

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

FORM 10-K

(MARK ONE)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER 001-14989

WESCO INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of
incorporation or organization)

25-1723342

(I.R.S. Employer
Identification No.)

COMMERCE COURT

FOUR STATION SQUARE, SUITE 700
PITTSBURGH, PENNSYLVANIA

(Address of principal executive offices)

15219

(Zip Code)

(412) 454-2200

(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF CLASS

NAME OF EXCHANGE ON WHICH REGISTERED

Common Stock, par value \$.01 per share

New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for at least the past 90 days.

Yes X No

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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

As of February 22, 2001, 40,158,973 shares of Common Stock, par value \$.01 per share ("Common Stock") and 4,653,131 shares of Class B Common Stock, par value \$.01 per share ("Class B Common Stock") of the registrant were outstanding. The registrant estimates that as of February 22, 2001, the aggregate market value of the voting shares held by non-affiliates of the registrant was approximately \$154.1 million based on the closing price on the New York Stock Exchange for such stock.

DOCUMENTS INCORPORATED BY REFERENCE:

Part III of this Form 10-K incorporates by reference portions of the registrant's Proxy Statement.

WESCO INTERNATIONAL, INC.

DECEMBER 31, 2000

TABLE OF CONTENTS

	PAGE

PART I	
Item 1. Business.....	2
Item 2. Properties.....	10
Item 3. Legal Proceedings.....	10
Item 4. Submission of Matters to a Vote of Security Holders.....	10
Executive Officers	11
PART II	
Item 5. Market for Registrant's Common Stock and Related Stockholder Matters.....	12
Item 6. Selected Financial Data.....	13
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.....	14
Item 7A. Quantitative and Qualitative Disclosures About Market Risks.....	20
Item 8. Financial Statements.....	20
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures.....	20
PART III	
Item 10. Directors and Executive Officers of the Registrant.....	21
Item 11. Executive Compensation.....	21
Item 12. Security Ownership of Certain Beneficial Owners and Management.....	21
Item 13. Certain Relationships and Related Transactions.....	21
PART IV	
Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K.....	21
Signatures.....	24
Index to Consolidated Financial Statements.....	25

PART I

ITEM 1. BUSINESS

In this Annual Report on Form 10-K, "WESCO" refers to WESCO International, Inc., and its subsidiaries and its predecessors unless the context otherwise requires. References to "we," "us," "our" and the "Company" refer to WESCO and its subsidiaries. Our subsidiaries include WESCO Distribution, Inc. ("WESCO Distribution") and WESCO Distribution -- Canada, Inc. ("WESCO Canada"), both of which are wholly-owned by WESCO.

OVERVIEW

With sales of almost \$3.9 billion in 2000, we are a leading provider of electrical products and other industrial MRO supplies and services in North America. We are the second largest distributor in the \$79 billion U.S. electrical distribution industry, which has grown at a compounded annual rate of approximately 7% over the last 15 years. We are also a provider of Integrated Supply services. Our Integrated Supply solutions and outsourcing services fulfill all of a customer's industrial MRO procurement needs through a highly automated, proprietary electronic procurement and inventory replenishment system. Demand for Integrated Supply services has increased approximately 56% annually since 1994, and the total U.S. market potential, measured as all purchases of industrial MRO supplies and services, is estimated to be \$260 billion.

We have over 350 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.

We have acquired 24 companies since August 1995, representing annual sales of approximately \$1.3 billion. Combining strong internal growth with acquisitions, our net sales and earnings before interest, taxes, depreciation and amortization ("EBITDA") (as defined in Item 6 "Selected Financial Data") have increased at a compounded annual growth rate of approximately 16% and 31%, respectively, since 1994.

INDUSTRY OVERVIEW

Electrical Distribution

With 2000 sales estimated at \$79 billion, the U.S. industry is large and growing. The industry is also stable with compounded annual growth of 7% since 1985, and it is projected to grow another 7% in 2001. The U.S. electrical distribution industry is also highly fragmented. In 1999, the latest year for which data is available, the four national distributors, including WESCO, accounted for less than 16% of estimated total industry sales.

Integrated Supply

Demand for Integrated Supply services is growing rapidly, as more companies realize they can lower costs by outsourcing their MRO procurement and related services. Since the customer's costs of procuring high volumes of low dollar value MRO supplies can be over 50% of the cost of the products, such improvements can be significant. The total market for MRO industrial supplies is approximately \$260 billion. Within that market, Integrated Supply has more than doubled from \$5 billion in 1997 to over \$10 billion in 2000, or 27% per year. Recent projections estimate that the Integrated Supply market will reach \$18.4 billion by 2004.

OUR 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 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:

- o industrial customers with large, complex plant maintenance operations, many of which require a national multi-site service solution for their electrical distribution product needs;
- o large contractors for major industrial and commercial construction projects;
- o the electric utility industry; and
- o manufacturers of factory-built homes, recreational vehicles and other modular structures.

GROW NATIONAL PROGRAMS. Since 1994, revenue from our National Accounts program has 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:

- o increasing sales to existing National Account customers through new products, more services and additional locations;
- o extending established National Account relationships to include Integrated Supply;
- o expanding our customer base by leveraging our existing expertise and presence within the automotive, petrochemical, pulp and paper, metals and mining industries and food processing; and
- o building strong positions in additional industry segments such as multi-site retail, financial, commercial and telecommunications.

