective or (iii) the Exchange Offer Registration Statement to be declared effective and the Registered Exchange Offer to be consummated, in each case to the extent required by this Agreement.

4. Registration Procedures. In connection with any Registration Statement, the following provisions shall apply:

(a) The Company shall (i) furnish to each Initial Purchaser, prior to the filing thereof with the Commission, a copy of the Registration Statement and each amendment thereof and each supplement, if any, to the prospectus included therein; (ii) include the information set forth in Annex A hereto on the cover, in Annex B hereto in the "Exchange Offer Procedures" section and the "Purpose of the Exchange Offer" section and in Annex C hereto in the "Plan of Distribution" section of the prospectus forming a part of the Exchange Offer Registration Statement, and include the information set forth in Annex D hereto in the Letter of Transmittal delivered pursuant to the Registered Exchange Offer; and (iii) if requested by any Initial Purchaser, include the information

required by Items 507 or 508 of Regulation S-K, as applicable, in the prospectus forming a part of the Exchange Offer Registration Statement.

(b) The Company shall advise each Initial Purchaser, each Exchanging Dealer and the Holders (if applicable) and, if requested by any such person, confirm such advice in writing (which advice pursuant to clauses (ii)-(v) hereof shall be accompanied by an instruction to suspend the use of the prospectus until the requisite changes have been made):

(i) when any Registration Statement and any amendment thereto has been filed with the Commission and when such Registration Statement or any post-effective amendment thereto has become effective;

(ii) of any request by the Commission for amendments or supplements to any Registration Statement or the prospectus included therein or for additional information;

(iii) of the issuance by the Commission of any stop order suspending the effectiveness of any Registration Statement or the initiation of any proceedings for that purpose;

(iv) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Securities, the Exchange Securities or the Private Exchange Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and

(v) of the happening of any event that requires the making of any changes in any Registration Statement or the prospectus included therein in order that the statements therein are not misleading and do not omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(c) The Company and Holdings will make every reasonable effort to obtain the withdrawal at the earliest possible time of any order suspending the effectiveness of any Registration Statement.

(d) The Company will furnish to each Holder of Transfer Restricted Securities included within the coverage of any Shelf Registration Statement, without charge, at least one conformed copy of such Shelf Registration Statement and any post-effective amendment thereto, including financial statements and schedules and, if any such Holder so requests in writing, all exhibits thereto (including those, if any, incorporated by reference).

(e) The Company will, during the Shelf Registration Period, promptly deliver to each Holder of Transfer Restricted Securities included within the coverage of any Shelf Registration Statement, without charge, as many copies of the prospectus (including each preliminary prospectus) included in such Shelf Registration Statement and any amendment or supplement thereto as such Holder may reasonably request; and

the Company consents to the use of such prospectus or any amendment or supplement thereto by each of the selling Holders of Transfer Restricted Securities in connection with the offer and sale of the Transfer Restricted Securities covered by such prospectus or any amendment or supplement thereto.

(f) The Company will, during the period not exceeding 180 days following the expiration of the Registered Exchange Offer, furnish to each Initial Purchaser and each Exchanging Dealer, and to any other Holder who so requests, without charge, at least one conformed copy of the Exchange Offer Registration Statement and any post-effective amendment thereto, including financial statements and schedules and, if any Initial Purchaser or Exchanging Dealer or any such Holder so requests in writing, all exhibits thereto (including those, if any, incorporated by reference).

(g) The Company will, during the Exchange Offer Registration Period or the Shelf Registration Period, as applicable, promptly deliver to each Initial Purchaser, each Exchanging Dealer and such other persons that are required to deliver a prospectus following the Registered Exchange Offer, without charge, as many copies of the final prospectus included in the Exchange Offer Registration Statement or the Shelf Registration Statement and any amendment or supplement thereto as such Initial Purchaser, Exchanging Dealer or other persons may reasonably request; and the Company and Holdings consent to the use of such prospectus or any amendment or supplement thereto by any such Initial Purchaser, Exchanging Dealer or other persons, as applicable, as aforesaid.

(h) Prior to the effective date of any Registration Statement, the Company and Holdings will use their reasonable best efforts to register or qualify, or cooperate with the Holders of Securities, Exchange Securities or Private Exchange Securities included therein and their respective counsel in connection with the registration or qualification of, such Securities, Exchange Securities or Private Exchange Securities for offer and sale under the securities or blue sky laws of such jurisdictions as any such Holder reasonably requests in writing and do any and all other acts or things necessary or advisable to enable the offer and sale in such jurisdictions of the Securities, Exchange Securities or Private Exchange Securities covered by such Registration Statement; provided that the Company and Holdings will not be required to qualify generally to do business in any jurisdiction where they are not then so qualified or to take any action which would subject them to general service of process or to taxation in any such jurisdiction where they are not then so subject.

(i) The Company and Holdings will cooperate with the Holders of Securities, Exchange Securities or Private Exchange Securities to facilitate the timely preparation and delivery of certificates representing Securities, Exchange Securities or Private Exchange Securities to be sold pursuant to any Registration Statement free of any restrictive legends and in such denominations and registered in such names as the Holders thereof may request in writing prior to sales of Securities, Exchange Securities or Private Exchange Securities pursuant to such Registration Statement.

(j) If any event contemplated by Section 4(b)(ii) through (v) occurs during the period for which the Company and Holdings are required to maintain an effective Registration Statement, the Company and Holdings will promptly prepare and file with the Commission a post-effective amendment to the Registration Statement or a supplement to the related prospectus or file any other required document so that, as thereafter delivered to purchasers of the Securities, Exchange Securities or Private Exchange Securities from a Holder, the prospectus will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) Not later than the effective date of the applicable Registration Statement, the Company will provide a CUSIP number for the Securities, the Exchange Securities and the Private Exchange Securities, as the case may be, and provide the applicable trustee with printed certificates for the Securities, the Exchange Securities or the Private Exchange Securities, as the case may be, in a form eligible for deposit with The Depository Trust Company.

(l) The Company and Holdings will comply with all applicable rules and regulations of the Commission and the Company will make generally available to its security holders as soon as practicable after the effective date of the applicable Registration Statement an earning statement covering at least 12 months satisfying the provisions of Section 11(a) of the Securities Act.

(m) The Company and Holdings will cause the Indenture or the Exchange Securities Indenture, as the case may be, to be qualified under the Trust Indenture Act as required by applicable law in a timely manner.

(n) The Company may require each Holder of Transfer Restricted Securities to be registered pursuant to any Shelf Registration Statement to furnish to the Company such information concerning the Holder and the distribution of such Transfer Restricted Securities as the Company may from time to time reasonably require for inclusion in such Shelf Registration Statement and the Company may exclude from such registration the Transfer Restricted Securities of any Holder that fails to furnish such information within a reasonable time after receiving such request.

(o) In the case of a Shelf Registration Statement, each Holder of Transfer Restricted Securities to be registered pursuant thereto agrees by acquisition of such Transfer Restricted Securities that, upon receipt of any notice from the Company pursuant to Section 4(b)(ii) through (v), such Holder will discontinue disposition of such Transfer Restricted Securities until such Holder's receipt of copies of the supplemental or amended prospectus contemplated by Section 4(j) or until advised in writing (the "Advice") by the Company that the use of the applicable prospectus may be resumed. If the Company shall give any notice under Section 4(b)(ii) through (v) during the period that the Company is required to maintain an effective Registration Statement (the "Effectiveness Period"), such Effectiveness Period shall be extended by the number of days during such period from and including the date of the giving of such notice to and including the date when each seller of Transfer Restricted Securities covered by such

Registration Statement shall have received (x) the copies of the supplemental or amended prospectus contemplated by Section 4(j) (if an amended or supplemental prospectus is required) or (y) the Advice (if no amended or supplemental prospectus is required).

(p) In the case of a Shelf Registration Statement, the Company and Holdings shall enter into such customary agreements (including, if requested, an underwriting agreement in customary form) and take all such other action, if any, as Holders of a majority in aggregate principal amount of the Securities, Exchange Securities or Private Exchange Securities being sold or the managing underwriters (if any) shall reasonably request in order to facilitate any disposition of Securities, Exchange Securities or Private Exchange Securities pursuant to such Shelf Registration Statement.

(q) In the case of a Shelf Registration Statement, the Company shall (i) make reasonably available for inspection by a representative of, and Special Counsel (as defined below) acting for, Holders of a majority in aggregate principal amount of the Securities, Exchange Securities and Private Exchange Securities being sold and any underwriter participating in any disposition of Securities, Exchange Securities or Private Exchange Securities pursuant to such Shelf Registration Statement, all relevant financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries and (ii) use its reasonable best efforts to have its officers, directors, employees, accountants and counsel supply all relevant information reasonably requested by such representative, Special Counsel or any such underwriter (an "Inspector") in connection with such Shelf Registration Statement.

(r) In the case of a Shelf Registration Statement, the Company shall, if requested by Holders of a majority in aggregate principal amount of the Securities, Exchange Securities and Private Exchange Securities being sold, their Special Counsel or the managing underwriters (if any) in connection with such Shelf Registration Statement, use its reasonable best efforts to cause (i) its counsel to deliver an opinion relating to the Shelf Registration Statement and the Securities, Exchange Securities or Private Exchange Securities, as applicable, in customary form, (ii) its officers to execute and deliver all customary documents and certificates requested by Holders of a majority in aggregate principal amount of the Securities, Exchange Securities and Private Exchange Securities being sold, their Special Counsel or the managing underwriters (if any) and (iii) its independent public accountants to provide a comfort letter or letters in customary form, subject to receipt of appropriate documentation as contemplated, and only if permitted, by Statement of Auditing Standards No. 72.

5. Registration Expenses. The Company and Holdings will jointly and severally bear all expenses incurred in connection with the performance of its obligations under Sections 1, 2, 3 and 4, and, other than in connection with the Exchange Offer Registration Statement, the Company will reimburse the Initial Purchasers and the Holders for the reasonable fees and disbursements of one firm of attorneys chosen by the Holders of a majority in aggregate principal amount of the Securities, the Exchange Securities and the Private Exchange Securities to be sold pursuant to each Registration Statement (the "Special Counsel") acting for the Initial Purchasers or Holders in connection therewith.

6. Indemnification.

(a) In the event of a Shelf Registration Statement or in connection with any prospectus delivery pursuant to an Exchange Offer Registration Statement by an Initial Purchaser or Exchanging Dealer, as applicable, the Company and Holdings shall jointly and severally indemnify and hold harmless each Holder (including, without limitation, any such Initial Purchaser or Exchanging Dealer), its affiliates, their respective officers, directors, employees, representatives and agents, and each person, if any, who controls such Holder within the meaning of the Securities Act or the Exchange Act (collectively referred to for purposes of this Section 6 and Section 7 as a Holder) from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof (including, without limitation, any loss, claim, damage, liability or action relating to purchases and sales of Securities, Exchange Securities or Private Exchange Securities), to which that Holder may become subject, whether commenced or threatened, under the Securities Act, the Exchange Act, any other federal or state statutory law or regulation, at common law or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any such Registration Statement or any prospectus forming part thereof or in any amendment or supplement thereto or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and shall reimburse each Holder promptly upon demand for any legal or other expenses reasonably incurred by that Holder in connection with investigating or defending or preparing to defend against or appearing as a third party witness in connection with any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company and Holdings shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with any Holders' Information; and provided, further, that with respect to any such untrue statement in or omission from any related preliminary prospectus, the indemnity agreement contained in this Section 6(a) shall not inure to the benefit of any Holder from whom the person asserting any such loss, claim, damage, liability or action received Securities, Exchange Securities or Private Exchange Securities to the extent that such loss, claim, damage, liability or action of or with respect to such Holder results from the fact that both (A) a copy of the final prospectus was not sent or given to such person at or prior to the written confirmation of the sale of such Securities, Exchange Securities or Private Exchange Securities to such person and (B) the untrue statement in or omission from the related preliminary prospectus was corrected in the final prospectus unless, in either case, such failure to deliver the final prospectus was a result of non-compliance by the Company with Section 4(d), 4(e), 4(f) or 4(g).

(b) In the event of a Shelf Registration Statement, each Holder shall indemnify and hold harmless the Company, its affiliates, their respective officers, directors, employees, representatives and agents, and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act (collectively referred to for purposes of this Section 6(b) and Section 7 as the Company), from and

against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company may become subject, whether commenced or threatened, under the Securities Act, the Exchange Act, any other federal or state statutory law or regulation, at common law or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any such Registration Statement or any prospectus forming part thereof or in any amendment or supplement thereto or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with any Holders' Information furnished to the Company by such Holder, and shall reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending or preparing to defend against or appearing as a third party witness in connection with any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that no such Holder shall be liable for any indemnity claims hereunder in excess of the amount of net proceeds received by such Holder from the sale of Securities, Exchange Securities or Private Exchange Securities pursuant to such Registration Statement.

(c) Promptly after receipt by an indemnified party under this Section 6 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party pursuant to Section 6(a) or 6(b), notify the indemnifying party in writing of the claim or the commencement of that action; provided, however, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 6 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided, further, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 6. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 6 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than the reasonable costs of investigation; provided, however, that an indemnified party shall have the right to employ its own counsel in any such action, but the fees, expenses and other charges of such counsel for the indemnified party will be at the expense of such indemnified party unless (1) the employment of counsel by the indemnified party has been authorized in writing by the indemnifying party, (2) the indemnified party has reasonably concluded (based upon advice of counsel to the indemnified party) that there may be legal defenses available to it or other indemnified parties that are different from or in addition to those available to the indemnifying party, (3) a conflict or potential conflict exists (based upon advice of counsel to the indemnified party) between the

indemnified party and the indemnifying party (in which case the indemnifying party will not have the right to direct the defense of such action on behalf of the indemnified party) or (4) the indemnifying party has not in fact employed counsel reasonably satisfactory to the indemnified party to assume the defense of such action within a reasonable time after receiving notice of the commencement of the action, in each of which cases the reasonable fees, disbursements and other charges of counsel will be at the expense of the indemnifying party or parties. It is understood that the indemnifying party or parties shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees, disbursements and other charges of more than one separate firm of attorneys (in addition to any local counsel) at any one time for all such indemnified party or parties. Each indemnified party, as a condition of the indemnity agreements contained in Sections 6(a) and 6(b), shall use all reasonable efforts to cooperate with the indemnifying party in the defense of any such action or claim. No indemnifying party shall be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with its written consent or if there be a final judgment for the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party (which consent shall not be unreasonably withheld), effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

7. Contribution. If the indemnification provided for in Section 6 is unavailable or insufficient to hold harmless an indemnified party under Section 6(a) or 6(b), then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company from the offering and sale of the Securities, on the one hand, and a Holder with respect to the sale by such Holder of Securities, Exchange Securities or Private Exchange Securities, on the other, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and Holdings, on the one hand, and such Holder, on the other, with respect to the statements or omissions that resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Company and Holdings, on the one hand, and a Holder, on the other, with respect to such offering and such sale shall be deemed to be in the same proportion as the total net proceeds from the offering of the Securities (before deducting expenses) received by or on behalf of the Company as set forth in the table on the cover of the Offering Memorandum, on the one hand, bear to the total proceeds received by such Holder with respect to its sale of Securities, Exchange Securities or Private Exchange Securities, on the other. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to the Company and Holdings or information supplied by the Company and Holdings, on the one hand, or to any

Holders' Information supplied by such Holder, on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The parties hereto agree that it would not be just and equitable if contributions pursuant to this Section 7 were to be determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 7 shall be deemed to include, for purposes of this Section 7, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending or preparing to defend any such action or claim. Notwithstanding the provisions of this Section 7, an indemnifying party that is a Holder of Securities, Exchange Securities or Private Exchange Securities shall not be required to contribute any amount in excess of the amount by which the total price at which the Securities, Exchange Securities or Private Exchange Securities sold by such indemnifying party to any purchaser exceeds the amount of any damages which such indemnifying party has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

8. Rules 144 and 144A. The Company and Holdings shall use their reasonable best efforts to file the reports required to be filed under the Securities Act and the Exchange Act in a timely manner and, if at any time the Company and Holdings are not required to file such reports, they will, upon the written request of any Holder of Transfer Restricted Securities, make publicly available other information so long as necessary to permit sales of such Holder's securities pursuant to Rules 144 and 144A. The Company and Holdings covenant that they will take such further action as any Holder of Transfer Restricted Securities may reasonably request, all to the extent required from time to time to enable such Holder to sell Transfer Restricted Securities without registration under the Securities Act within the limitation of the exemptions provided by Rules 144 and 144A (including, without limitation, the requirements of Rule 144A(d)(4)). Upon the written request of any Holder of Transfer Restricted Securities, the Company and Holdings shall deliver to such Holder a written statement as to whether they have complied with such requirements. Notwithstanding the foregoing, nothing in this Section 8 shall be deemed to require the Company to register any of its securities pursuant to the Exchange Act.