In addition, through our Major Projects Group, we are increasing our focus on large projects such as industrial sites, water treatment plants, airport expansions, healthcare facilities, correctional institutions and new sports stadiums. We intend to secure new Major Projects contracts through:

- o aggressive national marketing of our demonstrated project management capabilities;
- o further development of relationships with leading contractors and engineering firms;
- o close coordination with National Accounts customers on their renovation and new plant improvement projects; and
- o comprehensive materials management services, involving a multi-commodity Integrated Supply approach to contractor materials for large 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. Competitive strengths of our Integrated Supply business include:

- o a proven and profitable business model highly adaptable to the scale of our customers' operations;
- o low operating costs;
- o highly automated proprietary information systems; and
- o established relationships with a large industrial customer base.

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 to expand our product and customer base and new branch openings. Furthermore, 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 based on sales and profit increases and efficient working capital management at the branch level. Our compensation system 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. We have completed 24 acquisitions since August 1995, which represent annual sales of approximately \$1.3 billion. We believe that the highly fragmented nature of the electrical and industrial MRO distribution industry will provide us with a number of acquisition opportunities. We utilize a disciplined approach toward acquisitions which includes well-defined strategic criteria and established targets for 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 customer demands and capitalize on market opportunities. WESCO is committed to developing new customers in the education, retail, healthcare, financial services, government and telecommunications market segments. As the market for data and electrical products converge, WESCO has 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, through our WR Controls Division, we now 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. This is another attractive growth market where our National Accounts strategies and logistics infrastructure provides measurable benefits for renovation, new construction and ongoing maintenance activities.

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

- o routinely processing customer orders, shipping notices, supplier purchase orders and funds transfer electronically with our trading partners;
- o creating tighter linkages to both customers and suppliers through the use of technological advances, including an ability to check product availability, receive pricing information, and order product real-time directly from branches or over the Internet;
- o providing low cost, highly functional processing of a full-range of our business operations such as customer service, inventory, logistics management, accounting and administrative support; and
- o analyzing market potential, sales performance and cost of doing business by branch, customer, product, sales representative and shipment type enabling us to work with customers to streamline activities and reduce costs.

EXPAND OUR INTERNATIONAL OPERATIONS. Our international sales, the majority of which are in Canada, accounted for 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 reduces risks and provides the opportunity to establish a profitable business. We continue to pursue growth opportunities in existing locations such as Aberdeen, Scotland; London, England and Mexico as well as take advantage of various export opportunities in Latin America and Africa. To take advantage of these growth opportunities, WESCO is 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. 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 believe that the highly fragmented nature of the electrical distribution industry will continue to provide us with a significant number of acquisition opportunities. We continue to evaluate potential acquisitions, including those in the electrical distribution industry, the Integrated Supply market and other non-electrical distributors that would complement our customers' overall supply needs. However, as we continue to improve our internal capabilities, the strategic and financial benefits from acquisitions will be evaluated more critically. We have completed 24 acquisitions since August 1995, representing total annual sales of approximately \$1.3 billion.

WESCO ACQUISITION HISTORY
(DOLLARS IN MILLIONS)

YEAR	ACQUISITIONS	BRANCH LOCATIONS	ANNUAL SALES(1)
1995.....	2	2	\$ 47
1996.....	7	67	418
1997.....	2	9	52
1998.....	6	21	608
1999.....	4	5	70
2000.....	3	17	92
Total.....	24	121	\$1,287

(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.

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 will be accounted for under the purchase method of accounting.

Our business development department 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. Since 1995, we have considered over 300 potential acquisitions. We initially evaluate potential acquisitions based on their ability to:

- o better serve our existing customers;
- o offer expansion into key growth markets;
- o add new product or service capabilities;
- o support new National Account customers; and
- o strengthen relationships with important manufacturers.

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:

- o Supplies: Fuses, terminals, connectors, boxes, fittings, tools, lugs, tape and other MRO supplies
- o Distribution Equipment: Circuit breakers, transformers, switchboards, panelboards and busway
- o Lighting: Lamps (light bulbs), fixtures and ballasts
- o Wire and Conduit: Wire, cable, metallic and non-metallic conduit

- o Control, Automation and Motors: Motor control devices, drives, programmable logic controllers, pushbuttons and operator interfaces
- o 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 no more than 60 days' notice.

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:

- o outsourcing of the entire MRO purchasing process;
- o providing manufacturing process improvements using state-of-the-art automated solutions;
- o implementing inventory optimization programs;
- o participating in joint cost savings teams;
- o assigning our employees as on-site support personnel;
- o recommending energy-efficient product upgrades; and
- o 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. 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 350 branches, of which approximately 290 are located in the U.S., 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 U.S.; near Reno, Nevada, serving the Western U.S.; near Memphis, Tennessee, serving the Southeast and Central U.S.; 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 target, 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 WESCO's 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 WESCO 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, WESCO recently introduced a lighting catalog and is 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.

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 electronic commerce strategy calls for tighter 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

WESCO operates 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. WESCO responded with its 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 U.S. 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.

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

We believe that we are in compliance in all material respects with applicable environmental laws. We do not expect significant capital expenditures for environmental control matters in the current year or in the near future.

FORWARD LOOKING INFORMATION

This Annual Report on Form 10-K contains various "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve certain unknown risks and uncertainties, including, among others, those contained in Item 1, "Business" and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." When used in this Annual Report on Form 10-K, the words "anticipates," "plans," "believes," "estimates," "intends," "expects," "projects" and similar expressions may identify forward looking statements, although not all forward looking statements contain such words. Such statements, including, but not limited to, our statements regarding business strategy, growth strategy, productivity and profitability enhancement, competition, new product and service introductions and liquidity and capital resources are based on management's beliefs, as well as on assumptions made by, and information currently available to, management, and involve various risks and uncertainties, some of which are beyond our control. Our actual results could differ materially from those expressed in any forward looking statement made by or on our behalf. In light of these risks and uncertainties, there can be no assurance that the forward looking information will in fact prove to be accurate. We have undertaken no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

ITEM 2. PROPERTIES.