9. Underwritten Registrations. If any of the Transfer Restricted Securities covered by any Shelf Registration Statement are to be sold in an underwritten offering, the investment banker or investment bankers and manager or managers that will administer the offering will be selected by the Holders of a majority in aggregate principal amount of such Transfer Restricted Securities included in such offering, subject to the consent of the Company (which shall not be unreasonably withheld or delayed), and such Holders shall be responsible for all underwriting commissions and discounts in connection therewith.

No person may participate in any underwritten registration hereunder unless such person (i) agrees to sell such person's Transfer Restricted Securities on the basis reasonably provided in any underwriting arrangements approved by the persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of

attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

10. Miscellaneous.

(a) Amendments and Waivers. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the Company has obtained the written consent of Holders of a majority in aggregate principal amount of the Securities, the Exchange Securities and the Private Exchange Securities, taken as a single class. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders whose Securities, Exchange Securities or Private Exchange Securities are being sold pursuant to a Registration Statement and that does not directly or indirectly affect the rights of other Holders may be given by Holders of a majority in aggregate principal amount of the Securities, the Exchange Securities and the Private Exchange Securities being sold by such Holders pursuant to such Registration Statement.

(b) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, first-class mail, telecopier or air courier guaranteeing next-day delivery:

(1) if to a Holder, at the most current address given by such Holder to the Company in accordance with the provisions of this Section 10(b), which address initially is, with respect to each Holder, the address of such Holder maintained by the Registrar under the Indenture, with a copy in like manner to JPMorgan;

(2) if to an Initial Purchaser, initially at its address set forth in the Purchase Agreement; and

(3) if to the Company, initially at the address of the Company set forth in the Purchase Agreement.

All such notices and communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; one business day after being delivered to a next-day air courier; five business days after being deposited in the mail; and when receipt is acknowledged by the recipient's telecopier machine, if sent by telecopier.

(c) Successors And Assigns. This Agreement shall be binding upon the Company and its successors and assigns.

(d) Counterparts. This Agreement may be executed in any number of counterparts (which may be delivered in original form or by telecopier) and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(e) Definition of Terms. For purposes of this Agreement, (a) the term "business day" means any day on which the New York Stock Exchange, Inc. is open for trading, (b) the term "subsidiary" has the meaning set forth in Rule 405 under the Securities Act and (c) except where otherwise expressly provided, the term "affiliate" has the meaning set forth in Rule 405 under the Securities Act.

(f) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(g) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(h) Remedies. In the event of a breach by the Company, Holdings or by any Holder of any of their obligations under this Agreement, each Holder, the Company or Holdings, as the case may be, in addition to being entitled to exercise all rights granted by law, including recovery of damages (other than the recovery of damages for a breach by the Company or Holdings of its obligations under Sections 1 or 2 hereof for which liquidated damages have been paid pursuant to Section 3 hereof), will be entitled to specific performance of its rights under this Agreement. The Company, Holdings and each Holder agree that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by each such person of any of the provisions of this Agreement and hereby further agree that, in the event of any action for specific performance in respect of such breach, each such person shall waive the defense that a remedy at law would be adequate.

(i) No Inconsistent Agreements. Each of the Company and Holdings represents, warrants and agrees that (i) it has not entered into, shall not, on or after the date of this Agreement, enter into any agreement that is inconsistent with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof, (ii) it has not previously entered into any agreement which remains in effect granting any registration rights with respect to any of its debt securities to any person and (iii) (with respect to the Company) without limiting the generality of the foregoing, without the written consent of the Holders of a majority in aggregate principal amount of the then outstanding Transfer Restricted Securities, it shall not grant to any person the right to request the Company to register any debt securities of the Company under the Securities Act unless the rights so granted are not in conflict or inconsistent with the provisions of this Agreement.

(j) No Piggyback on Registrations. Neither the Company nor any of its security holders (other than the Holders of Transfer Restricted Securities in such capacity) shall have the right to include any securities of the Company in any Shelf Registration or Registered Exchange Offer other than Transfer Restricted Securities.

(k) Severability. The remedies provided herein are cumulative and not exclusive of any remedies provided by law. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and

the parties hereto shall use their reasonable best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

Please confirm that the foregoing correctly sets forth the agreement among the Company, Holdings and the Initial Purchasers.

Very truly yours,

WESCO DISTRIBUTION, INC.,

by
/s/ DANIEL A. BRAILER

Name: Daniel A. Brailer
Title: Treasurer and Secretary

WESCO INTERNATIONAL, INC.,

by
/s/ DANIEL A. BRAILER

Name: Daniel A. Brailer
Title: Treasurer and Secretary

Accepted:

J.P. MORGAN SECURITIES INC.
LEHMAN BROTHERS INC.
PNC CAPITAL MARKETS, INC.
TD SECURITIES (USA) INC.
BNY CAPITAL MARKETS, INC.
ABN AMRO INCORPORATED
COMERICA SECURITIES
FLEET SECURITIES, INC.
SCOTIA CAPITAL (USA) INC.

By J.P. MORGAN SECURITIES INC.,

By /s/ CHRISTOPHER M. BOEGE

Authorized Signatory

ANNEX A

Each broker-dealer that receives Exchange Securities for its own account pursuant to the Registered Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Securities where such Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities. The Company has agreed that, for a period of 180 days after the Expiration Date (as defined herein), it will make this Prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

ANNEX B

Each broker-dealer that receives Exchange Securities for its own account in exchange for Securities, where such Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Securities. See "Plan of Distribution."

ANNEX C

PLAN OF DISTRIBUTION

Each broker-dealer that receives Exchange Securities for its own account pursuant to the Registered Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Securities where such Securities were acquired as a result of market-making activities or other trading activities. The Company has agreed that, for a period of 180 days after the Expiration Date, it will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. In addition, until 40 days after the later of the commencement of the offering and the Issue Date, all dealers effecting transactions in the Exchange Securities may be required to deliver a prospectus.

The Company will not receive any proceeds from any sale of Exchange Securities by broker-dealers. Exchange Securities received by broker-dealers for their own account pursuant to the Registered Exchange Offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the Exchange Securities or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or at negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such Exchange Securities. Any broker-dealer that resells Exchange Securities that were received by it for its own account pursuant to the Registered Exchange Offer and any broker or dealer that participates in a distribution of such Exchange Securities may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any such resale of Exchange Securities and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The Letter of Transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

For a period of 180 days after the Expiration Date the Company will promptly send additional copies of this Prospectus and any amendment or supplement to this Prospectus to any broker-dealer that requests such documents in the Letter of Transmittal. The Company has agreed to pay all expenses incident to the Registered Exchange Offer (including the expenses of one counsel for the Holders of the Securities) other than commissions or concessions of any broker-dealers and will indemnify the Holders of the Securities (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

ANNEX D

[ ] CHECK HERE IF YOU ARE A BROKER-DEALER AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.

Name:
Address:

If the undersigned is not a broker-dealer, the undersigned represents that it is not engaged in, and does not intend to engage in, a distribution of Exchange Securities. If the undersigned is a broker-dealer that will receive Exchange Securities for its own account in exchange for Securities that were acquired as a result of market-making activities or other trading activities, it acknowledges that it will deliver a prospectus in connection with any resale of such Exchange Securities; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

Exhibit 5.1

Kirkpatrick & Lockhart LLP
Henry W. Oliver Building
535 Smithfield Street
Pittsburgh, PA 15222

September 27, 2001

WESCO International, Inc.
WESCO Distribution, Inc.
Commerce Court
Four Station Square, Suite 700
Pittsburgh, Pennsylvania, 15219

Ladies and Gentlemen:

We have acted as counsel to WESCO Distribution, Inc., a Delaware corporation (the "Company") and WESCO International, Inc., a Delaware corporation ("Holdings"), in connection with the Registration Statement on Form S-4 (the "Registration Statement") filed by Holdings and the Company with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), relating to the registration by the Company of $100,000,000 aggregate principal amount of its 9-1/8% Senior Subordinated Notes due 2008 (the "Exchange Notes") and by Holdings of its guarantee of the Company's obligations under the Exchange Notes (the "Guarantee"). The Exchange Notes are proposed to be issued in accordance with the provisions of the indenture (the "Indenture"), dated as of August 23, 2001, among the Company, Holdings and Bank One, N.A., as Trustee.

In connection with rendering the opinions set forth below, we have examined the Registration Statement, the Prospectus contained therein, the Indenture, which is filed as an exhibit to the Registration Statement, the Certificate of Incorporation and By-laws of the Company and Holdings and resolutions adopted by the Boards of Directors of the Company and Holdings on July 25, 2001, and we have made such other investigation as we have deemed appropriate. We have examined and relied on certificates of public officials. We have not independently established any of the facts so relied on.

For the purposes of this opinion letter we have made the assumptions that are customary in opinion letters of this kind, including the assumptions that each document submitted to us is accurate and complete, that each such document that is an original is authentic, that each such document that is a copy conforms to an authentic original, and that all signatures (other than signatures on behalf of the Company) on each such document are genuine. We have further assumed the legal capacity of natural persons, and we have assumed that each party to the documents we have examined or relied on (other than the Company and Holdings) has the legal capacity or authority and has satisfied all legal requirements that are applicable to that party to

the extent necessary to make such documents enforceable against that party. We have not verified any of those assumptions.

We are opining herein as to the effect of the laws of the State of New York (excluding conflict of laws rules) and the General Corporation Law of the State of Delaware. We are not opining on, and we assume no responsibility for, the applicability to or effect on any of the matters covered herein of any other laws, the laws of any other jurisdiction, or the local laws of any jurisdiction.

Based on the foregoing, and subject to the foregoing and the additional qualifications and other matters set forth below, it is our opinion that the Exchange Notes and the Guarantee, when (a) the Company's outstanding 9 1/8% Senior Subordinated Notes Due 2008, Issued 2001 have been exchanged in the manner described in the Registration Statement, (b) the Exchange Notes have been duly executed, authenticated, issued and delivered in accordance with the terms of the Indenture, (c) the Indenture has been duly qualified under the Trust Indenture Act of 1939, as amended, and (d) applicable provisions of "blue sky" laws have been complied with, will constitute valid and binding obligations of the Company and Holdings, as applicable, enforceable against the Company and Holdings, as applicable, in accordance with their terms, under the laws of the State of New York which are expressed to govern the same, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium (including, without limitation, all laws relating to fraudulent transfers), other similar laws relating to or affecting enforcement of creditors' rights generally, general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law) and limitations of the waiver of rights under usury laws, and will be entitled to the benefits of the Indenture.

We express no opinion as to the validity, legally binding effect or enforceability of any related provisions of the Indenture or the Exchange Notes that require or relate to payment of any interest at a rate or in an amount which a court would determine in the circumstances under applicable law to be commercially unreasonable or a penalty or a forfeiture. In addition, we express no opinion as to the validity, legally binding effect or enforceability of the waiver of rights and defenses contained in the Indenture.

We are furnishing this opinion letter to you solely in connection with the registration under the Securities Act by the Company of the Exchange Notes and by Holdings of the Guarantee. You may not rely on this opinion letter in any other connection, and it may not be furnished to or relied upon by any other person for any purpose, without our specific prior written consent.

The foregoing opinions are rendered as of the date of this letter. We assume no obligation to update or supplement any of such opinions to reflect any changes of law or fact that may occur.

Yours truly,

/s/ KIRKPATRICK & LOCKHART LLP

KIRKPATRICK & LOCKHART LLP

Exhibit 10.19

FOURTH AMENDMENT TO CREDIT AGREEMENT

THIS FOURTH AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is entered into as of August 3, 2001 among WESCO DISTRIBUTION, INC., a Delaware corporation and WESCO DISTRIBUTION-CANADA, INC., an Ontario corporation (collectively, the "Borrowers"), WESCO INTERNATIONAL INC., a Delaware corporation (the "Parent") and certain Subsidiaries of the Parent, as Guarantors, the Lenders party hereto and BANK OF AMERICA, N.A. (formerly Bank of America National Trust and Savings Association), as U.S. Administrative Agent for the Lenders (the "Administrative Agent") and BANK OF AMERICA CANADA, as Canadian Administrative Agent. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Credit Agreement (as defined below).

R E C I T A L S

WHEREAS, the Borrowers, the Guarantors, the Lenders and the Agents entered into that certain Credit Agreement, dated as of June 29, 1999 (as amended by that certain First Amendment to Credit Agreement dated as of October 29, 1999, that certain Second Amendment to Credit Agreement dated as of May 3, 2000, that certain Third Amendment to Credit Agreement, dated as of December 20, 2000, and as otherwise amended or modified from time to time, the "Credit Agreement");

WHEREAS, the Borrowers have requested that the Required Lenders agree to certain changes to the Credit Agreement; and

WHEREAS, the Required Lenders are willing to agree to such changes to the Credit Agreement subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

A G R E E M E N T

1. Existing Definitions.

(a) The definition of "Applicable Percentage" in Section 1.1 of the Credit Agreement is amended in its entirety to read as follows:

"Applicable Percentage" means the higher margin and/or fee as calculated pursuant to the appropriate applicable percentages corresponding to either the Leverage

Ratio or the Adjusted Leverage Ratio in effect as of the most recent Calculation Date as shown below:

Pricing Level	Leverage Ratio	Applicable Percentage for Eurodollar Loans and Bankers' Acceptances	Applicable Percentage for Base Rate Loans and Canadian Prime Rate Loans	Applicable Percentage for U.S. Standby Letter of Credit Fees and Canadian Letter of Credit Fees	Applicable Percentage for U.S. Trade Letters of Credit	Applicable Percentage for Commitment Fees
I	<= 2.0 to 1.0	1.00%	0%	1.0%	.50%	.30%
II	<= 2.5 to 1.0 but > 2.0 to 1.0	1.25%	.25%	1.25%	.6125%	.35%
III	<= 3.25 to 1.0 but > 2.5 to 1.0	1.50%	.50%	1.50%	.75%	.40%
IV	<= 4.0 to 1.0 but > 3.25 to 1.0	1.75%	.75%	1.75%	.875%	.45%
V	> 4.0 to 1.0	2.00%	1.00%	2.00%	1.00%	.50%

Pricing Level	Adjusted Leverage Ratio	Applicable Percentage for Eurodollar Loans and Bankers' Acceptances	Applicable Percentage for Base Rate Loans and Canadian Prime Rate Loans	Applicable Percentage for U.S. Standby Letter of Credit Fees and Canadian Letter of Credit Fees	Applicable Percentage for U.S. Trade Letters of Credit	Applicable Percentage for Commitment Fees
I	< 4.0 to 1.0	1.50%	.50%	1.50%	.75%	.35%
II	< 4.5 to 1.0 but => 4.0 to 1.0	1.75%	.75%	1.75%	.875%	.40%
III	<5.0 to 1 but => 4.5 to 1.0	2.00%	1.00%	2.00%	1.00%	.50%
IV	<5.50 to 1 but => 5.0 to 1.0	2.25%	1.25%	2.25%	1.125%	.50%
V	=> 5.50 to 1.0	2.50%	1.50%	2.50%	1.25%	.50%

The Applicable Percentage for Loans, Bankers' Acceptances, the Letter of Credit Fees and the Commitment Fees shall, in each case, be determined and adjusted quarterly on the date (each a "Calculation Date") five Business Days after the date by which the U.S. Borrower is required to provide the officer's certificate in accordance with the provisions of Section 8.1(c); provided that the Applicable Percentage for Loans, Bankers' Acceptances, the Letter of Credit Fees and the Commitment Fees from August 3, 2001 until the Calculation Date following the fiscal quarter ending September 30, 2001 shall be determined by the higher margin and/or fee as determined by either the Leverage Ratio or

Adjusted Leverage Ratio as calculated as of August 3, 2001 (such calculations to be described on an officer's certificate delivered by the U.S. Borrower on or about such date) and, thereafter, the Pricing Level shall be determined by the higher margin and/or fee as determined by either the Leverage Ratio or Adjusted Leverage Ratio calculated as of the most recent Calculation Date; and provided further that if the U.S. Borrower fails to provide the officer's certificate required by Section 8.1(c) on or before the most recent Calculation Date, the Applicable Percentage for Loans, Bankers' Acceptances, the Letter of Credit Fees and the Commitment Fees from such Calculation Date shall be based on Pricing Level V for the Adjusted Leverage Ratio until such time that an appropriate officer's certificate is provided whereupon the Pricing Level shall be determined by the then current Leverage Ratio or Adjusted Leverage Ratio. Each Applicable Percentage shall be effective from one Calculation Date until the next Calculation Date. Any adjustment in the Applicable Percentage shall be applicable to all existing Loans, Bankers' Acceptances and Letters of Credit as well as any new Loans made or Bankers' Acceptances or Letters of Credit issued.

The U.S. Borrower shall promptly deliver to the U.S. Administrative Agent, at the address set forth on Schedule 12.1, at the time the officer's certificate is required to be delivered by Section 8.1(c), information regarding any change in the Leverage Ratio or Adjusted Leverage Ratio that would change the existing Pricing Level pursuant to the preceding paragraph. The U.S. Administrative Agent shall promptly advise the Canadian Administrative Agent of any such change in the Pricing Level.