We have over 350 branches, of which approximately 290 are located in the U.S., 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.

ITEM 3. 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.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

No matters were submitted to a vote of the Company's security holders during the fourth quarter of 2000.

EXECUTIVE OFFICERS

Our executive officers and their respective ages and positions are set forth below.

NAME -----	AGE ---	POSITION -----
Roy W. Haley.....	54	Chairman and Chief Executive Officer
William M. Goodwin.....	55	Vice President, Operations
James H. Mehta.....	45	Vice President, Business Development
Robert B. Rosenbaum.....	43	Vice President, Operations
Patrick M. Swed.....	57	Vice President, Operations
Donald H. Thimjon.....	57	Vice President, Operations
Ronald P. Van, Jr.....	40	Vice President, Operations
Stephen A. Van Oss.....	46	Vice President and Chief Financial Officer
Daniel A. Brailer.....	43	Secretary and Treasurer

Set forth below is biographical information for our 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 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.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS.

On May 17, 1999, WESCO completed its initial public offering of common stock ("the Offering"), which is listed on the New York Stock Exchange under the symbol "WCC." As of February 22, 2001, there were 40,158,973 shares of common stock and 4,653,131 shares of Class B common stock outstanding held by approximately 123 holders of record. No dividends were paid on the common stock, nor does the Company intend to pay dividends in the foreseeable future. See "Liquidity and Capital Resources." The following table sets forth the high and low sales price of the shares since the Offering.

QUARTER	HIGH	LOW

2000		
First	9	7 1/16
Second	10 7/8	7 3/4
Third	10 1/8	7 1/2
Fourth	9 7/8	6 5/16
1999		
Second (from Offering date)	21 1/4	17 1/2
Third	22 7/8	12 3/8
Fourth	14 1/2	5 1/2

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 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 February 22, 2001, the Company had purchased approximately 3.9 million shares of its common stock for approximately \$32.8 million pursuant to this program.

ITEM 6. SELECTED FINANCIAL DATA.

	YEAR ENDED DECEMBER 31,				
	2000	1999(9)	1998(9)	1997(9)	1996(9)
	(DOLLARS IN MILLIONS, EXCEPT SHARE DATA)				
INCOME STATEMENT DATA:					
Net sales.....	\$3,881.1	\$3,423.9	\$3,025.4	\$2,594.8	\$2,274.6
Gross profit.....	684.1	616.6	537.6	463.9	405.0
Selling, general and administrative expenses.....	524.3	471.2	415.0	372.5	326.0
Depreciation and amortization.....	25.0	20.4	14.8	11.3	10.8
Restructuring charge (1)	9.4	--	--	--	--
Recapitalization costs(2).....	--	--	51.8	--	--
Income from operations.....	125.4	125.0	56.0	80.1	68.2
Interest expense, net.....	43.8	47.0	45.1	20.1	17.4
Other expenses(3).....	24.9	19.5	10.1	--	--
Income before income taxes.....	56.7	58.5	0.8	60.0	50.8
Provision for income taxes.....	23.3	23.4	8.5(4)	23.8	18.3
Income (loss) before extraordinary item.....	33.4	35.1	(7.7)	36.2	32.5
Extraordinary item, net of applicable taxes(5).....	--	(10.5)	--	--	--
Net income (loss).....	\$33.4	\$24.6	\$(7.7)	\$36.2	\$32.5
Earnings (loss) per common share (6)					
Basic before extraordinary item	0.74	0.82	(0.17)	0.61	0.55
Basic.....	0.74	0.57	(0.17)	0.61	0.55
Diluted before extraordinary item.....	0.70	0.75	(0.17)	0.55	0.51
Diluted.....	0.70	0.53	(0.17)	0.55	0.51
Weighted average common shares outstanding(6)					
Basic.....	45,326,475	43,057,894	45,051,632	59,030,100	58,680,756
Diluted.....	47,746,607	47,524,539	45,051,632	66,679,063	63,670,919
OTHER FINANCIAL DATA:					
EBITDA before recapitalization and restructuring charges(7).....	\$159.8	\$145.3	\$122.6	\$91.4	\$79.0
Capital expenditures.....	21.6	21.2	10.7	11.6	9.3
Net cash provided by (used for) operating activities.....	46.9	66.4	276.9	(12.0)	15.1
Net cash provided by (used for) investing activities.....	(60.7)	(71.9)	(184.1)	(21.5)	(110.9)
Net cash provided by (used for) financing activities.....	26.0	6.3	(92.3)	41.1	87.2
BALANCE SHEET DATA:					
Total assets.....	\$ 1,170.0	\$ 1,028.8	\$ 950.5	\$ 870.9	\$ 773.5
Total long-term debt (including current portion).....	483.3	426.4	595.8	295.2	262.2
Redeemable common stock (8).....	--	--	21.5	9.0	8.9
Stockholders' equity (deficit).....	125.0	117.3	(142.6)	184.5	148.7

- (1) Represents a restructuring charge taken in the fourth quarter of 2000 as described in Note 4 to the Consolidated Financial Statements.
- (2) Represents a one-time charge primarily related to noncapitalized financing expenses, professional and legal fees and management compensation costs as described in Note 5 to the Consolidated Financial Statements.
- (3) Represents costs relating to the sale of accounts receivable pursuant to the accounts receivable securitization program as described in Note 6 to the Consolidated Financial Statements.
- (4) Certain nondeductible recapitalization costs and other permanent differences significantly exceeded income before income taxes and resulted in an unusually high provision for income taxes.
- (5) Represents a charge, net of tax, relating to the write-off of unamortized debt issuance and other costs associated with the early extinguishment of debt and the 1999 termination of the existing accounts receivable securitization program.
- (6) Reflects a 57.8 to one stock split effected in the form of a stock dividend of WESCO common stock effective May 11, 1999.
- (7) EBITDA before recapitalization and restructuring charges represents income from operations plus depreciation, amortization, recapitalization and restructuring costs. 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 the Company's 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 the Company's operating results and cash flows or as a measure of the Company's 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) Represents redeemable common stock as described in Note 11 to Consolidated Financial Statements.

(9) 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, WESCO has reclassified freight billed to customers from selling, general and administrative expenses to net sales.

ITEM 7. 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 Annual Report on Form 10-K.

GENERAL

WESCO's 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 WESCO's 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.

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

WESCO is a leading consolidator in its industry, having acquired 24 companies since August 1995, representing annual sales of approximately \$1.3 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 the Company's internal records and on management estimates where the integration of acquired businesses results in the closing or consolidation of branches. However, "core operations" typically refer 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 refer to branch operations purchased by WESCO where the branches have not been under WESCO ownership for the entire current and prior year-to-date periods.

2000 DEVELOPMENTS

Developments affecting the 2000 results of operations and financial position of WESCO include the following:

Restructuring and Special Charges. 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.

In addition, WESCO recorded other charges of \$11.4 million in the fourth quarter of 2000. The other charges were comprised of \$7.0 million due to the deteriorating credit environment and customer bankruptcy filings and \$4.4 million relating to inventory write-downs 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.

Acquisitions. During 2000, WESCO purchased three electrical supply distributors with annual sales of approximately \$90 million for an aggregate consideration of \$38.7 million, resulting in goodwill of approximately \$28.8 million.

Stock Repurchase Program. 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 February 22, 2001, the Company had purchased approximately 3.9 million shares of its common stock for approximately \$32.8 million pursuant to this program.

RECENT DEVELOPMENTS

In March 2001, WESCO completed its acquisition of all of the outstanding common stock of Hering headquartered in Hayward, California. Hering, a distributor of gas, lighting and communication utility products, reported net sales of approximately \$112 million in 2000. This acquisition will be 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 the Company's Consolidated Statements of Operations for the periods presented:

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

2000 Compared to 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. 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"). 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.

1999 Compared to 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 WESCO's 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 Offering. 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, WESCO 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 December 31, 2000, a \$141 million increase over December 31, 1999. Stockholders' equity totaled \$125.0 million at December 31, 2000, compared with \$117.3 million at December 31, 1999.

The following table sets forth WESCO's outstanding indebtedness:

	DECEMBER 31	
	2000	1999
	(IN MILLIONS)	
Revolving credit facility.....	\$189.6	\$132.0
Senior subordinated notes.....	291.5	290.3
Other.....	2.2	4.0
	483.3	426.3
Less current portion.....	(0.6)	(3.8)
	\$482.7	\$422.5

Initial Public Offering

On May 17, 1999, WESCO completed its initial public offering (the "Offering") of 11,183,750 shares of common stock 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) 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 revolving credit and term loan facilities (\$188.8 million).

Revolving Credit Facility

In June 1999, WESCO Distribution entered into a \$400 million revolving credit facility with a consortium of 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 and are guaranteed by WESCO International, Inc. and certain subsidiaries.

Borrowings bear rates of interest equal to various indices, at WESCO's option plus a borrowing margin. At December 31, 2000, the interest rate on the 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.

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. WESCO was in compliance with all such covenants at December 31, 2000.

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. In February 2001, WESCO increased the amount of receivables sold under the securitization to \$396 million from \$375 million. This simultaneously decreased the amount available under the revolving credit agreement to \$379 million.

WESCO's liquidity needs arise from seasonal working capital requirements, capital expenditures, debt service obligations and acquisitions. As of December 31, 2000, required annual principal repayments for the next five years are as follows:

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

Accounts Receivable Securitization Program

WESCO maintains a \$375 million accounts receivable securitization program ("Receivables Facility") with a financial institution. 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. 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.

An analysis of cash flows for 2000 and 1999 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 the Company's treasury stock purchase program. Cash provided by financing activities in 1999 totaled \$6.3 million and was primarily due to the Offering, partially offset by a reduction in long-term debt and treasury stock purchases.

For the year ended December 31, 2000, WESCO purchased approximately 3.3 million shares of its common stock for approximately \$28.1 million.

Management believes that cash generated from operations, together with amounts available under the credit agreement and the receivables facility, will be sufficient to meet WESCO's working capital, capital expenditures and other cash requirements for the foreseeable future. There can be no assurance, however, that this will be the case. Financing of acquisitions can be funded under the existing credit agreement and may, depending on the number and size of 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 the sales or operating results of the Company during the periods presented. However, inflation in the future could affect the Company's operating costs. Price changes from suppliers have historically been consistent with inflation and have not had a material impact on the Company's results of operations.

SEASONALITY

The Company's operating results are affected by certain seasonal factors. Sales are typically at their lowest during the first quarter due to a reduced level of activity during the 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, the Company reports 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." 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.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS.

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. 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.