(b) The definition of "Permitted Acquisition" in Section 1.1 of the Credit Agreement is amended in its entirety to read as follows:

"Permitted Acquisition" means an Acquisition by a Credit Party or any Subsidiary of a Credit Party for consideration no greater than the fair market value of the Capital Stock or property acquired; provided that (a) the property acquired (or the property of the Person acquired) in such Acquisition constitutes Eligible Assets (or goodwill associated therewith), (b) the U.S. Administrative Agent shall have received all items in respect of the Capital Stock or property acquired in such Acquisition (and/or the seller thereof) required to be delivered by the terms of Section 8.10 and/or Section 8.13, (c) in the case of an Acquisition of the Capital Stock of another Person, the board of directors (or other comparable governing body) of such other Person shall have duly approved such Acquisition, (d) the U.S. Borrower shall have delivered to the U.S. Administrative Agent, prior to the closing of such Acquisition, a Pro Forma Compliance Certificate demonstrating that, upon giving effect to such Acquisition, (i) the Credit Parties are in compliance with all of the covenants set forth in Section 8.2 and (ii) the Adjusted Leverage Ratio is less than 5.25 to 1.0, (e) the representations and warranties made by the Credit Parties in any Credit Document shall be true and correct in all material respects at and as if made as of the date of such Acquisition (after giving effect thereto) except to the extent such representations and warranties expressly relate to an earlier date, (f) the Borrower shall have previously incurred at least $100,000,000 of subordinated Indebtedness in accordance with the terms of Section 9.1(h), (g) the consideration paid in the form of cash

and/or assumed debt for any individual Acquisition shall not exceed $25,000,000 and (h) the total consideration paid in the form of cash and/or assumed debt for all such Acquisitions from August 3, 2001 until the Maturity Date shall not exceed $50,000,000.

(c) The definition of "U.S. Revolving Committed Amount" in Section 1.1 of the Credit Agreement is amended in its entirety to read as follows:

"U.S. Revolving Committed Amount" means TWO HUNDRED FIFTY MILLION DOLLARS ($250,000,000); provided that (a) the U.S. Revolving Committed Amount may be reduced in accordance with Section 2.1(d) (either voluntarily or as required by Sections 9.1(h) or 9.1(o)) and (b) the U.S. Revolving Committed Amount shall be automatically reduced by the following amounts on the following dates:

Date	Amount of Reduction of U.S. Revolving Committed Amount
January 1, 2002	$5,000,000
April 1, 2002	$5,000,000
July 1, 2002	$5,000,000
October 1, 2002	$12,500,000
January 1, 2003	$12,500,000
April 1, 2003	$12,500,000
July 1, 2003	$12,500,000
October 1, 2003	$12,500,000
January 1, 2004	$12,500,000
April 1, 2004	$10,000,000

2. New Definitions.

(a) A new definition of "Contemplated 2001 Subordinated Debt" is added to Section 1.1 of the Credit Agreement in proper alphabetical order to read as follows:

"Contemplated 2001 Subordinated Debt" means that certain contemplated Indebtedness to be evidenced by the Senior Subordinated Notes of the U.S. Borrower due 2008 with a coupon expected to be approximately 10 1/8%, which are expected to be issued in August or September 2001 and which will thereafter be subject to an exchange offer for Senior Subordinated Notes with a coupon expected to be approximately 10 1/8% that will be registered under the Securities Act and which thereafter may be subject to a subsequent exchange offer for 9 1/8% Senior Subordinated Notes and an equalizing cash payment , each of which exchange offers will be voluntary in that the holders thereof will not be required to accept the offer.

3. Increases in U.S. Revolving Committed Amount. Section 2.1(e) is deleted in its entirety.

4. Financial Covenants.

(a) Section 8.2(a) of the Credit Agreement is amended in its entirety to read as follows:

(a) Adjusted Leverage Ratio. The Adjusted Leverage Ratio, as of the last day of each fiscal quarter of the Credit Parties, for the twelve month period ending on such date, shall be less than or equal to the ratio shown below for the period corresponding thereto:

Period	Ratio
From July 1, 2001 through September 30, 2001	6.75 to 1.0
From October 1, 2001 through December 31, 2001	6.50 to 1.0
From January 1, 2002 through June 30, 2002	6.00 to 1.0
From July 1, 2002 through December 31, 2002	5.75 to 1.0
From January 1, 2003 through June 30, 2003	5.25 to 1.0
From July 1, 2003 through December 31, 2003	5.00 to 1.0
From January 1, 2004 and thereafter	4.75 to 1.0

(b) Section 8.2(b) of the Credit Agreement is amended in its entirety to read as follows:

(b) Interest Coverage Ratio. The Interest Coverage Ratio, as of the last day of each fiscal quarter of the Credit Parties, for the twelve month period ending on such date, shall be greater than or equal to the ratio shown below for the period corresponding thereto:

Period	Ratio
From July 1, 2001 through September 30, 2001	1.85 to 1.0

From October 1, 2001 through June 30, 2002	2.00 to 1.0
From July 1, 2002 through June 30, 2003	2.15 to 1.0
From July 1, 2003 and thereafter	2.25 to 1.0

(c) Section 8.2(c) of the Credit Agreement is amended in its entirety to read as follows:

(c) Working Capital Ratio. The ratio of (i) Working Capital to (ii) Adjusted Total Senior Debt (the "Working Capital Ratio") shall, at all times, be greater than or equal to the ratio shown below for the period corresponding thereto:

Period	Ratio
From August 3, 2001 through September 30, 2002	1.75 to 1.0
From October 1, 2002 and thereafter	2.00 to 1.0

provided that, if the Borrower incurs $100,000,000 or more of subordinated Indebtedness in accordance with Section 9.1(h), the Working Capital Ratio shall thereafter, at all times, be greater than or equal to 2.00 to 1.0.

5. Indebtedness. Section 9.1(h) of the Credit Agreement is amended in its entirety to read as follows:

(h) other subordinated Indebtedness; provided that (i) the aggregate amount of such other subordinated Indebtedness consisting of the Contemplated 2001 Subordinated Debt does not exceed $175,000,000 and the aggregate amount of all such other subordinated Indebtedness (including the Contemplated 2001 Subordinated Debt) does not exceed $200,000,000, in each case at any one time outstanding (in addition to the Indebtedness referred to in subsection (g) above); (ii) such Indebtedness is unsecured; (iii) the loan documentation with respect to such Indebtedness shall not contain covenants or default provisions relating to any Credit Party or any of its Subsidiaries that are more restrictive than the covenants and default provisions contained in the Credit Documents; (iv) the scheduled maturity of all principal with respect to such Indebtedness is subsequent to the Maturity Date, (v) the other terms of, and the documentation evidencing, such Indebtedness are reasonably acceptable to the U.S. Administrative Agent and (vi) simultaneously with the incurrence of such subordinated Indebtedness, the Borrower

provides notice under Section 2.1(d) that it is permanently reducing the U.S. Revolving Committed Amount by (x) in the case of the Contemplated 2001 Subordinated Indebtedness, (1) 25% of the dollar amount of the net proceeds up to $150,000,000 received by the Credit Parties in connection with such subordinated Indebtedness and (2) 100% of the dollar amount of the net proceeds in excess of $150,000,000 received by the Credit Parties in connection with such subordinated Indebtedness, and (y) in the case of any other subordinated Indebtedness permitted pursuant to this Section 9.1(h), 100% of the dollar amount of the net proceeds received by the Credit Parties in connection with such subordinated Indebtedness.

6. Restricted Payments. Section 9.8 of the Credit Agreement is amended in its entirety to read as follows:

9.8 RESTRICTED PAYMENTS.

No Credit Party will, nor will it permit its Subsidiaries to, directly or indirectly, (a) declare or pay any dividends or make any other distribution upon any shares of its Capital Stock of any class (other than dividends payable solely in the same class of Capital Stock) or (b) purchase, redeem or otherwise acquire or retire to make any provisions for redemption, acquisition or retirement of any shares of its Capital Stock of any class or any warrants or options to purchase any such shares; provided that (i) any Subsidiary of a Borrower may pay dividends to its parent, (ii) a Borrower may pay dividends to the Parent to allow for the payment of (A) taxes, (B) dividends permitted pursuant to the following clause (iii) and (C) customary fees and expenses of the Parent in the ordinary course, and (iii) as long as (A) no Default or Event of Default has occurred and is continuing (or would be caused thereby) and (B) the Adjusted Leverage Ratio as of the end of the Parent's most recently ended fiscal quarter was less than 5.25 to 1.0 as demonstrated in the officer's certificate previously delivered by the U.S. Borrower in connection with such fiscal quarter pursuant to Section 8.1(c) (or, if such certificate is not yet delivered and not yet required under Section 8.1(c), as demonstrated in an officer's certificate delivered by the U.S. Borrower to the U.S. Administrative Agent prior to the payment of any such dividend containing calculations of the Adjusted Leverage Ratio substantially similar to those required pursuant to Exhibit 8.1(c)), the Parent may pay dividends in an amount not to exceed, in the aggregate, 25% of cumulative Net Income earned after June 30, 1999.

7. Limitations on Consensual Encumbrances. Clause (iii) of the proviso in Section 9.11 of the Credit Agreement is amended in its entirety to read as follows:

(iii) the Subordinated Debt Indenture as in effect on the Closing Date and any similar provision in the documentation evidencing Permitted Subordinated Refinancing Debt or any other subordinated Indebtedness permitted pursuant to Section 9.1(h)

8. No Other Negative Pledges. The last parenthetical of Section 9.12 of the Credit Agreement is amended in its entirety to read as follows:

(it being understood and agreed by the parties hereto that the Subordinated Debt Indenture to which the U.S. Borrower is a party contains such restrictions with respect to additional subordinated debt and that the Permitted Subordinated Refinancing Debt and/or any other subordinated Indebtedness permitted pursuant to Section 9.1(h) may contain similar restrictions)

9. Changes to Subordinated Indebtedness. The last sentence of Section 9.13 of the Credit Agreement is amended in its entirety to read as follows:

Notwithstanding the above, no Credit Party will (i) amend, modify or waive any of the terms and conditions of the Subordinated Debt, any Permitted Subordinated Refinancing Debt or any other subordinated Indebtedness permitted pursuant to Section 9.1(h) without the prior written consent of the Required Lenders, other than amendments or waivers to the indentures or other documents related to the Subordinated Debt or the Contemplated 2001 Subordinated Debt relating to the exchange offers referenced in the definition of Contemplated 2001 Subordinated Debt and reasonably necessary in connection therewith, (ii) make an offer to make any voluntary or optional principal payments with respect to the Subordinated Debt, any Permitted Subordinated Refinancing Debt or any other subordinated Indebtedness permitted pursuant to Section 9.1(h), other than the exchange offers referenced in the definition of Contemplated 2001 Subordinated Debt, (iii) redeem or offer to redeem any of the Subordinated Debt, any Permitted Subordinated Refinancing Debt or any other subordinated Indebtedness permitted pursuant to Section 9.1(h) or (iv) deposit any funds intended to discharge or defease any or all of the Subordinated Debt, any Permitted Subordinated Refinancing Debt or any other subordinated Indebtedness permitted pursuant to Section 9.1(h).

10. Events of Default. Section 10.1(l) of the Credit Agreement is amended in its entirety to read as follows:

(l) Subordinated Debt. The holders of the Subordinated Debt, any Permitted Subordinated Refinancing Debt or any other subordinated Indebtedness permitted pursuant to Section 9.1(h) assert (or any Governmental Authority determines) that (i) the Loans do not constitute Senior Indebtedness (as defined in the Subordinated Debt, any Permitted Subordinated Refinancing Debt or any other subordinated Indebtedness permitted pursuant to Section 9.1(h)) or (ii) the obligations of the U.S. Borrower with respect to the Subordinated Debt, any Permitted Subordinated Refinancing Debt or any other subordinated Indebtedness permitted pursuant to Section 9.1(h) are not fully subordinate to the repayment of the Loans and all other amounts owing under the Credit Documents.

11. Exhibits. Exhibits 8.1(c) and 12.3(b) to the Credit Agreement are replaced in their entirety with the exhibits attached hereto.

12. Conditions Precedent. This Amendment shall not be effective until the following conditions have been satisfied or waived by the Lenders:

(a) Receipt by the Agents of copies of this Amendment duly executed by the Borrowers, the Guarantors and the Required Lenders.

(b) Receipt by the Agents of a certificate of the corporate secretary of the Borrower certifying as to resolutions of the Board of Directors of the U.S. Borrower approving and adopting this Amendment and the transactions contemplated herein and authorizing the execution, delivery and performance hereof.

(c) Receipt by the Agents of an opinion or opinions from counsel to the U.S. Borrower relating to this Amendment and the transactions contemplated herein, in form and substance satisfactory to the Agents, addressed to the Agents on behalf of the Lenders and dated as of the date hereof.

(d) The payment by the U.S. Borrower of (i) an amendment fee in an amount equal to 0.15% of the aggregate amount of the Commitments (as reduced pursuant to this Amendment) of those Lenders who execute and deliver this Amendment on or before the date hereof, to be shared pro rata among such Lenders in accordance with their respective Total Facility Commitment Percentages, (ii) all fees owing to the Agents in accordance with that certain Fee Letter between the U.S. Borrower and the Agents of even date herewith, and (iii) the reasonable out-of-pocket expenses of the Agents in connection with the negotiation, preparation, execution and delivery of this Amendment and the other transactions contemplated herein, including, without limitation, reasonable legal fees and expenses.

13. Ratification of Credit Agreement. The term "Credit Agreement" as used in each of the Credit Documents shall hereafter mean the Credit Agreement as amended by this Amendment. Except as herein specifically agreed, the Credit Agreement is hereby ratified and confirmed and shall remain in full force and effect according to its terms. The Credit Parties hereby reaffirm the Liens granted in favor of the Lenders pursuant to the Collateral Documents.

14. Authority/Enforceability. Each of the Credit Parties, the Agents and the Lenders party hereto represents and warrants as follows:

(a) It has taken all necessary action to authorize the execution, delivery and performance of this Amendment.

(b) This Amendment has been duly executed and delivered by such Person and constitutes such Person's legal, valid and binding obligations, enforceable in accordance with its terms, except as such enforceability may be subject to (i) bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(c) No consent, approval, authorization or order of, or filing, registration or qualification with, any court or governmental authority or third party is required in connection with the execution, delivery or performance by such Person of this Amendment.

15. No Default. Each Credit Party represents and warrants to the Lenders that (a) the representations and warranties of the Credit Parties set forth in Section 7 of the Credit Agreement are true and correct as of the date hereof, (b) no event has occurred and is continuing which constitutes a Default or an Event of Default, and (c) it has no claims, counterclaims, offsets, credits or defenses to its obligations under the Credit Documents or to the extent it has any they are hereby released in consideration of the Required Lenders entering into this Amendment.

16. No Conflicts. Neither the execution and delivery of this Amendment, nor the consummation of the transactions contemplated herein, nor performance of and compliance with the terms and provisions hereof by the Credit Parties will (a) violate, contravene or conflict with any provision of its respective articles or certificate of incorporation, bylaws or other organizational or governing document, (b) violate, contravene or conflict with any law, rule, regulation, order, writ, judgment, injunction, decree or permit applicable to any Credit Party, (c) violate, contravene or conflict with contractual provisions of, or cause an event of default under, any material indenture, loan agreement, mortgage, deed of trust, contract or other agreement or instrument to which a Credit Party is a party or by which it or its properties may be bound or (d) result in or require the creation of any Lien upon or with respect to a Credit Party's properties.

17. Counterparts/Telecopy. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. Delivery of executed counterparts by telecopy shall be effective as an original and shall constitute a representation that an original will be delivered.

18. General Release. In consideration of the Required Lenders entering into this Amendment, the Credit Parties hereby release the Agents, the Lenders and the Agents' and the Lenders' respective officers, employees, representatives, agents, counsel and directors from any and all actions, causes of action, claims, demands, damages and liabilities of whatever kind or nature, in law or in equity, now known or unknown, suspected or unsuspected to the extent that any of the foregoing arises from any action or failure to act under the Credit Agreement or any of the other Credit Documents on or prior to the date hereof.

19. GOVERNING LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

[remainder of page intentionally left blank]

Signature pages to Fourth Amendment
to WESCO Credit Agreement

Each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

U.S. BORROWER:

WESCO DISTRIBUTION, INC.,
a Delaware corporation

By: /s/ STEPHEN A. VAN OSS
Name: Stephen A. Van Oss
Title: Vice President and Chief Financial Officer

CANADIAN BORROWER:

WESCO DISTRIBUTION-CANADA, INC.,
an Ontario corporation

By: /s/ STEPHEN A. VAN OSS
Name: Stephen A. Van Oss
Title: Vice President and Chief Financial Officer

GUARANTORS:

WESCO INTERNATIONAL, INC.,
a Delaware corporation

By: /s/ STEPHEN A. VAN OSS
Name: Stephen A. Van Oss
Title: Vice President and Chief Financial Officer

CDW REALCO, INC.,
a Delaware corporation

By: /s/ DANIEL A. BRAILER
Name: Daniel A. Brailer
Title: Corporate Secretary

WESCO EQUITY CORPORATION,
a Delaware corporation

By: /s/ STEPHEN A. VAN OSS
Name: Stephen A. Van Oss
Title: President

WESCO FINANCE CORP.,
a Delaware corporation

By: /s/ DANIEL A. BRAILER
Name: Daniel A. Brailer
Title: Vice President and Treasurer

Signature pages to Fourth Amendment
to WESCO Credit Agreement

WESCO NIGERIA, INC. F/K/A
WESCO - AZERBAIJAN, INC.,
a Delaware corporation

By: /s/ DANIEL A. BRAILER
Name: Daniel A. Brailer
Title: Corporate Secretary

HERNING ENTERPRISES, INC.,
a Delaware corporation

By: /s/ STEPHEN A. VAN OSS
Name: Stephen A. Van Oss
Title: Corporate Secretary

Signature pages to Fourth Amendment
to WESCO Credit Agreement

ACKNOWLEDGED BY:

BANK OF AMERICA, N.A., formerly Bank of America National Trust and Savings Association, in its capacity as the U.S. Administrative Agent

By: /s/ PAULA Z. KRAMP

Name: Paula Z. Kramp

Title: Managing Director

BANK OF AMERICA CANADA, in its capacity as Canadian Administrative Agent

By: /s/ NELSON LAN

Name: Nelson Lan

Title: Vice President

Signature pages to Fourth Amendment
to WESCO Credit Agreement

LENDERS:

BANK OF AMERICA, N.A., formerly Bank of America National Trust and Savings Association, individually in its capacity as a U.S. Lender, the U.S. Issuing Lender and the U.S. Swingline Lender

By: /s/ PAULA Z. KRAMP

Name: Paula Z. Kramp

Title: Managing Director

BANK OF AMERICA CANADA, in its capacity as a Canadian Lender, the Canadian Administrative Agent, the Canadian Issuing Lender and the Canadian Swingline Lender

By: /s/ DONALD R. CHUNG

Name: Donald R. Chung

Title: Vice President, Corporate Investment Banking

Signature pages to Fourth Amendment
to WESCO Credit Agreement

ABN AMRO BANK N.V.

By: /s/ NANCY W. LANZONI

Name: Nancy W. Lanzoni

Title: Group Vice President

By: /s/ JULIETTE MOUND

Name: Juliette Mound

Title: Vice President

Signature pages to Fourth Amendment
to WESCO Credit Agreement

FLEET NATIONAL BANK

By: /s/ PETER J. CAHILL

Name: Peter J. Cahill

Title: Managing Director

Signature pages to Fourth Amendment
to WESCO Credit Agreement

BANK OF HAWAII

By: /s/ DONNA R. PARKER

Name: Donna R. Parker

Title: Vice President

THE BANK OF NEW YORK

By: /s/ WALTER C. PARELLI

Name: Walter C. Parelli

Title: Vice President

THE BANK OF NOVA SCOTIA

By: /s/ F.C.H. ASHBY

Name: F.C.H. Ashby

Title: Senior Manager Loan Operations

Signature pages to Fourth Amendment
to WESCO Credit Agreement

BANK ONE, MICHIGAN

By: /s/ PATRICK F. DUNPHY

Name: Patrick F. Dunphy

Title: Director, Capital Markets

Signature pages to Fourth Amendment
to WESCO Credit Agreement

THE CHASE MANHATTAN BANK

By: /s/ WILLIAM J. CAGGIANO

Name: William J. Caggiano

Title: Managing Director

Signature pages to Fourth Amendment
to WESCO Credit Agreement

THE CHASE MANHATTAN BANK, TORONTO BRANCH

By: /s/ CHRISTINE CHAN

Name: Christine Chan

Title: Authorized Representative

By: /s/ RALPH KERN

Name: Ralph Kern

Title: Authorized Representative

Signature pages to Fourth Amendment
to WESCO Credit Agreement

COMERICA BANK

By: /s/ ROBERT P. WILSON

Name: Robert P. Wilson

Title: Assistant Vice President

Signature pages to Fourth Amendment
to WESCO Credit Agreement

THE FUJI BANK, LIMITED

By: /s/ JOHN D. DOYLE

Name: John D. Doyle

Title: Vice President and Manager

Signature pages to Fourth Amendment
to WESCO Credit Agreement

SYNDICATED LOAN FUNDING TRUST
BY: LEHMAN COMMERCIAL PAPER INC. NOT IN
ITS INDIVIDUAL CAPACITY BUT SOLELY AS
ASSET MANAGER

By: /s/ G. ANDREW KEITH

Name: G. Andrew Keith
Title: Authorized Signatory

MELLON BANK, N.A.

By: /s/ MARK LATTERNER

Name: Mark Latterner

Title: Vice President

Signature pages to Fourth Amendment
to WESCO Credit Agreement

MERITA BANK PLC

By: /s/ MICHAEL J. MAHER

Name: Michael J. Maher

Title: Senior Vice President

By: /s/ GARRY WEISS

Name: Garry Weiss

Title: Vice President

Signature pages to Fourth Amendment
to WESCO Credit Agreement

NATIONAL BANK OF CANADA

By: /s/ DONALD P. HADDAD

Name: Donald P. Haddad

Title: Vice President

By: /s/ G.B. KNELL

Name: G.B. Knell

Title: Vice President

Signature pages to Fourth Amendment
to WESCO Credit Agreement

PNC BANK, NATIONAL ASSOCIATION

By: /s/ BRUCE G. SHEARER

Name: Bruce G. Shearer

Title: Vice President

Signature pages to Fourth Amendment
to WESCO Credit Agreement

THE TORONTO-DOMINION BANK

By: /s/ JILL HALL

Name: Jill Hall

Title: Manager - Credit Administration

Signature pages to Fourth Amendment
to WESCO Credit Agreement

TORONTO DOMINION (TEXAS), INC.

By: /s/ JILL HALL

Name: Jill Hall

Title: Vice President

Exhibit 8.1(c)
to Credit Agreement

FORM OF
OFFICER'S CERTIFICATE

TO: BANK OF AMERICA, N.A., as U.S. Administrative Agent
Agency Management #10831
1455 Market Street, 12th Floor
San Francisco, CA 94103
Attention: Gary Flieger

BANK OF AMERICA CANADA, as Canadian Administrative Agent
5681 Simcoe Plaza, 27th Floor
200 Front Street W
Toronto, Ontario
Canada M5V3L2
Attn: Medina Sales de Andrade

RE: Credit Agreement dated as of June 29, 1999 among WESCO Distribution, Inc., a Delaware corporation (the "U.S. Borrower"), WESCO Distribution-Canada, Inc., an Ontario corporation (the "Canadian Borrower"), WESCO International, Inc., a Delaware corporation (the "Parent") and certain Subsidiaries of the Parent, as Guarantors, the Lenders (as defined therein), Bank of America, N.A. (formerly Bank of America National Trust and Savings Association), as U.S. Administrative Agent and U.S. Swingline Lender, Bank of America Canada, as Canadian Administrative Agent and Canadian Swingline Lender, and the Issuing Lenders (as defined therein) (as the same may be amended, modified, extended or restated from time to time, the "Credit Agreement")

DATE : _____, ____

Pursuant to the terms of the Credit Agreement, I, _____, Chief Financial Officer of WESCO DISTRIBUTION, INC., hereby certify on behalf of the Credit Parties that, as of the quarter/year ending _____, _____, the statements below are accurate and complete in all material respects (all capitalized terms used herein unless otherwise defined shall have the meanings set forth in the Credit Agreement):

a. Attached hereto as Schedule 1 are calculations (calculated as of the date of the financial statements referred to in paragraph c. below) (i) demonstrating compliance by the Credit Parties with the financial covenants contained in Section 8.2 of the Credit Agreement and the restriction on dividends contained in Section 9.8 of the Credit Agreement and (ii) as are necessary to determine the Applicable Percentage.

b. No Default or Event of Default exists under the Credit Agreement, except as indicated on a separate page attached hereto, together with an explanation of the action taken or proposed to be taken by the Borrowers with respect thereto.

c. The quarterly/annual financial statements for the fiscal quarter/year ended _____ which accompany this certificate fairly present in all material respects the financial condition of the Parent and its Subsidiaries and have been prepared in accordance with GAAP (and, in the case of any quarterly financial statements, subject to changes resulting from audit and normal year-end audit adjustments).

WESCO DISTRIBUTION, INC.
a Delaware corporation

By:

Name:

Title:

SCHEDULE 1 TO OFFICER'S CERTIFICATE

I. A. Compliance with Section 8.2(a):
Adjusted Leverage Ratio

1. Adjusted Total Debt $_____

2. EBITDA (see Exhibit A attached hereto) $_____

3. Adjusted Leverage Ratio (Line 1 / Line 2) _____:_____

Maximum Allowed: Line A.3 shall be less than or equal to:

Period	Ratio
From July 1, 2001 through September 30, 2001	6.75 to 1.0
From October 1, 2001 through December 31, 2001	6.50 to 1.0
From January 1, 2002 through June 30, 2002	6.00 to 1.0
From July 1, 2002 through December 31, 2002	5.75 to 1.0
From January 1, 2003 through June 30, 2003	5.25 to 1.0
From July 1, 2003 through December 31, 2003	5.00 to 1.0
From January 1, 2004 and thereafter	4.75 to 1.0

B. Compliance with Section 8.2(b):
Interest Coverage Ratio

1. EBITDA (see Exhibit A attached hereto) $_____

2. Interest Expense $_____

3. Interest Coverage Ratio (Line 1/ Line 2) _____:_____

Maximum Allowed: Line B.3 shall be greater than or equal to:

Period	Ratio
From July 1, 2001 through September 30, 2001	1.85 to 1.0
From October 1, 2001 through June 30, 2002	2.00 to 1.0
From October 1, 2002 through June 30, 2003	2.15 to 1.0
From July 1, 2003 and thereafter	2.25 to 1.0

C. Compliance with Section 8.2(c): Working Capital Ratio

1. Working Capital $_____

2. Adjusted Total Senior Debt $_____

3. Working Capital Ratio (Line 1 / Line 2) _____:_____

Period	Ratio
From August 3, 2001 through September 30, 2002	1.75 to 1.0
From October 1, 2001 and thereafter	2.00 to 1.0

D. Compliance with Section 9.8: Dividends

1. Cumulative Net Income earned after [6/30/99] $_____

2. Line 1 multiplied by 25% $_____

3. Amount of dividends paid since [6/30/99] $_____

4. Amount Available for new dividends (Line 2 - Line 3 if Adjusted Leverage Ratio is less than 5.25 to 1.0; otherwise 0) $_____

E. Calculation of Leverage Ratio for determining the "Applicable Percentage"

1. Adjusted Funded Debt $_____

2. EBITDA (see Exhibit A attached hereto) $_____

3. Leverage Ratio (Line 1 / Line 2) _____:_____

Exhibit A
to Schedule 1
to Exhibit 8.1(c)

Calculation Schedule to Officer's Certificate
As of _____

1. EBITDA:	Twelve Months Ended	Quarter Ended	Quarter Ended	Quarter Ended	Quarter Ended
Net Income	_____	_____	_____	_____	_____
- Extraordinary Gains/ Losses	_____	_____	_____	_____	_____
+ Interest Expense	_____	_____	_____	_____	_____
+ Taxes	_____	_____	_____	_____	_____
+ Depreciation	_____	_____	_____	_____	_____
+ Amortization	_____	_____	_____	_____	_____
+ Non-recurring cash charges incurred between 10/1/00 and 12/31/00 in an amount not to exceed $7,000,000	_____	_____	_____	_____	_____
= EBITDA	_____	_____	_____	_____	_____

Exhibit 12.3(b)
to Credit Agreement

FORM OF
ASSIGNMENT AGREEMENT

This Assignment Agreement (this "Assignment") is dated as of the Effective Date set forth below and is entered into by and between [Insert name of Assignor] (the "Assignor") and [Insert name of Assignee] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below, the interest in and to all of the Assignor's rights and obligations under the Credit Agreement and any other documents or instruments delivered pursuant thereto that represents the amount and percentage interest identified below of all of the Assignor's outstanding rights and obligations under the respective facilities identified below (including, to the extent included in any such facilities, Letters of Credit and Swing Line Loans) (the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment, without representation or warranty by the Assignor.

1. Assignor: _____

2. Assignee: _____ [and is an Affiliate/Approved Fund(1)]

3. Borrower(s): Wesco Distribution, Inc.
Wesco Distribution-Canada, Inc.

4. Administrative Agent: Bank of America, N.A., as the U.S. Administrative Agent under the Credit Agreement; and Bank of America Canada, as the Canadian Administrative Agent under the Credit Agreement

5. Credit Agreement: The Credit Agreement, dated as of June 29, 1999 among WESCO DISTRIBUTION, INC., a Delaware corporation, as U.S. Borrower, WESCO DISTRIBUTION-CANADA, INC., an Ontario corporation, as Canadian Borrower, WESCO INTERNATIONAL, INC., a Delaware corporation (the "Parent") and certain subsidiaries of the Parent, as Guarantors, the Lenders parties thereto, BANK OF AMERICA, N.A., as U.S. Administrative Agent and U.S. Swingline Lender, BANK OF AMERICA CANADA, as Canadian Administrative Agent and Canadian Swingline Lender, and the Issuing Lenders

---

(1) Select as applicable.

6. Assigned Interest:

Facility Assigned	Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans(2)
_____(3)	$_____	$_____	_____%
_____	$_____	$_____	_____%
_____	$_____	$_____	_____%

Effective Date: _____, 20__ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

---

(2) Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

(3) Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g. "Revolving Credit Commitment", "Term Loan Commitment", etc.).

The terms set forth in this Assignment are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Title:

[Consented to and](4) Accepted:

BANK OF AMERICA, N.A.,
as a U.S. Administrative Agent, a U.S. Issuing Lender
and U.S. Swingline Lender

By: _____
Title:

BANK OF AMERICA CANADA,
as Canadian Administrative Agent, Canadian
Issuing Lender and Canadian Swingline Lender

By: _____
Title:

---

(4) To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

[Consented to:](5)

WESCO DISTRIBUTION, INC.

By: _____
Title:

WESCO DISTRIBUTION-CANADA, INC.

By: _____
Title:

THE CHASE MANHATTAN BANK,
as a U.S. Issuing Lender

By: _____
Title:

---

(5) To be added only if the consent of the Borrower and/or other parties (e.g. Swing Line Lender, L/C Issuer) is required by the terms of the Credit Agreement.

ANNEX 1 TO ASSIGNMENT AGREEMENT

STANDARD TERMS AND CONDITIONS
FOR ASSIGNMENT AGREEMENT

1. Representations and Warranties.

1.1. Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with any Credit Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document delivered pursuant thereto, other than this Assignment (herein collectively the "Credit Documents"), or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Credit Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Credit Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all requirements of an Eligible Assignee under the Credit Agreement, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 8.1(a) or (b) thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and to purchase the Assigned Interest on the basis of which it has made such analysis and decision, and (v) if it is a Foreign Lender, attached hereto is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Credit Documents are required to be performed by it as a Lender.

1.3 Assignee's Address for Notices, etc. Attached hereto as Schedule 1 is all contact information, address, account and other administrative information relating to the Assignee.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to or on or after the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

3. General Provisions. This Assignment shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment may be executed in any number of counterparts, which together shall constitute one instrument.

Delivery of an executed counterpart of a signature page of this Assignment by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment. This Assignment shall be governed by, and construed in accordance with, the law of the State of New York.

SCHEDULE 1 TO ASSIGNMENT AGREEMENT
ADMINISTRATIVE DETAILS

(Assignee to list names of credit contacts, addresses, phone and facsimile numbers, electronic mail addresses and account and payment information)

Exhibit 12.1

WESCO International
Computation of Ratio of Earnings to Fixed Charges
(In Thousands)

	Year Ended December 31, 1996	Year Ended December 31, 1997	Year Ended December 31, 1998	Year Ended December 31, 1999	Year Ended December 31, 2000
Consolidated Statements of Income Data					
Income (loss) before income taxes, cumulative effect and extraordinary charge	$ 50,826	$ 59,947	$ 783	$ 58,478	$ 56,713
Add:					
Portion of rents representative of the interest factor	7,344	8,790	9,700	11,100	10,100
Interest on indebtedness	17,067	19,721	43,640	45,920	43,276
Amortization of deferred financing costs	315	388	1,460	1,080	524
Income as adjusted	$ 75,552	$ 88,846	$ 55,583	$116,578	$110,613
Fixed charges:					
Portion of rents representative of the interest factor	$ 7,344	$ 8,790	$ 9,700	$ 11,100	$ 10,100
Interest on indebtedness	17,067	19,721	43,640	45,920	43,276
Amortization of deferred financing costs	315	388	1,460	1,080	524
Fixed charges	$ 24,726	$ 28,899	$ 54,800	$ 58,100	$ 53,900
Ratio of earnings to fixed charges	3.1	3.1	1.0	2.0	2.1

WESCO International
Computation of Ratio of Earnings to Fixed Charges
(In Thousands)

	Six Months Ended June 30, 2000	Six Months Ended June 30, 2001	Pro Forma Year Ended December 31, 2000	Pro Forma Six Months Ended June 30, 2001
Consolidated Statements of Income Data				
Income (loss) before income taxes, cumulative effect and extraordinary charge	$ 36,583	$ 18,341	$ 52,253	16,111
Add:				
Portion of rents representative of the interest factor	4,836	5,324	10,100	5,324
Interest on indebtedness	21,357	21,603	47,667	23,799
Amortization of deferred financing costs	262	331	593	365
Income as adjusted	$ 63,038	$ 45,599	$110,613	45,599
Fixed charges:				
Portion of rents representative of the interest factor	$ 4,836	$ 5,324	$ 10,100	5,324
Interest on indebtedness	21,357	21,603	47,667	23,799
Amortization of deferred financing costs	262	331	593	365
Fixed charges	$ 26,455	$ 27,258	$ 58,360	29,488
Ratio of earnings to fixed charges	2.4	1.7	1.9	1.5

EXHIBIT 21.1

Significant Subsidiaries of
WESCO International, Inc.