ITEM 8. FINANCIAL STATEMENTS

The information required by this item is set forth in the Company's Consolidated Financial Statements contained in this Annual Report on Form 10-K. Specific financial statements can be found at the pages listed below:

	PAGE

WESCO International, Inc.	
Report of Independent Accountants.....	26
Consolidated Balance Sheets as of December 31, 2000 and 1999.....	27
Consolidated Statements of Operations for the years ended December 31, 2000, 1999 and 1998.....	28
Consolidated Statements of Stockholders' Equity and Redeemable Common Stock for the years ended December 31, 2000, 1999 and 1998.....	29
Consolidated Statements of Cash Flows for the years ended December 31, 2000, 1999 and 1998.....	30
Notes to Consolidated Financial Statements.....	31

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES.

None.

PART III

ITEMS 10 THROUGH 13.

In accordance with the provisions of General Instruction G to Form 10-K, the information required by Item 10 (Directors and Executive Officers of the Registrant), Item 11 (Executive Compensation), Item 12 (Security Ownership of Certain Beneficial Owners and Management) and Item 13 (Certain Relationships and Related Transactions) is incorporated herein by reference to the Company's definitive Proxy Statement for its Annual Meeting of Stockholders to be held on May 23, 2001. The definitive Proxy Statement will be filed with the Securities and Exchange Commission not later than 120 days after December 31, 2000. Information relating to the executive officers of the Company is set forth in Part I.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

The financial statements, financial statement schedules and exhibits listed below are filed as part of this annual report:

- (a)(1) FINANCIAL STATEMENTS
The list of financial statements required by this item is set forth in Item 8 "Financial Statements and Supplementary Data" and is incorporated herein by reference.
- (2) FINANCIAL STATEMENT SCHEDULES
Report of Independent Accountants
Schedule II - Valuation and Qualifying Accounts
- (b) REPORTS ON FORM 8-K
None
- (c) EXHIBITS

EXHIBIT NO.	DESCRIPTION OF EXHIBIT	PRIOR FILING OR SEQUENTIAL PAGE NUMBER
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, "WESCO") and certain securityholders of WESCO.	Incorporated by reference to WESCO's Exhibit 2.1 to the Registration Statement on Form S-4 (No. 333-43225) (the "Form S-4")
2.2	Purchase Agreement dated May 29, 1998 among WESCO, WESCO Distribution, Inc. ("WESCO Distribution"), Chase Securities Inc. and Lehman Brothers Inc.	Incorporated by reference to Exhibit 2.2 to the Form S-4
2.3	Asset Purchase Agreement among Bruckner Supply Company, Inc. and WESCO Distribution dated September 11, 1998, previously filed.	Incorporated by reference to Exhibit 2.01 to the Current Report on Form 8-K dated September 11, 1998
3.1	Amended and Restated Certificate of Incorporation of WESCO.	Incorporated by reference to Exhibit 3.2 to the Form S-1 (No. 333-73299) (the "Form S-1")
3.2	By-Laws of WESCO.	Incorporated by reference to Exhibit 3.3 to the Registration Statement on Form S-1
4.1	Indenture dated as of June 5, 1998 among WESCO, WESCO Distribution and Bank One, N.A.	Incorporated by reference to Exhibit 4.1 to the Form S-4
4.2	Form of 9-1/8% Senior Subordinated Note Due 2008, Series A (included in Exhibit 4.3).	Incorporated by reference to Exhibit 4.2 to the Form S-4
4.3	Form of 9-1/8% Senior Subordinated Note Due 2008, Series B (included in Exhibit 4.3).	Incorporated by reference to Exhibit 4.3 to the Form S-4

EXHIBIT NO.	DESCRIPTION OF EXHIBIT	PRIOR FILING OR SEQUENTIAL PAGE NUMBER
4.4	Exchange and Registration Rights Agreement dated as of June 5, 1998 among the Company, WESCO and The Initial Purchasers.	Incorporated by reference to Exhibit 4.4 to the Form S-4
4.8	Exchange and Registration Rights Agreement dated as of June 5, 1998 among WESCO and the Initial Purchasers.	Incorporated by reference to Exhibit 4.8 to the Form S-4
10.1	CDW Holding Corporation Stock Purchase Plan.	Incorporated by reference to Exhibit 10.1 to the Form S-4
10.2	Form of Stock Subscription Agreement.	Incorporated by reference to Exhibit 10.2 to the Form S-4
10.3	CDW Holding Corporation Stock Option Plan.	Incorporated by reference to Exhibit 10.3 to the Form S-4
10.4	Form of Stock Option Agreement.	Incorporated by reference to Exhibit 10.4 to the Form S-4
10.5	CDW Holding Corporation Stock Option Plan for Branch Employees.	Incorporated by reference to Exhibit 10.5 to the Form S-4
10.6	Form of Branch Stock Option Agreement.	Incorporated by reference to Exhibit 10.6 to the Form S-4
10.7	Non-Competition Agreement, dated as of February 28, 1996, between Westinghouse, WESCO and WESCO Distribution.	Incorporated by reference to Exhibit 10.8 to the Form S-4
10.8	Lease dated May 24, 1995 as amended by Amendment One dated June, 1995 and by Amendment Two dated December 24, 1995 by and between WESCO Distribution as Tenant and Opal Investors, L.P. and Mural GEM Investors as Landlord.	Incorporated by reference to Exhibit 10.10 to the Form S-4
10.9	Lease dated April 1, 1992 as renewed by Letter of Notice of Intent to Renew dated December 13, 1996 by and between the Company successor in interest to Westinghouse Electric Corporation as Tenant and Utah State Retirement Fund as Landlord.	Incorporated by reference to Exhibit 10.11 to the Form S-4
10.10	Lease dated September 4, 1997 between WESCO Distribution as Tenant and The Buncher Company as Landlord.	Incorporated by reference to Exhibit 10.12 to the Form S-4
10.11	Lease dated March 1995 by and between WESCO Distribution-Canada, Inc. ("WESCO Canada") as Tenant and Atlantic Construction, Inc. as Landlord.	Incorporated by reference to Exhibit 10.13 to the Form S-4
10.18	Amended and Restated Registration and Participation Agreement dated June 5, 1998 among WESCO and certain securityholders of WESCO named therein.	Incorporated by reference to Exhibit 10.19 to the Form S-4
10.19	Employment Agreement between WESCO Distribution and Roy W. Haley.	Incorporated by reference to Exhibit 10.20 to the Form S-4
10.20	WESCO International, Inc. 1998 Stock Option Plan.	Incorporated by reference to WESCO's Exhibit 10.1 to Quarterly Report on Form 10-Q for the quarter ended September 30, 1998
10.21	Form of Management Stock Option Agreement.	Incorporated by reference to WESCO's Exhibit 10.1 to Quarterly Report on Form 10-Q for the quarter ended September 30, 1998
10.22	1999 Deferred Compensation Plan for Non-Employee Directors.	Incorporated by reference to WESCO's Exhibit 10.22 to Annual Report on Form 10-K for the year ended December 31, 1998
10.23	Credit Agreement among WESCO Distribution, Inc., WESCO Distribution-Canada, Inc., WESCO International, Inc. and the Lenders identified therein, dated June 29, 1999.	Incorporated by reference to WESCO's Exhibit 10.1 to Quarterly Report on Form 10-Q for the period ended June 30, 1999 (the "Second Quarter Form 10-Q")