WESCO Distribution, Inc.
CDW Realco, Inc.
WESCO Receivables Corporation
WESCO Equity Corporation
WESCO Finance Corporation

Exhibit 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in this Registration Statement on Form S-4 of WESCO International, Inc. of our report dated February 9, 2001 relating to the financial statements of WESCO International, Inc, which appears in such Registration Statement. We also consent to the references to us under the headings "Experts" and "Selected Financial Data" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

Pittsburgh, Pennsylvania
September 27, 2001

Exhibit 25.1

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE PURSUANT TO SECTION 305(b)(2) ___

BANK ONE, N.A.

Not Applicable (State of Incorporation if not a U.S. National Bank)	31-4148768 (I.R.S. Employer Identification No.)

100 East Broad Street, Columbus, Ohio 43271-0181
(Address of trustee's principal executive offices) (Zip Code)

c/o Bank One Trust Company, NA
100 East Broad Street, Columbus, Ohio 43271-0181
(614) 248-6229
(Name, address and telephone number of agent for service)

WESCO DISTRIBUTION, INC.
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	25-1723345 (I.R.S. Employer Identification No.)
Commerce Court, Suite 700 Four Station Square Pittsburgh, PA (Address of principal executive office)	15219 (Zip Code)

9 1/8% Senior Subordinated Notes due 2008
(Title of the indenture securities)

GENERAL

1. GENERAL INFORMATION.
FURNISH THE FOLLOWING INFORMATION AS TO THE TRUSTEE:

(a) NAME AND ADDRESS OF EACH EXAMINING OR SUPERVISING AUTHORITY TO WHICH IT IS SUBJECT.

Comptroller of the Currency, Washington, D.C.

Federal Reserve Bank of Cleveland, Cleveland, Ohio

Federal Deposit Insurance Corporation, Washington, D.C.

The Board of Governors of the Federal Reserve System, Washington, D.C.

(b) WHETHER IT IS AUTHORIZED TO EXERCISE CORPORATE TRUST POWERS.

The trustee is authorized to exercise corporate trust powers.

2. AFFILIATIONS WITH OBLIGOR AND UNDERWRITERS.
IF THE OBLIGOR IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

The obligor is not an affiliate of the trustee.

16. LIST OF EXHIBITS.
(EXHIBITS IDENTIFIED IN PARENTHESES, ON FILE WITH THE COMMISSION, ARE INCORPORATED HEREIN BY REFERENCE AS EXHIBITS HERETO.)

Exhibit 1 - A copy of the Articles of Association of the trustee as now in effect. (Incorporated by reference to Exhibit 1 to Form T-1 filed with Registration Statement on Form S-3, File No. 333-44532, filed August 25, 2000.)

Exhibit 2 - A copy of the Certificate of Authority of the trustee to commence business. (Incorporated by reference to Exhibit 2 to Form T-1 filed with Registration Statement on Form S-3, File No. 333-44532, filed August 25, 2000.)

Exhibit 3 - A copy of the Authorization of the trustee to exercise corporate trust powers. (Included in Exhibit 2.)

Exhibit 4 - A copy of the Bylaws of the trustee as now in effect. (Incorporated by reference to Exhibit 4 to Form T-1 filed with Registration Statement on Form S-3, File No. 333-44532, filed August 25, 2000.)

Exhibit 5 - Not applicable.

Exhibit 6 - The consent of the U.S. institutional trustee required by Section 321(b) of the Trust Indenture Act of 1939, as amended. (Incorporated by reference to Exhibit 6 to Form T-1 filed with Registration Statement on Form S-3, File No. 333-44532, filed August 25, 2000.)

Exhibit 7 - Report of Condition of the trustee as of the close of business on June 30, 2001, published pursuant to the requirements of the Comptroller of the Company, see attached.

Exhibit 8 - Not applicable.

Exhibit 9 - Not applicable.

Items 3 through 15 are not answered pursuant to General Instruction B which requires responses to Item 1, 2 and 16 only, if the obligor is not in default.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the Trustee, Bank One, NA, a national banking association organized under the laws of the United States, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Columbus and the State of Ohio, on September ___, 2001.

Bank One, NA

By:

Name: David B. Knox
Title: Authorized Signer

CONSENT

The undersigned, designated to act as Trustee under the Indenture for WESCO DISTRIBUTION, INC. described in the attached Statement of Eligibility and Qualification, does hereby consent that reports of examinations by Federal, State, Territorial, or District Authorities may be furnished by such authorities to the Commission upon the request of the Commission.

This Consent is given pursuant to the provision of Section 321(b) of the Trust Indenture Act of 1939, as amended.

Bank One, NA

Dated:

By:

Authorized Signer

Exhibit 7

CONSOLIDATED REPORT OF CONDITION FOR INSURED COMMERCIAL AND STATE-CHARTERED SAVINGS BANKS FOR JUNE 30, 2001

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding as of the last business day of the quarter.

SCHEDULE RC--BALANCE SHEET

	Dollar Amounts in Thousands		RCON	Bil/Mil/Thou	
ASSETS					
1. Cash and balances due from depository institutions (from Schedule RC-A):					
a. Noninterest-bearing balances and currency and coin (1)			0081	2,117,162	1.a
b. Interest-bearing balances (2)			0071	8,938	1.b
2. Securities:					
a. Held-to-maturity securities (from Schedule RC-B, column A)			1754	0	2.a
b. Available-for-sale securities (from Schedule RC-B, column D)			1773	3,887,290	2.b
3. Federal funds sold and securities purchased under agreements to resell			1350	1,860,044	3
4. Loans and lease financing receivables (from Schedule RC-C):					
a. LOANS AND LEASES HELD FOR SALE			5369	781,928	4.a
b. LOANS AND LEASES, NET OF UNEARNED INCOME	B528	29,751,071			4.b
c. LESS: Allowance for loan and lease losses	3123	466,690			4.c
d. LOANS AND LEASES, NET OF UNEARNED INCOME AND ALLOWANCE (ITEM 4.b MINUS 4.c)			B529	29,284,381	4.d
5. Trading assets (from Schedule RC-D)			3545	44,255	5
6. Premises and fixed assets (including capitalized leases)			2145	299,092	6
7. Other real estate owned (from Schedule RC-M)			2150	22,630	7
8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)			2130	531,310	8
9. Customers' liability to this bank on acceptances outstanding			2155	0	9
10. Intangible assets					
a. GOODWILL			3163	57,031	10.a
b. OTHER INTANGIBLE ASSETS (FROM SCHEDULE RC-M)			0426	12,636	10.b
11. Other assets (from Schedule RC-F)			2160	2,337,553	11
12. Total assets (sum of items 1 through 11)			2170	41,244,250	

---

(1) Includes cash items in process of collection and unposted debits.
(2) Includes time certificates of deposit not held for trading.

SCHEDULE RC - CONTINUED

	Dollar Amounts in Thousands		RCON	Bil/Mil/Thou	
LIABILITIES					
13. Deposits:					
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E)			2200	16,517,151	13.a
(1) Noninterest-bearing (1)	6631	6,261,608			13.a.1
(2) Interest-bearing	6636	10,255,543			13.a.2
b. Not applicable					
14. Federal funds purchased and securities sold under agreements to repurchase			2800	5,364,612	14
15. Trading liabilities (from Schedule RC-D)			3548	53,900	15
16. OTHER BORROWED MONEY (INCLUDES MORTGAGE INDEBTEDNESS AND OBLIGATIONS UNDER CAPITALIZED LEASES) (FROM SCHEDULE RC-M):			3190	13,225,259	16
17. Not applicable					
18. Bank's liability on acceptances executed and outstanding			2920	0	18
19. Subordinated notes and debentures (2)			3200	1,460,000	19
20. Other liabilities (from Schedule RC-G)			2930	1,567,443	20
21. Total liabilities (sum of items 13 through 20)			2948	38,188,365	21
22. MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES			3000	300,258	22
EQUITY CAPITAL					
23. Perpetual preferred stock and related surplus			3838	0	23
24. Common stock			3230	127,044	24
25. Surplus (exclude all surplus related to preferred stock)			3839	1,844,558	25
26. a. Retained earnings			3632	803,236	26.a
B. ACCUMULATED OTHER COMPREHENSIVE INCOME (3)			B530	(19,211)	26.b
27. OTHER EQUITY CAPITAL COMPONENTS (4)			A130	0	27
28. Total equity capital (sum of items 23 through 27)			3210	2,755,627	28
29. Total liabilities, minority interest, and equity capital (sum of items 21, 22, and 28)			3300	41,244,250	29

Memorandum

TO BE REPORTED WITH THE MARCH REPORT OF CONDITION.

	RCON	Number	
1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 2000	6724	N/A	M.1

1 = Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank

2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)

3 = ATTESTATION ON BANK MANAGEMENT'S ASSERTION ON THE EFFECTIVENESS OF THE BANK'S INTERNAL CONTROL OVER FINANCIAL REPORTING BY A CERTIFIED PUBLIC ACCOUNTING FIRM

4 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)

5 = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)

6 = Review of the bank's financial statements by external auditors

7 = Compilation of the bank's financial statements by external auditors

8 = Other audit procedures (excluding tax preparation work)

9 = No external audit work

---

(1) Includes total demand deposits and noninterest-bearing time and savings deposits.

(2) Includes limited-life preferred stock and related surplus.

(3) Includes net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, and minimum pension liability adjustments.

(4) Includes treasury stock and unearned Employee Stock Ownership Plan shares.

Exhibit 99.1

LETTER OF TRANSMITTAL

FOR

9 1/8% SENIOR SUBORDINATED NOTES

DUE 2008

CUSIP NO. 95081QAD6

OF

WESCO DISTRIBUTION, INC.

THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON , 2001, UNLESS THE OFFER IS EXTENDED.

BANK ONE, N.A.
(the "Exchange Agent")

By Mail, Hand Delivery or Overnight Courier:	By Facsimile Transmission:
Bank One, N.A.	(312) 407-8853
One North State Street, 9(th) Floor	Attention: Exchanges
Chicago, Illinois 60602	Confirm by Telephone:
Attention: Exchanges	(800) 524-9472

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE NUMBER OTHER THAN THE ONES LISTED ABOVE WILL NOT CONSTITUTE A VALID DELIVERY. THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.

The undersigned acknowledges receipt of the Prospectus dated September , 2001 (the "Prospectus") of WESCO International, Inc. ("WESCO International") and WESCO Distribution, Inc. (the "Company") and this Letter of Transmittal (the "Letter of Transmittal"), which together describe the Company's offer (the "Exchange Offer") to exchange $1,000 in principal amount of its 9 1/8% Senior Subordinated Notes Due 2008 (the "Exchange Notes"), for each $1,000 in principal amount of outstanding 9 1/8% Senior Subordinated Notes Due 2008 (the "Outstanding Notes"). The terms of the Exchange Notes are identical in all material respects (including principal amount, interest rate and maturity) to the terms of the Outstanding Notes for which they may be exchanged pursuant to the Exchange Offer, except that the Exchange Notes are freely transferable by holders thereof (except as provided herein or in the Prospectus) and are not subject to any covenant regarding registration under the Securities Act of 1933, as amended (the "Securities Act"). The Outstanding Notes are unconditionally guaranteed (the "Outstanding WESCO International Guarantee") by WESCO International on a senior subordinated basis, and the Exchange Notes will be unconditionally guaranteed (the "WESCO International Guarantee") by WESCO International on a senior subordinated basis. Upon the terms and subject to the conditions set forth in the Prospectus and this Letter of Transmittal, WESCO International offers to issue the WESCO International Guarantee with respect to all Exchange Notes issued in the Exchange Offer in exchange for the outstanding Outstanding WESCO International Guarantee of the Outstanding Notes for which such Exchange Notes are issued in exchange. Throughout this Letter of Transmittal, unless the context otherwise requires and whether so expressed or not, references to the "Exchange Offer" include WESCO International's offer to exchange the WESCO International Guarantee for the Outstanding WESCO International Guarantee, references to the "Company" include WESCO International as issuer of the WESCO International Guarantee and the Outstanding WESCO International Guarantee, references to the "Exchange Notes" include the related WESCO International Guarantee and references to the "Outstanding Notes" include the related Outstanding WESCO International Guarantee. The term "Expiration Date" shall mean 5:00 p.m., New York City time, on , 2001, unless the Company, in its reasonable judgment, extends the Exchange Offer, in which case the term shall mean the latest date and time to which the Exchange Offer is extended. Capitalized terms used but not defined herein have the meanings given to them in the Prospectus. The undersigned has checked the appropriate boxes below and signed this Letter of Transmittal to indicate the action the undersigned desires to take with respect to the Exchange Offer.

PLEASE READ THE ENTIRE LETTER OF TRANSMITTAL AND THE PROSPECTUS CAREFULLY BEFORE CHECKING ANY BOX BELOW

YOUR BANK OR BROKER CAN ASSIST YOU IN COMPLETING THIS FORM. THE INSTRUCTIONS INCLUDED WITH THIS LETTER OF TRANSMITTAL MUST BE FOLLOWED. QUESTIONS AND REQUESTS FOR ASSISTANCE OR FOR ADDITIONAL COPIES OF THE PROSPECTUS AND THIS LETTER OF TRANSMITTAL MAY BE DIRECTED TO THE EXCHANGE AGENT.

List below the Outstanding Notes to which this Letter of Transmittal relates. If the space indicated in inadequate, the Certificate or Registration Numbers and Principal Amounts should be listed on a separately signed schedule affixed hereto.

DESCRIPTION OF OUTSTANDING NOTES TENDERED HEREBY

NAME(S) AND ADDRESS(ES) OF REGISTERED OWNER(S) (PLEASE FILL IN) TENDERED**	CERTIFICATE OR REGISTRATION NUMBERS*	AGGREGATE PRINCIPAL AMOUNT REPRESENTED BY OUTSTANDING NOTES	PRINCIPAL AMOUNT
TOTAL			

* Need not be completed by book-entry Holders.

** Unless otherwise indicated, the Holder will be deemed to have tendered the full aggregate principal amount represented by such Outstanding Notes. All tenders must be in integral multiples of $1,000.

This Letter of Transmittal is to be used if (i) certificates representing Outstanding Notes are to be physically delivered to the Exchange Agent herewith, (ii) tender of Outstanding Notes is to be made by book-entry transfer to an account maintained by the Exchange Agent at The Depository Trust Company ("DTC"), pursuant to the procedures set forth in "The Exchange Offer--Procedures for Tendering Notes" in the Prospectus or (iii) tender of the Outstanding Notes is to be made according to the guaranteed delivery procedures described in the Prospectus under the caption "The Exchange Offer--Procedures for Tendering Notes." See Instruction 2. Delivery of documents to a book-entry transfer facility does not constitute delivery to the Exchange Agent. This Letter of Transmittal must be completed, signed and delivered even if tender instructions are being transmitted through the Book-Entry Transfer Facility Automated Tender Offer Program ("ATOP").

As used in this Letter of Transmittal, the term "Holder" with respect to the Exchange Offer means any person in whose name Outstanding Notes are registered on the books of the Company or, with respect to interests in the Global Notes held by DTC, any DTC participant listed in an official DTC proxy. The undersigned has completed, executed and delivered this Letter of Transmittal to indicate the action the undersigned desires to take with respect to the Exchange Offer. Holders who wish to tender their Outstanding Notes must complete this letter in its entirety.

Holders of Outstanding Notes that are tendering by book-entry transfer to the Exchange Agent's account at DTC can execute the tender through ATOP, for which the transaction will be eligible. DTC participants that are accepting the Exchange Offer must transmit their acceptances to DTC, which will verify the acceptance and execute a book-entry delivery to the Exchange Agent's account at DTC. DTC will then send an Agent's Message to the Exchange Agent for its acceptance. Each DTC participant transmitting an acceptance of the Exchange Offer through the ATOP Procedures will be deemed to have agreed to be bound by the terms of this Letter of Transmittal. Nevertheless, in order for such acceptance to constitute a valid tender of the DTC participant's Outstanding Notes, such participant must complete and sign a Letter of Transmittal and deliver it to the Exchange Agent before the Expiration Date.

[ ] CHECK HERE IF TENDERED OUTSTANDING NOTES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO THE ACCOUNT MAINTAINED BY THE EXCHANGE AGENT WITH DTC AND COMPLETE THE FOLLOWING:

Name of Tendering Institution

Account Number

Transaction Code Number

Holders whose Outstanding Notes are not immediately available or who cannot deliver their Outstanding Notes and all other documents required hereby to the Exchange Agent on or prior to the Expiration Date must tender their Outstanding Notes according to the guaranteed delivery procedure set forth in the Prospectus under the caption "The Exchange Offer--Procedures for Tendering Notes." See Instruction 2.

[ ] CHECK HERE IF TENDERED OUTSTANDING NOTES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY AND COMPLETE THE FOLLOWING:

Name of Registered Holder(s)

Name of Eligible Institution that Guaranteed Delivery

If delivery by book-entry transfer:

Account Number

Transaction Code Number

[ ] CHECK HERE IF YOU ARE A BROKER-DEALER AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO:

Name

Address

PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY

Ladies and Gentlemen:

Upon the terms and subject to the conditions of the Exchange Offer, the undersigned hereby tenders to the Company the principal amount of the Outstanding Notes indicated above. Subject to, and effective upon, the acceptance for exchange of such Outstanding Notes tendered hereby, the undersigned hereby exchanges, assigns and transfers to, or upon the order of, the Company all right, title and interest in and to such Outstanding Notes as are being tendered hereby, including all rights to accrued and unpaid interest thereon as of the Expiration Date. The undersigned hereby irrevocably constitutes and appoints the Exchange Agent the true and lawful agent and attorney-in-fact of the undersigned (with full knowledge that said Exchange Agent acts as the agent of the Company in connection with the Exchange Offer) to cause the Outstanding Notes to be assigned, transferred and exchanged. The undersigned represents and warrants that it has full power and authority to tender, exchange, assign and transfer the Outstanding Notes and to acquire Exchange Notes issuable upon the exchange of such tendered Outstanding Notes, and that when the same are accepted for exchange, the Company will acquire good and unencumbered title to the tendered Outstanding Notes, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim.

The undersigned represents to the Company that (i) the Exchange Notes acquired pursuant to the Exchange Offer are being obtained in the ordinary course of business of the person receiving such Exchange Notes, whether or not such person is the undersigned, and (ii) neither the undersigned nor any such other person has an arrangement or understanding with any person to participate in the distribution of such Exchange Notes. If the undersigned or the person receiving the Exchange Notes covered hereby is a broker-dealer that is receiving the Exchange Notes for its own account in exchange for Outstanding Notes that were acquired as a result of market-making activities or other trading activities, the undersigned acknowledges that it or such other person will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such Exchange Notes; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. The undersigned and any such other person acknowledge that, if they are participating in the Exchange Offer for the purpose of distributing the Exchange Notes, (i) they cannot rely on the position of the staff of the Securities and Exchange Commission enunciated in EXXON CAPITAL WESCO INTERNATIONAL CORPORATION (April 13, 1988), MORGAN STANLEY & CO., INC.(June 5, 1991) or similar no-action letters and, in the absence of an exemption therefrom, must comply with the registration and prospectus delivery requirements of the Securities Act in connection with the resale transaction and (ii) failure to comply with such requirements in such instance could result in the undersigned or any such other person incurring liability under the Securities Act for which such persons are not indemnified by the Company. If the undersigned or the person receiving the Exchange Notes covered by this letter is an affiliate (as defined under Rule 405 of the Securities Act) of the Company, the undersigned represents to the Company that the undersigned understands and acknowledges that such Exchange Notes may not be offered for resale, resold or otherwise transferred by the undersigned or such other person without registration under the Securities Act or an exemption therefrom.

The undersigned also warrants that it will, upon request, execute and deliver any additional documents deemed by the Exchange Agent or the Company to be necessary or desirable to complete the exchange, assignment and transfer of tendered Outstanding Notes or transfer ownership of such Outstanding Notes on the account books maintained by a book-entry transfer facility. The undersigned further agrees that acceptance of any tendered Outstanding Notes by the Company and the issuance of Exchange Notes in exchange therefor shall constitute performance in full by the Company of its obligations under the Exchange and Registration Rights Agreement and that the Company shall have no further obligation or liabilities thereunder for the registration of the Outstanding Notes or the Exchange Notes.

The Exchange Offer is subject to certain conditions set forth in the Prospectus under the caption "The Exchange Offer--Certain Conditions to the Exchange Offer." The undersigned recognizes that as a result of these conditions (which may be waived, in whole or in part, by the Company), as more particularly set forth in the Prospectus, the Company may not be required to exchange any of the Outstanding Notes tendered hereby and, in such event, the Outstanding Notes not exchanged will be returned to the undersigned at the address shown below the signature of the undersigned.

All authority herein conferred or agreed to be conferred shall survive the death or incapacity of the undersigned and every obligation of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned. Tendered Outstanding Notes may be withdrawn at any time prior to the Expiration Date.

Unless otherwise indicated in the box entitled "Special Registration Instructions" or the box entitled "Special Delivery Instructions" in this Letter of Transmittal, certificates for all Exchange Notes delivered in exchange for tendered Outstanding Notes, and any Outstanding Notes delivered herewith but not exchanged, will be registered in the name of the undersigned and shall be delivered to the undersigned at the address shown below the signature of the undersigned. If an Exchange Note is to be issued to a person other than the person(s) signing this Letter of Transmittal or to the person(s) signing this Letter of Transmittal at an address different than the address shown on this Letter of Transmittal, the appropriate boxes of this Letter of Transmittal should be completed. If Outstanding Notes are surrendered by Holder(s) that have completed either the box entitled "Special Registration Instructions" or the box entitled "Special Delivery Instructions" in this Letter of Transmittal, signature(s) on this Letter of Transmittal must be guaranteed by an Eligible Institution (defined in Instruction 2).

SPECIAL REGISTRATION INSTRUCTIONS

To be completed ONLY if the Exchange Notes are to be issued in the name of someone other than the undersigned.

Name:

Address:

Book-Entry Transfer Facility Account:

Employee Identification or
Social Security Number:

(Please Print or Type.)

SPECIAL DELIVERY INSTRUCTIONS

To be completed ONLY if the Exchange Notes are to be sent to someone other than the undersigned, or to the undersigned at an address other than that shown under "Description of Notes Tendered Hereby."

Name:

Address:

(Please Print or Type.)

REGISTERED HOLDER(S) OF NOTES OR DTC PARTICIPANT(S) SIGN HERE

(IN ADDITION, COMPLETE SUBSTITUTE FORM W-9 BELOW.)

(Signature(s) of Registered Holder(s) or DTC Participant(s))

Must be signed by registered holder(s) or DTC participant(s) exactly as name(s) appear(s) on the Notes or on a security position listing as the owner of the Notes or by person(s) authorized to become registered holder(s) by properly completed bond powers transmitted herewith. If signature is by attorney-in-fact, trustee, executor, administrator, guardian, officer of a corporation or other person acting in a fiduciary capacity, please provide the following information. (PLEASE PRINT OR TYPE):

Name and Capacity (full title):

Address (including zip code):

Area Code and Telephone Number:

Taxpayer Identification or Social Security No.:

Dated:

SIGNATURE GUARANTEE
(IF REQUIRED -- SEE INSTRUCTION 5)

Authorized Signature:

(Signature of Representative of Signature Guarantor)

Name and Title:

Name of Plan:

Area Code and Telephone Number:

(Please Print or Type.)

Dated:

[WESCO DISTRIBUTION, INC.]

THIS SUBSTITUTE FORM W-9 MUST BE COMPLETED AND SIGNED
PLEASE PROVIDE YOUR SOCIAL SECURITY NUMBER OR OTHER TAXPAYER IDENTIFICATION NUMBER ON THE FOLLOWING SUBSTITUTE FORM W-9 AND CERTIFY THEREIN THAT YOU ARE NOT SUBJECT TO BACKUP WITHHOLDING.

SUBSTITUTE FORM W-9	PART I--PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY BY SIGNING AND DATING BELOW.	Name Social Security Number OR Employer Identification Number
DEPARTMENT OF THE TREASURY INTERNAL REVENUE SERVICE PAYOR'S REQUEST FOR TAXPAYER IDENTIFICATION NUMBER (TIN)	PART II--Check the box if you are not subject to backup withholding under the provisions of the Internal Revenue Code because (1) you are exempt from backup withholding, (2) you have not been notified that you are subject to backup withholding as a result of failure to report all interest or dividends or (3) the Internal Revenue Service has notified you that you are no longer subject to backup withholding. ( ) THE INTERNAL REVENUE SERVICE DOES NOT REQUIRE YOUR CONSENT TO ANY PROVISION OF THIS DOCUMENT OTHER THAN THE CERTIFICATIONS REQUIRED TO AVOID BACKUP WITHHOLDING. CERTIFICATION: Under penalties of perjury, I certify that I am a U.S. person and that the information provided on this form is true, correct and complete. PART III--AWAITING TIN [ ]	

SIGNATURE: _____ DATE: _____ , 2001

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 30.5% (OR 30% WITH RESPECT TO PAYMENTS MADE AFTER DECEMBER 31, 2001) OF ANY CASH PAYMENTS IN EXCESS OF $10.00 MADE TO YOU.

NOTE: YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE BOX IN PART III OF SUBSTITUTE FORM W-9.

CERTIFICATE OF AWAITING TAX IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Officer or (b) I intend to mail or deliver such an application in the near future. I understand that if I do not provide a taxpayer identification number within 60 days, 31% of all reportable payments made to me thereafter will be withheld until I provide a number.

SIGNATURE: _____ DATE: _____

INSTRUCTIONS

FORMING PART OF THE TERMS AND
CONDITIONS OF THE EXCHANGE OFFER

1. DELIVERY OF THIS LETTER OF TRANSMITTAL AND CERTIFICATES.

All physically delivered Outstanding Notes or confirmation of any book-entry transfer to the Exchange Agent's account at a book-entry transfer facility of Outstanding Notes tendered by book-entry transfer, as well as a properly completed and duly executed copy of this Letter of Transmittal or facsimile thereof, and any other documents required by this Letter of Transmittal, must be received by the Exchange Agent at any of its addresses set forth herein on or prior to the Expiration Date (as defined in the Prospectus). The method of delivery of this Letter of Transmittal, the Outstanding Notes and any other required documents is at the election and risk of the Holder, and except as otherwise provided below, the delivery will be deemed made only when actually received by the Exchange Agent. If such delivery is by mail, it is suggested that registered mail with return receipt requested, properly insured, be used.

No alternative, conditional, irregular or contingent tenders will be accepted. All tendering Holders, by execution of this Letter of Transmittal (or facsimile thereof), shall waive any right to receive notice of the acceptance of the Outstanding Notes for exchange.

Delivery to an address other than as set forth herein, or instructions via a facsimile number other than the ones set forth herein, will not constitute a valid delivery.

2. GUARANTEED DELIVERY PROCEDURES.

Holders who wish to tender their Outstanding Notes, but whose Outstanding Notes are not immediately available and thus cannot deliver their Outstanding Notes, the Letter of Transmittal or any other required documents to the Exchange Agent (or comply with the procedures for book-entry transfer) prior to the Expiration Date, may effect a tender if:

(a) the tender is made through a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or correspondent in the United States or an "eligible guarantor institution" within the meaning of Rule 17 Ad-15 under the Exchange Act (an "Eligible Institution");

(b) prior to the Expiration Date, the Exchange Agent received from such Eligible Institution a properly completed and duly executed Notice of Guaranteed Delivery (by facsimile transmission, mail or hand delivery) setting forth the name and address of the Holder, the registration number(s) of such Outstanding Notes and the principal amount of Outstanding Notes tendered, stating that the tender is being made thereby and guaranteeing that, within three New York Stock Exchange trading days after the Expiration Date, the Letter of Transmittal (or facsimile thereof), together with the Outstanding Notes (or a confirmation of book-entry transfer of such Outstanding Notes into the Exchange Agent's account at DTC) and any other documents required by the Letter of Transmittal, will be deposited by the Eligible Institution with the Exchange Agent; and

(c) such properly completed and executed Letter of Transmittal (or facsimile thereof), as well as all tendered Outstanding Notes in proper form for transfer (or a confirmation of book-entry transfer of such Outstanding Notes into the Exchange Agent's account at DTC) and all other documents required by the Letter of Transmittal, are received by the Exchange Agent within three New York Stock Exchange trading days after the Expiration Date.

Upon request to the Exchange Agent, a Notice of Guaranteed Delivery will be sent to Holders who wish to tender their Outstanding Notes according to the guaranteed delivery procedures set forth above. Any Holder who wishes to tender Outstanding Notes pursuant to the guaranteed delivery procedures described above must ensure that the Exchange Agent receives the Notice of Guaranteed Delivery relating to such Outstanding Notes prior to the Expiration Date. Failure to complete the guaranteed delivery procedures outlined above will not, of itself, affect the validity or effect a revocation of any Letter of Transmittal form properly completed and executed by a Holder who attempted to use the guaranteed delivery procedures.

3. BENEFICIAL OWNER INSTRUCTIONS.

Only a Holder of Outstanding Notes (I.E., a person in whose name Outstanding Notes are registered on the books of the registrar or, with respect to interests in the Global Notes held by DTC, a DTC participant listed in an official DTC proxy), or the legal representative or attorney-in-fact of a Holder, may execute and deliver this Letter of Transmittal. Any beneficial owner of Outstanding Notes who wishes to accept the Exchange Offer must arrange promptly for the appropriate Holder to execute and deliver this Letter of Transmittal on his or her behalf through the execution and delivery to the appropriate Holder

of the Instructions to Registered Holder and/or DTC Participant from Beneficial Owner form accompanying this Letter of Transmittal.

4. PARTIAL TENDERS; WITHDRAWALS.

If less than the entire principal amount of Outstanding Notes evidenced by a submitted certificate is tendered, the tendering Holder should fill in the principal amount tendered in the column entitled "Principal Amount Tendered" of the box entitled "Description of Outstanding Notes Tendered Hereby." A newly issued Note for the principal amount of Outstanding Notes submitted but not tendered will be sent to such Holder as soon as practicable after the Expiration Date. All Outstanding Notes delivered to the Exchange Agent will be deemed to have been tendered in full unless otherwise indicated.

Outstanding Notes tendered pursuant to the Exchange Offer may be withdrawn at any time prior to the Expiration Date, after which tenders of Outstanding Notes are irrevocable. To be effective, a written, telegraphic or facsimile transmission notice of withdrawal must be timely received by the Exchange Agent. Any such notice of withdrawal must (i) specify the name of the person having deposited the Outstanding Notes to be withdrawn (the "Depositor"), (ii) identify the Outstanding Notes to be withdrawn (including the registration number(s) and principal amount of such Outstanding Notes, or, in the case of Outstanding Notes transferred by book-entry transfer, the name and number of the account at DTC to be credited), (iii) be signed by the Holder in the same manner as the original signature on this Letter of Transmittal (including any required signature guarantees) or be accompanied by documents of transfer sufficient to have the Trustee with respect to the Outstanding Notes register the transfer of such Outstanding Notes into the name of the person withdrawing the tender and (iv) specify the name in which any such Outstanding Notes are to be registered, if different from that of the Depositor. All questions as to the validity, form and eligibility (including time of receipt) of such notices will be determined by the Company, whose determination shall be final and binding on all parties. Any Outstanding Notes so withdrawn will be deemed not to have been validly tendered for purposes of the Exchange Offer and no Exchange Notes will be issued with respect thereto unless the Outstanding Notes so withdrawn are validly retendered. Any Outstanding Notes which have been tendered but which are not accepted for exchange will be returned to the Holder thereof without cost to such Holder as soon as practicable after withdrawal, rejection of tender or termination of Exchange Offer.

5. SIGNATURE ON THIS LETTER OF TRANSMITTAL; WRITTEN INSTRUMENTS AND ENDORSEMENTS; GUARANTEE OF SIGNATURES.

If this Letter of Transmittal is signed by the registered Holder(s) of the Outstanding Notes tendered hereby, the signature must correspond with the name(s) as written on the face of the certificates without alteration or enlargement or any change whatsoever. If this Letter of Transmittal is signed by a participant in DTC, the signature must correspond with the name as it appears on the security position listing as the owner of the Outstanding Notes.

If any of the Outstanding Notes tendered hereby are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal. If a number of Outstanding Notes registered in different names are tendered, it will be necessary to complete, sign and submit as many separate copies of this Letter of Transmittal as there are different registrations of Outstanding Notes.