EXHIBIT NO.	DESCRIPTION OF EXHIBIT	PRIOR FILING OR SEQUENTIAL PAGE NUMBER
10.24	Amendment, dated December 20, 2000, to the Credit Agreement among WESCO Distribution, Inc., WESCO Distribution-Canada, Inc., WESCO International, Inc. and the Lenders identified therein, dated June 29, 1999.	Filed herewith
10.25	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 by reference to Exhibit 10.2 to the Second Quarter Form 10-Q
10.26	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 by reference to WESCO's Exhibit 10.1 to Quarterly Report on Form 10-Q for the period ended September 30, 1999
10.27	1999 Long-Term Incentive Plan.	Incorporated by reference to WESCO's Exhibit 10.22 to Form S-1
21.1	Subsidiaries of WESCO.	Incorporated by reference to Exhibit 21.1 to the Registration Statement on Form S-1
23.1	Consent of PricewaterhouseCoopers LLP, Independent Accountants.	Filed herewith

The registrant hereby agrees to furnish supplementally to the Commission, upon request, a copy of any omitted schedule to any of the agreements contained herein.

Copies of exhibits may be retrieved electronically at the Securities and Exchange Commission's home page at www.sec.gov. Exhibits will also be furnished without charge by writing to Stephen A. Van Oss, Vice President, Chief Financial Officer, Commerce Court, Four Station Square, Suite 700, Pittsburgh, Pennsylvania 15219. Requests may also be directed to (412) 454-2200.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WESCO INTERNATIONAL, INC.

By: /s/ ROY W. HALEY

Name: Roy W. Haley
Title: Chairman of the Board and
Chief Executive Officer

Date: April 2, 2001

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE

/s/ ROY W. HALEY ----- Roy W. Hale	Chairman and Chief Executive Officer (Principal Executive Officer)	April 2, 2001
/s/ STEPHEN A. VAN OSS ----- Stephen A. Van Oss	Vice President, Chief Financial Officer (Principal Financial and Accounting Officer)	April 2, 2001
/s/ JAMES L. SINGLETON ----- James L. Singleton	Director	April 2, 2001
/s/ JAMES A. STERN ----- James A. Stern	Director	April 2, 2001
/s/ ANTHONY D. TUTRONE ----- Anthony D. Tutrone	Director	April 2, 2001
/s/ MICHAEL J. CHESHIRE ----- Michael J. Cheshire	Director	April 2, 2001
/s/ ROBERT J. TARR, JR. ----- Robert J. Tarr, Jr.	Director	April 2, 2001
/s/ KENNETH L. WAY ----- Kenneth L. Way	Director	April 2, 2001
/s/ GEORGE L. MILES, JR. ----- George L. Miles, Jr.	Director	April 2, 2001

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	PAGE

Report of Independent Accountants.....	26
Consolidated Balance Sheets as of December 31, 2000 and 1999.....	27
Consolidated Statements of Operations for the years ended December 31, 2000, 1999 and 1998.....	28
Consolidated Statements of Stockholders' Equity and Redeemable Common Stock for the years ended December 31, 2000, 1999 and 1998.....	29
Consolidated Statements of Cash Flows for the years ended December 31, 2000, 1999 and 1998.....	30
Notes to Consolidated Financial Statements.....	31

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.

600 Grant Street
Pittsburgh, Pennsylvania
February 9, 2001

/s/ PricewaterhouseCoopers LLP

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)
	<u>\$ (17,484)</u>	<u>\$ (15,080)</u>

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.....	<u>47,746,607</u>	<u>47,524,539</u>	<u>45,051,632</u>
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.....	<u>9,588,306</u>	6.13	<u>9,254,770</u>	5.44	<u>9,527,290</u>	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
	<u>9,588,306</u>	<u>6,043,337</u>	

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:

	NET SALES YEAR ENDED DECEMBER 31			LONG-LIVED ASSETS DECEMBER 31		
	2000	1999	1998	2000	1999	1998
	(IN THOUSANDS)			(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
	<u>\$3,881,096</u>	<u>\$3,423,858</u>	<u>\$3,025,439</u>	<u>\$405,808</u>	<u>\$370,734</u>	<u>\$356,853</u>

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

	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	4,492	(5,629)	62,075
Total current assets.....	10	504,938	258,748	529	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	\$367,499	\$(1,122,322)	\$1,170,033
Accounts payable.....	--	410,171	44,206	6,158	460,535
Other current liabilities.....	5,629	54,828	8,479	(5,629)	63,307
Total current liabilities.....	5,629	464,999	52,685	529	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	\$367,499	\$(1,122,322)	\$1,170,033

DECEMBER 31, 1999

	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
(IN THOUSANDS)					
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 non current 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

	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
(IN THOUSANDS)					
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

	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
(IN THOUSANDS)					
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

	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
(IN THOUSANDS)					
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

	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
(IN THOUSANDS)					
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.