Signatures of this Letter of Transmittal or a notice of withdrawal, as the case may be, must be guaranteed by an Eligible Institution unless the Outstanding Notes tendered hereby are tendered (i) by a registered Holder who has not completed the box entitled "Special Registration Instructions" or "Special Delivery Instructions" on the Letter of Transmittal or (ii) for the account of an Eligible Institution.

If this Letter of Transmittal is signed by the registered Holder or Holders of Outstanding Notes (which term, for the purposes described herein, shall include a participant in DTC whose name appears on a security listing as the owner of the Outstanding Notes) listed and tendered hereby, no endorsements of the tendered Outstanding Notes or separate written instruments of transfer or exchange are required. In any other case, the registered Holder (or acting Holder) must either properly endorse the Outstanding Notes or transmit properly completed bond powers with this Letter of Transmittal (in either case, executed exactly as the name(s) of the registered Holder(s) appear(s) on the Outstanding Notes, and, with respect to a participant in DTC whose name appears on such security position listing), with the signature on the Outstanding Notes or bond power guaranteed by an Eligible Institution (except where the Outstanding Notes are tendered for the account of an Eligible Institution).

If this Letter of Transmittal, any certificates or separate written instruments of transfer or exchange are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and, unless waived by the Company, proper evidence satisfactory to the Company of their authority so to act must be submitted.

6. SPECIAL REGISTRATION AND DELIVERY INSTRUCTIONS.

Tendering Holders should indicate, in the applicable box, the name and address (or account at DTC) in which the Exchange Notes or substitute Outstanding Notes for principal amounts not tendered or not accepted for exchange are to be issued (or deposited), if different from the names and addresses or accounts of the person signing this Letter of Transmittal. In the case of issuance in a different name, the employer identification number or social security number of the person named must also be indicated and the tendering Holder should complete the applicable box.

If no instructions are given, the Exchange Notes (and any Outstanding Notes not tendered or not accepted) will be issued in the name of and sent to the acting Holder of the Outstanding Notes or deposited at such Holder's account at DTC.

7. TRANSFER TAXES.

The Company shall pay all transfer taxes, if any, applicable to the transfer and exchange of Outstanding Notes to it or its order pursuant to the Exchange Offer. If a transfer tax is imposed for any other reason other than the transfer and exchange of Outstanding Notes to the Company, or its order pursuant to the Exchange Offer, the amount of any such transfer taxes (whether imposed on the registered Holder or any other person) will be payable by the tendering Holder. If satisfactory evidence of payment of such taxes or exception therefrom is not submitted herewith, the amount of such transfer taxes will be collected from the tendering Holder by the Exchange Agent.

Except as provided in this Instruction, it will not be necessary for transfer stamps to be affixed to the Outstanding Notes listed in the Letter of Transmittal.

8. WAIVER OF CONDITIONS.

The Company reserves the right, in its reasonable judgment, to waive, in whole or in part, any of the conditions to the Exchange Offer set forth in the Prospectus.

9. MUTILATED, LOST, STOLEN OR DESTROYED OUTSTANDING NOTES.

Any Holder whose Outstanding Notes have been mutilated, lost, stolen or destroyed should contact the Exchange Agent at the address indicated above for further instructions.

10. REQUEST FOR ASSISTANCE OR ADDITIONAL COPIES.

Questions relating to the procedure for tendering as well as requests for additional copies of the Prospectus and this Letter of Transmittal, may be directed to the Exchange Agent at the address and telephone number(s) set forth above. All other questions relating to the Exchange Offer should be directed to: Bank One, N.A., One North State Street, 9th Floor, Chicago, Illinois 60602, Attention: Exchanges the Exchange Agent at Bank One Trust Company, National Association, Attention: Exchanges, telephone: (800) 524-9427.

11. VALIDITY AND FORM.

All questions as to the validity, form, eligibility (including time of receipt), acceptance of tendered Outstanding Notes and withdrawal of tendered Outstanding Notes will be determined by the Company in its sole discretion, which determination will be final and binding. The Company reserves the absolute right to reject any and all Outstanding Notes not properly tendered or any Outstanding Notes the Company's acceptance of which would, in the opinion of counsel for the Company, be unlawful. The Company also reserves the right, in its reasonable judgment, to waive any defects, irregularities or conditions of tender as to particular Outstanding Notes. The Company's interpretation of the terms and conditions of the Exchange Offer (including the instructions in this Letter of Transmittal) will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of Outstanding Notes must be cured within such time as the Company shall determine. Although the Company intends to notify Holders of defects or irregularities with respect to tenders of Outstanding Notes, neither the Company, the Exchange Agent nor any other person shall incur any liability for failure to give such notification. Tenders of Outstanding Notes will not be deemed to have been made until such defects or irregularities with respect to tenders of Outstanding Notes, neither the Company, the Exchange Agent nor any other person shall incur any liability for failure to give such notification. Tenders of Outstanding Notes will not be deemed to have been made until such defects or irregularities have been cured or waived. Any Outstanding Notes received by the Exchange Agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned by the Exchange Agent to the tendering Holder as soon as practicable following the Expiration Date.

IMPORTANT TAX INFORMATION

Under federal income tax law, a Holder tendering Outstanding Notes is required to provide the Exchange Agent with such Holder's correct TIN on Substitute Form W-9 above. If such Holder is an individual, the TIN is the Holder's social security number. The Certificate of Awaiting Taxpayer Identification Number should be completed if the tendering Holder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future. If the Exchange Agent is not provided with the correct TIN, the Holder may be subject to a $50 penalty imposed by the Internal Revenue Service. In addition, payments that are made to such Holder may be subject to backup withholding.

Certain Holders (including among others, all domestic corporations and certain foreign individuals and foreign entities) are not subject to these backup withholding and reporting requirements. A domestic corporate Holder or other U.S. Holder who is not subject to backup withholding and reporting and who satisfies one or more of the conditions set forth in Part 2 of the Substitute Form W-9 should execute the certification following such Part 2. In order for a foreign Holder to qualify as an exempt recipient, that Holder must submit to the Exchange Agent a properly completed Internal Revenue Service Form W-8BEN, W-8ELI, W-8EXP or W-8IMY (as applicable), signed under penalties of perjury, attesting to that Holder's exempt status. Such forms can be obtained from the Exchange Agent.

If backup withholding applies, the Exchange Agent is required to withhold 30.5% (or 30% of any payments made after December 31, 2001) of any amounts otherwise payable to the Holder. Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained from the Internal Revenue Service.

PURPOSE OF SUBSTITUTE FORM W-9

To prevent backup withholding on payments that are made to a Holder, the Holder is required to notify the Exchange Agent of his or her correct TIN by completing the form herein certifying that the TIN provided on Substitute Form W-9 is correct (or that such Holder is awaiting a TIN) and that (i) such Holder is exempt, (ii) such Holder has not been notified by the Internal Revenue Service that he or she is subject to backup withholding as a result of failure to report all interest or dividends or (iii) the Internal Revenue Service has notified such Holder that he or she is no longer subject to backup withholding.

WHAT NUMBER TO GIVE THE EXCHANGE AGENT

Each Holder is required to give the Exchange Agent the social security number or employer identification number of the record Holder(s) of the Outstanding Notes. If Outstanding Notes are in more than one name or are not in the name of the actual Holder, consult the instructions on Internal Revenue Service form W-9, which may be obtained from the Exchange Agent, for additional guidance on which number to report.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

If the tendering Holder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future, write "Applied For" in the space for the TIN on Substitute Form W-9, sign and date the form and the Certificate of Awaiting Taxpayer Identification Number and return them to the Exchange Agent. If such certificate is completed and the Exchange Agent is not provided with the TIN within 60 days, the Exchange Agent will withhold 30% (or 30.5% of any payments made after December 31, 2001) of all payments made thereafter until a TIN is provided to the Exchange Agent.

IMPORTANT: THIS LETTER OF TRANSMITTAL OR A FACSIMILE THEREOF (TOGETHER WITH OUTSTANDING NOTES OR CONFIRMATION OF BOOK-ENTRY TRANSFER AND ALL OTHER REQUIRED DOCUMENTS) OR A NOTICE OF GUARANTEED DELIVERY MUST BE RECEIVED BY THE EXCHANGE AGENT ON OR PRIOR TO THE EXPIRATION DATE.

Exhibit 99.2

NOTICE OF GUARANTEED DELIVERY

FOR

TENDER OF OUTSTANDING
9 1/8% SENIOR SUBORDINATED NOTES
DUE 2008
CUSIP NO. 95081QAD6,
IN EXCHANGE FOR NEW
9 1/8% SENIOR SUBORDINATED NOTES DUE 2008,
OF

WESCO DISTRIBUTION, INC.

This form or one substantially equivalent hereto must be used to accept the Exchange Offer of WESCO Distribution, Inc. (the "Company") to exchange the Company's 9 1/8% Senior Subordinated Notes Due 2008 (collectively, the "Outstanding Notes") for a like principal amount of the Company's 9 1/8% Senior Subordinated Notes Due 2008 which have been registered under the Securities Act of 1933, as amended, and the related guarantees made pursuant to the Prospectus (as defined below), if certificates for the Outstanding Notes are not immediately available or if the procedure for book-entry transfer cannot be completed on a timely basis or time will not permit all required documents to reach the Exchange Agent prior to 5:00 p.m., New York time, on the Expiration Date of the Exchange Offer. Such form may be delivered or transmitted by telegram, telex, facsimile transmission, mail or hand delivery to Bank One, N.A. (the "Exchange Agent"), as set forth below. In addition, in order to utilize the guaranteed delivery procedure to tender Outstanding Notes pursuant to the Exchange Offer, a completed, signed and dated Letter of Transmittal (or facsimile thereof) must also be received by the Exchange Agent prior to 5:00 p.m., New York City time, on the Expiration Date. Capitalized terms not defined herein are defined in the Letter of Transmittal.

BANK ONE, N.A., EXCHANGE AGENT

By Mail, Hand Delivery or Overnight Courier:	By Facsimile Transmission:
Bank One, N.A.	(312) 407-8853
One North State Street, 9(th) Floor	Attention: Exchanges
Chicago, Illinois 60602	Confirm by Telephone:
Attention: Exchanges	(800) 524-9472

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

Ladies and Gentlemen:

Upon the terms and conditions set forth in the Prospectus and the accompanying Letter of Transmittal, the undersigned hereby tenders to the Company the principal amount of Outstanding Notes set forth below pursuant to the guaranteed delivery procedure described in "The Exchange Offer--Procedures for Tendering Original Notes" section of the Prospectus dated September , 2001 of WESCO Distribution, Inc. and WESCO International, Inc. (which has unconditionally guaranteed the Outstanding Notes and the Exchange Notes on a senior subordinated basis) (the "Prospectus"), receipt of which is hereby acknowledged.

Principal Amount of Outstanding Notes Tendered.* $ ----------

Certificate No(s). (if available): ----------

Total Principal Amount Represented by Certificate(s): ----------

*Must be in denominations of principal amount of $1,000 and any integral multiple thereof.

All authority herein conferred or agreed to be conferred shall survive the death or incapacity of the undersigned, and every obligation of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned.

Please Sign Here

X ----------

X ----------

Signature(s) of Owner(s)
or Authorized Signatory
Area Code and Telephone Number: ----------

Must be signed by the holder(s) of Outstanding Notes as their name(s) appear on certificates for Outstanding Notes or on a security position listing, or by person(s) authorized to become registered holder(s) by endorsement and documents transmitted with this Notice of Guaranteed Delivery. If the signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer or other person acting in a fiduciary or representative capacity, such person must set forth his or her full title below. If Outstanding Notes will be delivered by book-entry transfer to The Depository Trust Company, provide account number.

Please Print Name(s) and Address(es)

Name(s): ----------

Capacity: ----------

Address(es): ----------

Account Number: ----------

GUARANTEE
(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a financial institution (including most banks, savings and loan associations and brokerage houses) that is a participant in the Securities Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program or the Stock Exchanges Medallion Program, hereby guarantees that the undersigned will deliver to the Exchange Agent the certificates representing the Outstanding Notes being tendered hereby or confirmation of book-entry transfer of such Outstanding Notes into the Exchange Agent's account at The Depository Trust company, in proper form for transfer, together with any other documents required by the Letter of Transmittal, within three New York Stock Exchange trading days after the Expiration Date.

Name of Firm

Address

Area Code &
Telephone No.

Authorized Signature

Name

(Please Type or Print)

Title

Date

NOTE: DO NOT SEND CERTIFICATES REPRESENTING OUTSTANDING NOTES WITH THIS FORM. CERTIFICATES REPRESENTING OUTSTANDING NOTES SHOULD BE SENT ONLY WITH A COPY OF THE PREVIOUSLY EXECUTED LETTER OF TRANSMITTAL.

Exhibit 99.3

FORM OF EXCHANGE AGENT AGREEMENT

THIS EXCHANGE AGENT AGREEMENT (this "Agreement") is made and entered into as of September , 2001, by and between WESCO International, Inc., a Delaware corporation, ("WESCO International"), WESCO Distribution, Inc., a Delaware corporation and a wholly owned subsidiary of WESCO International (the "Company" and, together with WESCO International, the "Issuer"), and Bank One, N.A., a national banking association incorporated and existing under the laws of the United States of America, as exchange agent (the "Exchange Agent").

RECITALS

The Issuer is making an offer to exchange, upon the terms and subject to the conditions set forth in the Issuer's Prospectus, dated September , 2001 (the "Prospectus"), attached hereto as Exhibit A and the accompanying letter of transmittal (the "Letter of Transmittal") attached hereto as Exhibit B (which together with the Prospectus constitutes the "Exchange Offer"), its 9 1/8% Senior Subordinated Notes due 2008 (the "Outstanding Notes") for an equal principal amount of its 9 1/8% Senior Subordinated Notes due 2008, issued 2001 (the "Exchange Notes" and, together with the Outstanding Notes, the "Securities.")

The Exchange Offer will commence as soon as practicable after the Issuer's Registration Statement on Form S-4 relating to the Exchange Offer is declared effective under the Securities Act of 1933, as certified in writing to the Exchange Agent by the Issuer (the "Effective Time") and shall terminate at 5:00 p.m., New York City time, on , 2001 (the "Expiration Date"), unless the Exchange Offer is extended by the Issuer and the Issuer notifies the Exchange Agent of such extension by 5:00 p.m., New York City time, on the previous Expiration Date, in which case, the term "Expiration Date" shall mean the latest date and time to which the Exchange Offer is extended. In connection therewith, the undersigned parties hereby agree as follows:

1. Appointment and Duties as Exchange Agent. The Issuer hereby authorizes the Exchange Agent, to act as the exchange agent in connection with the Exchange Offer, and the Exchange Agent, hereby agrees to act as the exchange agent and to perform the services outlined herein in connection with the Exchange Offer on the terms and conditions contained herein.

2. Mailing to Holders of the Outstanding Notes. As soon as practicable after its receipt of certification from the Issuer as to the Effective Time, the Exchange Agent will mail to each Holder (as defined in the Indenture), and to each DTC participant identified by DTC as a holder of any Outstanding Notes (i) a Letter of Transmittal with instructions (including instructions for completing a substitute Form W-9), (ii) a Prospectus and (iii) a Notice of Guaranteed Delivery substantially in the form attached hereto as Exhibit C (the "Notice of Guaranteed Delivery") all in accordance with the procedures described in the Prospectus.

B. The Issuer shall supply the Exchange Agent with sufficient copies of the Prospectus, Letter of Transmittal and Notice of Guaranteed Delivery to enable the Exchange Agent to perform its duties hereunder. The Issuer shall also furnish or cause to be furnished to the Exchange Agent a list of the holders of the Outstanding Notes (including a beneficial holder list from The Depository Trust Company ("DTC"), certificated Outstanding Notes' numbers and amounts, mailing addresses, and social security numbers), unless waived by the Exchange Agent.

3. ATOP Registration. As soon as practicable, the Exchange Agent shall establish an account with DTC in its name to facilitate book-entry tenders of Outstanding Notes through DTC's Automated Tender Offer Program (herein "ATOP") for the Exchange Offer.

4. Receipt of Letters of Transmittal and Related Items. From and after the Effective Time, the Exchange Agent is hereby authorized and directed to accept (i) Letters of Transmittal, duly executed in accordance with the instructions thereto (or a manually signed facsimile thereof), and any requisite collateral documents from Holders of the Outstanding Notes and (ii) surrendered Outstanding Notes to which such Letters of Transmittal relate. The Exchange Agent is authorized to request from any person tendering Outstanding Notes such additional documents as the Exchange Agent or the Issuer deems appropriate. The Exchange Agent is hereby authorized and directed to process withdrawals of tenders to the extent withdrawal thereof is authorized by the Exchange Offer.