REPORT OF INDEPENDENT ACCOUNTANTS ON FINANCIAL STATEMENT SCHEDULE

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

Our audits of the consolidated financial statements referred to in our report dated February 9, 2001 also included an audit of the financial statement schedule listed in the index appearing under Item 14(a)(2) on page 21 of this Form 10-K. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ PricewaterhouseCoopers LLP

600 Grant Street
Pittsburgh, Pennsylvania
February 9, 2001

SCHEDULE II -- VALUATION AND QUALIFYING ACCOUNTS

COL. A	COL. B	COL. C		COL. D	COL. E

ADDITIONS					

	BALANCE AT BEGINNING OF PERIOD	CHARGED TO EXPENSE	CHARGED TO OTHER ACCOUNTS	DEDUCTIONS(b)	BALANCE AT END OF PERIOD

Allowance for doubtful accounts:					
Year ended December 31, 2000....	7,023	9,970	574 a	(7,773)	9,794
Year ended December 31, 1999....	8,082	2,465	604 a	(4,128)	7,023
Year ended December 31, 1998....	10,814	2,325	3,423 a	(8,480)	8,082

a Represents allowance for doubtful accounts in connection with certain acquisitions.

b Includes a reduction in the allowance for doubtful accounts related to the sale of receivables at fair market value in connection with the Receivables Facility.

INDEX TO EXHIBITS

The registrant hereby agrees to furnish supplementally to the Commission, upon request, a copy of any omitted schedule to any of the agreements contained herein.

EXHIBIT NO.	DESCRIPTION OF EXHIBIT	PRIOR FILING OR SEQUENTIAL PAGE NUMBER
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, "WESCO") and certain securityholders of WESCO.	Incorporated by reference to WESCO's Exhibit 2.1 to the Registration Statement on Form S-4 (No. 333-43225) (the "Form S-4")
2.2	Purchase Agreement dated May 29, 1998 among WESCO, WESCO Distribution, Inc. ("WESCO Distribution"), Chase Securities Inc. and Lehman Brothers Inc.	Incorporated by reference to Exhibit 2.2 to the Form S-4
2.3	Asset Purchase Agreement among Bruckner Supply Company, Inc. and WESCO Distribution dated September 11, 1998, previously filed.	Incorporated by reference to Exhibit 2.01 to the Current Report on Form 8-K dated September 11, 1998
3.1	Amended and Restated Certificate of Incorporation of WESCO.	Incorporated by reference to Exhibit 3.2 to the Form S-1 (No. 333-73299) (the "Form S-1")
3.2	By-Laws of WESCO.	Incorporated by reference to Exhibit 3.3 to the Registration Statement on Form S-1
4.1	Indenture dated as of June 5, 1998 among WESCO, WESCO Distribution and Bank One, N.A.	Incorporated by reference to Exhibit 4.1 to the Form S-4
4.2	Form of 9-1/8% Senior Subordinated Note Due 2008, Series A (included in Exhibit 4.3).	Incorporated by reference to Exhibit 4.2 to the Form S-4
4.3	Form of 9-1/8% Senior Subordinated Note Due 2008, Series B (included in Exhibit 4.3).	Incorporated by reference to Exhibit 4.3 to the Form S-4
4.4	Exchange and Registration Rights Agreement dated as of June 5, 1998 among the Company, WESCO and The Initial Purchasers.	Incorporated by reference to Exhibit 4.4 to the Form S-4
4.8	Exchange and Registration Rights Agreement dated as of June 5, 1998 among WESCO and the Initial Purchasers.	Incorporated by reference to Exhibit 4.8 to the Form S-4
10.1	CDW Holding Corporation Stock Purchase Plan.	Incorporated by reference to Exhibit 10.1 to the Form S-4
10.2	Form of Stock Subscription Agreement.	Incorporated by reference to Exhibit 10.2 to the Form S-4
10.3	CDW Holding Corporation Stock Option Plan.	Incorporated by reference to Exhibit 10.3 to the Form S-4
10.4	Form of Stock Option Agreement.	Incorporated by reference to Exhibit 10.4 to the Form S-4
10.5	CDW Holding Corporation Stock Option Plan for Branch Employees.	Incorporated by reference to Exhibit 10.5 to the Form S-4
10.6	Form of Branch Stock Option Agreement.	Incorporated by reference to Exhibit 10.6 to the Form S-4
10.7	Non-Competition Agreement dated as of February 28, 1996, between Westinghouse, WESCO and WESCO Distribution.	Incorporated by reference to Exhibit 10.8 to the Form S-4
10.8	Lease dated May 24, 1995 as amended by Amendment One dated June 1995 and by Amendment Two dated December 24, 1995 by and between WESCO Distribution as Tenant and Opal Investors, L.P. and Mural GEM Investors as Landlord.	Incorporated by reference to Exhibit 10.10 to the Form S-4
10.9	Lease dated April 1, 1992 as renewed by Letter of Notice of Intent to Renew dated December 13, 1996 by and between the	Incorporated by reference to Exhibit 10.11 to the

Company successor in interest to Westinghouse Electric Corporation as Tenant and Utah State Retirement Fund as Landlord.