5. Defective or Deficient Outstanding Notes and Instruments. As soon as practicable after receipt, the Exchange Agent will examine instructions transmitted by DTC ("DTC Transmissions"), Outstanding Notes, Letters of Transmittal and other

documents received by the Exchange Agent in connection with tenders of Outstanding Notes to ascertain whether (i) the Letters of Transmittal are completed and executed in accordance with the instructions set forth therein (or that the DTC Transmissions contain the proper information required to be set forth therein), (ii) the Outstanding Notes have otherwise been properly tendered in accordance with the Prospectus and the Letters of Transmittal (or that book-entry confirmations are in due and proper form and contain the information required to be set forth therein) and (iii) if applicable, the other documents (including the Notice of Guaranteed Delivery) are properly completed and executed.

B. If any Letter of Transmittal or other document has been improperly completed or executed (or any DTC Transmissions are not in due and proper form or omit required information) or the Outstanding Notes accompanying such Letter of Transmittal are not in proper form for transfer or have been improperly tendered (or the book-entry confirmations are not in due and proper form or omit required information) or if some other irregularity in connection with any tender of any Outstanding Notes exists, the Exchange Agent shall promptly report such information to the Holder. If such condition is not promptly remedied by the Holder, the Exchange Agent shall report such condition to the Issuer and await its direction. All questions as to the validity, form, eligibility (including timeliness of receipt), acceptance and withdrawal of any Outstanding Notes tendered or delivered shall be determined by the Issuer, in its sole discretion. Notwithstanding the above, the Exchange Agent shall not be under any duty to give notification of defects in such tenders and shall not incur any liability for failure to give such notification unless such failure constitutes gross negligence or willful misconduct.

C. The Issuer reserves the absolute right (i) to reject any or all tenders of any particular Outstanding Notes determined by the Issuer not to be in proper form or the acceptance or exchange of which may, in the opinion of the Issuer's counsel, be unlawful and (ii) to waive any of the conditions of the Exchange Offer or any defect or irregularity in the tender of any particular Outstanding Notes, and the Issuer's interpretation of the terms and conditions of the Exchange Offer (including the Letter of Transmittal and Notice of Guaranteed Delivery and the instructions set forth therein) will be final and binding.

6. Requirements of Tenders. Tenders of Outstanding Notes shall be made only as set forth in the Letter of Transmittal, and shall be considered properly tendered only when tendered in accordance therewith. Notwithstanding the provisions of this paragraph, any Outstanding Notes that the Issuer's President, Chief Financial Officer or Corporate Controller, or any other person designated by the Issuer's President shall approve as having been properly tendered shall be considered to be properly tendered.

B. The Exchange Agent shall (a) ensure that each Letter of Transmittal and the related Outstanding Notes or a bond power are duly executed (with signatures guaranteed where required) by the appropriate parties in accordance with the terms of the Exchange Offer; (b) in those instances where the person executing the Letter of Transmittal (as indicated on the Letter of Transmittal) is acting in a fiduciary or a representative capacity, ensure that proper evidence of his or her authority so to act is submitted; and (c) in those instances where the Outstanding Notes are tendered by persons other than the registered holder of such Outstanding Notes, ensure that customary transfer requirements, including any applicable transfer taxes, and the requirements imposed by the transfer restrictions on the Outstanding Notes (including any applicable requirements for certifications, legal opinions or other information) are fulfilled.

7. Exchange of the Outstanding Notes. Promptly after the Effective Time, the Issuer will deliver the Exchange Notes to the Exchange Agent. Upon surrender of the Outstanding Notes properly tendered in accordance with the Exchange Offer, the Exchange Agent is hereby directed to deliver or cause to be delivered Exchange Notes to the Holders of such surrendered Outstanding Notes. The principal amount of the Exchange Notes to be delivered to a Holder shall equal the principal amount of the Outstanding Notes surrendered.

B. The Exchange Notes issued in exchange for certificated Outstanding Notes shall be mailed by the Exchange Agent, in accordance with the instructions contained in the Letter of Transmittal, by first class or registered mail, and under coverage of the Exchange Agent's blanket surety bond for first class or registered mail losses protecting the Issuer from loss or liability arising out of the non-receipt or non-delivery of such Exchange Notes or the replacement thereof.

C. Notwithstanding any other provision of this Agreement, issuance of the Exchange Notes for accepted Outstanding Notes pursuant to the Exchange Offer shall be made only after deposit with the Exchange Agent of the Outstanding Notes, the Letter of Transmittal and any other required documents.

8. Securities Held in Trust. The Exchange Notes and any cash or other property (the "Property") deposited with or received by the Exchange Agent (in such capacity) from the Issuer shall be held in a segregated account, solely for the benefit of the Issuer and Holders tendering Outstanding Notes, as their interests may appear, and the Property shall not be

commingled with securities, money, assets or property of the Exchange Agent or any other party. The Exchange Agent hereby waives any and all rights of lien, if any, against the Property, except to the extent set forth in the Indenture with respect to the Exchange Notes.

9. Reports to the Issuer. The Exchange Agent shall notify, by facsimile or electronic communication, the Issuer of the principal amount of the Outstanding Notes which have been duly tendered since the previous report and the aggregate amount tendered since the Effective Date on a weekly basis until the Expiration Date. Such notice shall be delivered in substantially the form set forth as Exhibit D.

10. Record Keeping. Each Letter of Transmittal, Outstanding Notes and any other documents received by the Exchange Agent in connection with the Exchange Offer shall be stamped by the Exchange Agent to show the date of receipt (or if Outstanding Notes are tendered by book-entry delivery, such form of record keeping of receipt as is customary for tenders through ATOP) and, if defective, the date and time the last defect was cured or waived by the Issuer. The Exchange Agent shall cancel certificated Outstanding Notes. The Exchange Agent shall retain all Outstanding Notes and Letters of Transmittal and other related documents or correspondence received by the Exchange Agent until the Expiration Date. The Exchange Agent shall return all such material to the Issuer as soon as practicable after the Expiration Date. If the Exchange Agent receives any Letters of Transmittal after the Expiration Date, the Exchange Agent shall return the same together with all enclosures to the party from whom such documents were received.

11. Discrepancies or Questions. Any discrepancies or questions regarding any Letter of Transmittal, Outstanding Notes, notice of withdrawal or any other documents received by the Exchange Agent in connection with the Exchange Offer shall be referred to the Issuer and the Exchange Agent shall have no further duty with respect to such matter; provided that the Exchange Agent shall cooperate with the Issuer in attempting to resolve such discrepancies or questions.

12. Transfer of Registration. Exchange Notes may be registered in a name other than that of the record Holder of surrendered Outstanding Notes, if and only if (i) the Outstanding Notes surrendered shall be properly endorsed (either by the registered Holder thereof or by a properly completed separate power with such endorsement guaranteed by an Eligible Institution (as defined in the Letter of Transmittal) and otherwise in proper form for transfer, (ii) the person requesting such transfer of registration shall pay to the Exchange Agent any transfer or other taxes required, or shall establish to the Exchange Agent's satisfaction that such tax is not owed or has been paid and (iii) the such other documents and instruments as the Issuer or the Exchange Agent require shall be received by the Exchange Agent.

13. Partial Tenders. If, pursuant to the Exchange Offer, less than all of the principal amount of any Outstanding Notes submitted to the Exchange Agent are tendered, the Exchange Agent shall, promptly after the Expiration Date, return, or cause the registrar with respect to such Outstanding Notes to return, new Outstanding Notes for the principal amount not being tendered to, or in accordance with the instruction of, the Holder who has made a partial tender.

14. Withdrawals. A tendering Holder may withdraw tendered Outstanding Notes as set forth in the Prospectus, in which event the Exchange Agent shall, after proper notification of such withdrawal, return such Outstanding Notes to, or in accordance with the instructions of, such Holder and such Outstanding Notes shall no longer be considered properly tendered. Any withdrawn Outstanding Notes may be tendered by again following the procedures therefor described in the Prospectus at any time on or prior to the Expiration Date.

15. Rejection of Tenders. If, pursuant to the Exchange Offer, the Issuer does not accept for exchange all of the Outstanding Notes tendered by a Holder of Outstanding Notes, the Exchange Agent shall return or cause to be returned such Outstanding Notes to, or in accordance with the instructions of, such Holder of Outstanding Notes.

16. Cancellation of Exchanged Outstanding Notes. The Exchange Agent is authorized and directed to cancel all Outstanding Notes received by it upon delivering the Exchange Notes to tendering holders of the Outstanding Notes as provided herein. The Exchange Agent shall maintain a record as to which Outstanding Notes have been exchanged pursuant to Section 7 hereof.

17. Requests for Information. The Exchange Agent shall accept and comply with telephone and mail requests for information from any person concerning the proper procedure to tender Outstanding Notes. The Exchange Agent shall provide copies of the Prospectus, Letter of Transmittal and Notice of Guaranteed Delivery to any person upon request. All other requests for materials shall be referred to the Issuer. The Exchange Agent shall not offer any concessions or pay any commissions or solicitation fees to any brokers, dealers, banks or other persons or engage any persons to solicit tenders.

18. Tax Matters. The Exchange Agent shall file with the Internal Revenue Service and Holders Form 1099 reports regarding principal and interest payments on Securities which the Exchange Agent has made in connection with the Exchange Offer, if any. Any questions with respect to any tax matters relating to the Exchange Offer shall be referred to the Issuer, and the Exchange Agent shall have no duty with respect to such matter; provided that the Exchange Agent shall cooperate with the Issuer in attempting to resolve such questions.

19. Reports. Within five (5) days after the Expiration Date, the Exchange Agent shall furnish the Issuer a final report showing the disposition of the Exchange Notes.

20. Fees and Expenses. The Issuer will pay the Exchange Agent its fees plus expenses, including counsel fees and disbursements, as set forth in Exhibit E.

21. Concerning the Exchange Agent. As exchange agent hereunder, the Exchange Agent:

A. shall have no duties or obligations other than those specifically set forth in this Agreement;

B. will make no representation and will have no responsibility as to the validity, value or genuineness of the Exchange Offer, shall not make any recommendation as to whether a Holder of Outstanding Notes should or should not tender its Outstanding Notes and shall not solicit any Holder for the purpose of causing such Holder to tender its Outstanding Notes;

C. shall not be obligated to take any action hereunder which may, in the Exchange Agent's sole judgment, involve any expense or liability to the Exchange Agent unless it shall have been furnished with indemnity against such expense or liability which, in the Exchange Agent's sole judgment, is adequate;

D. may rely on and shall be protected in acting upon any certificate, instrument, opinion, notice, instruction, letter, telegram or other document, or any security, delivered to the Exchange Agent and believed by the Exchange Agent to be genuine and to have been signed by the proper party or parties;

E. may rely on and shall be protected in acting upon the written instructions of the Issuer, its counsel, or its representatives;

F. shall not be liable for any claim, loss, liability or expense, incurred without the Exchange Agent's negligence or willful misconduct, arising out of or in connection with the administration of the Exchange Agent's duties hereunder; and

G. may consult with counsel, and the advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Exchange Agent hereunder in accordance with the advice of such counsel or any opinion of counsel.

22. Indemnification. The Issuer covenants and agrees to indemnify and hold harmless the Exchange Agent, its directors, officers, employees and agents (the "Indemnified Persons") against any and all losses, damages, costs or expenses (including reasonable attorney's fees and court costs), arising out of or attributable to its acceptance of appointment as the Exchange Agent hereunder, provided that such indemnification shall not apply to losses, damages, costs or expenses incurred due to negligence or willful misconduct of the Exchange Agent. The Exchange Agent shall notify the Issuer in writing of any written asserted claim against the Exchange Agent or of any other action commenced against the Exchange Agent, reasonably promptly after the Exchange Agent shall have received any such written assertion or shall have been served with a summons in connection therewith. The Issuer shall be entitled to participate at its own expense in the defense of any such claim or other action and, if the Issuer so elects, the Issuer may assume the defense of any pending or threatened action against the Exchange Agent in respect of which indemnification may be sought hereunder; provided that the Issuer shall not be entitled to assume the defense of any such action if the named parties to such action include both the Issuer and the Exchange Agent and representation of both parties by the same legal counsel would, in the written opinion of counsel for the Exchange Agent, be inappropriate due to actual or potential conflicting interests between them; and further provided that in the event the Issuer shall assume the defense of any such suit, and such defense is reasonably satisfactory to the Exchange Agent, the Issuer shall not therewith be liable for the fees and expenses of any counsel retained by the Exchange Agent.

B. The Exchange Agent agrees that, without the prior written consent of the Issuer (which consent shall not be unreasonably withheld), it will not settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding in respect of which indemnification could be sought in accordance with the indemnification provision of this Agreement (whether or not any Indemnified Persons is an actual or potential party to such claim, action or proceeding).

23. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of New York, without regard to conflicts of laws principles.

24. Notices. Notices or other communications pursuant to this Agreement shall be delivered by facsimile transmission, reliable overnight courier or by first-class mail, postage prepaid, addressed as follows:

To the Issuer at:	WESCO International, Inc. Commerce Court, Suite 700 Pittsburgh, PA 15219 Attention: Roy W. Haley Fax: (412) 454-2550 Telephone: (412) 454-2200
With a copy to:	Kirkpatrick & Lockhart Henry W. Oliver Building 535 Smithfield Street Pittsburgh, PA 15222 Attention: Michael C. McLean Fax: (412) 355-6501 Telephone: (412) 355-6500
Or to the Exchange Agent at:	Bank One, N.A. One North State Street, 9th Floor Chicago, IL 60602 Attention: Exchanges Fax: (312) 407-8853 Telephone: (800) 524-9472

Or to such address as either party shall provide by notice to the other party.

25. Change of Exchange Agent. The Exchange Agent may resign from its duties under this Agreement by giving to the Issuer thirty days prior written notice. If the Exchange Agent resigns or becomes incapable of acting as the exchange agent and the Issuer fails to appoint a new exchange agent within a period of 30 days after it has been notified in writing of such resignation or incapacity by the Exchange Agent, the Issuer shall appoint a successor exchange agent or assume all of the duties and responsibilities of exchange agent. Any successor exchange agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as the exchange agent without any further act or deed; but the Exchange Agent shall deliver and transfer to the successor exchange agent any Property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for such purpose.

26. Miscellaneous. Neither party may transfer or assign its rights or responsibilities under this Agreement without the written consent of the other party hereto; provided, however, that the Exchange Agent may transfer and assign its rights and responsibilities hereunder to any of its affiliates otherwise eligible to act as the Exchange Agent and, upon 45 days prior written notice to the Exchange Agent, the Issuer may transfer and assign its rights and responsibilities hereunder to any successor by merger, any purchaser of all of the common stock of the Issuer, or any purchaser of all or substantially all of the Issuer's assets. This Agreement may be amended only in writing signed by both parties. Any Exchange Notes which remain undistributed after the Expiration Date shall be cancelled and delivered to the Issuer upon demand, and any Outstanding Notes which are tendered thereafter shall be returned by the Exchange Agent to the tendering party. Except for Sections 20 and 22, this Agreement shall terminate on the 31st day after the Expiration Date.

27. Advertisements. The Issuer agrees to place advertisements regarding the Exchange Offer in The Wall Street Journal, The Bond Buyer and/or Bloomberg as soon as practicable following the Effective Date.

28. Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any right, benefits or remedy of any nature whatsoever under or by reason of this Agreement. Without limitation to the foregoing, the parties hereto expressly agree that no Holder or holder of Securities shall have any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

29. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Issuer and the Exchange Agent have caused this Agreement to be signed by their respective officers thereunto authorized as of the date first written above.

WESCO INTERNATIONAL, INC.

By:

Name:
Title:

WESCO DISTRIBUTION, INC.

By:

Name:
Title:

BANK ONE, N.A.

By:

Name:
Title:

EXHIBIT A

Prospectus

EXHIBIT B

Form of Letter of Transmittal

EXHIBIT C

Notice of Guaranteed Delivery

EXHIBIT D

Date: _____

WESCO INTERNATIONAL, INC.
WESCO DISTRIBUTION, INC.
BY FAX: _____

Re: Notice of Tenders

With respect to Section 9 of the Exchange Agent Agreement, dated as of _____, 2001, we confirm the following information as of the date hereof:

1. Principal amount of Outstanding Notes tendered during the past week:
   $ _____

2. Principal amount of Outstanding Notes referred to in paragraph 1. above regarding which the Exchange Agent questions validity of the tender:
   $ _____

3. Aggregate principal amount of Outstanding Notes tendered since the Effective Date as to which the Exchange Agent questions the validity of the tender:
   $ _____

4. Principal amount of Outstanding Notes remaining unpresented (based on $ _____ total Outstanding Notes): $ _____

5. Total aggregate principal amount of Outstanding Notes validly tendered since the Effective Date:
   $ _____

Bank One, N.A.,
as the Exchange Agent

By:

Name:
Title:

EXHIBIT E

Schedule of Fees

Per letter of transmittal mailed: $150.00

Minimum fee: $5,000.00

Extraordinary services and special requests: by appraisal

Out of pocket expenses incurred will be billed for reimbursement at invoiced cost

The minimum fee of $5,000.00 shall be due and payable upon execution of the Exchange Agent Agreement. The remaining balance shall be due and payable upon receipt of the Exchange Agent's invoice therefor.