Form S-4

EXHIBIT NO.	DESCRIPTION OF EXHIBIT	PRIOR FILING OR SEQUENTIAL PAGE NUMBER
10.10	Lease dated September 4, 1997 between WESCO Distribution as Tenant and The Buncher Company as Landlord.	Incorporated by reference to Exhibit 10.12 to the Form S-4
10.11	Lease dated March 1995 by and between WESCO Distribution-Canada, Inc. ("WESCO Canada") as Tenant and Atlantic Construction, Inc. as Landlord.	Incorporated by reference to Exhibit 10.13 to the Form S-4
10.18	Amended and Restated Registration and Participation Agreement dated June 5, 1998 among WESCO and certain securityholders of WESCO named therein.	Incorporated by reference to Exhibit 10.19 to the Form S-4
10.19	Employment Agreement between WESCO Distribution and Roy W. Haley.	Incorporated by reference to Exhibit 10.20 to the Form S-4
10.20	WESCO International, Inc. 1998 Stock Option Plan.	Incorporated by reference to WESCO's Exhibit 10.1 to Quarterly Report on Form 10-Q for the quarter ended September 30, 1998
10.21	Form of Management Stock Option Agreement.	Incorporated by reference to WESCO's Exhibit 10.1 to Quarterly Report on Form 10-Q for the quarter ended September 30, 1998
10.22	1999 Deferred Compensation Plan for Non-Employee Directors.	Incorporated by reference to WESCO's Exhibit 10.22 to Annual Report on Form 10-K for the year ended December 31, 1998
10.23	Credit Agreement among WESCO Distribution, Inc., WESCO Distribution-Canada, Inc., WESCO International, Inc. and the Lenders identified therein, dated June 29, 1999.	Incorporated by reference to WESCO's Exhibit 10.1 to Quarterly Report on Form 10-Q for the period ended June 30, 1999 (the "Second Quarter Form 10-Q")
10.24	Amendment, dated December 20, 2000, to the Credit Agreement among WESCO Distribution, Inc., WESCO Distribution-Canada, Inc., WESCO International, Inc. and the Lenders identified therein, dated June 29, 1999.	Filed herewith
10.25	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 by reference to Exhibit 10.2 to the Second Quarter Form 10-Q
10.26	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 by reference to WESCO's Exhibit 10.1 to Quarterly Report on Form 10-Q for the period ended September 30, 1999
10.27	1999 Long-Term Incentive Plan.	Incorporated by reference to WESCO's Exhibit 10.22 to Form S-1
21.1	Subsidiaries of WESCO.	Incorporated by reference to Exhibit 21.1 to the Registration Statement on Form S-1
23.1	Consent of PricewaterhouseCoopers LLP, Independent Accountants.	Filed herewith

THIRD AMENDMENT TO CREDIT AGREEMENT

THIS THIRD AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is entered into as of December 20, 2000 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, 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 the changes to the Credit Agreement.

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) Clause (a) of the definition of "Adjusted Funded Debt" in Section 1.1 of the Credit Agreement is amended in its entirety to read as follows:

(a) Indebtedness related to Permitted Receivables Financing up to an aggregate amount of \$375,000,000,

(b) The definition of "EBITDA" in Section 1.1 of the Credit Agreement is amended in its entirety to read as follows:

"EBITDA" means, subject to Section 1.3(b), for any period with respect to the Credit Parties and their Subsidiaries on a consolidated basis, the sum of (a) Net Income for such period (excluding the effect of any extraordinary or other non-recurring gains (including any gain from the sale of property) or non-cash losses) plus (b) an amount which, in the determination of Net Income for such period, has been deducted for (i) Interest Expense for such period, (ii) total Federal, state, foreign or other income or franchise taxes for such period and (iii) all depreciation and amortization for such period, including the amortization of debt discounts and deferred financing charges, plus (c) non-recurring cash charges reported by the Credit Parties and their Subsidiaries in the quarterly financial statements for the period ending December 31, 2000, in an amount not to exceed \$7,000,000 in the aggregate, all as determined in accordance with GAAP.

(c) The definition of "Working Capital" in Section 1.1 of the Credit Agreement is amended in its entirety to read as follows:

"Working Capital" means, at any time, with respect to the Credit Parties and their Subsidiaries on a consolidated basis, the sum of (a) 55% of inventory plus (b) 60% of Receivables, in each case as determined in accordance with GAAP.

(d) The definition of "Total Senior Debt" in Section 1.1 of the Credit Agreement is deleted.

2. New Definitions. The following definitions are added to Section 1.1 of the Credit Agreement in the appropriate alphabetical order:

"Adjusted Leverage Ratio" means, as of the last day of each fiscal quarter, the ratio of (a) Adjusted Total Debt on such date to (b) EBITDA for the twelve month period ending on such date.

"Adjusted Total Debt" means Funded Debt (as defined in the definition of Adjusted Funded Debt) minus the sum of (a) Indebtedness constituting seller financing incurred in connection with Permitted Acquisitions not to exceed \$30,000,000, in the aggregate, at any one time outstanding and (b) Support Obligations relating to loans for a stock purchase program for senior management of the Credit Parties not to exceed \$9,000,000, in the aggregate.

"Adjusted Total Senior Debt" means Adjusted Total Debt minus the sum of (a) Indebtedness related to the Permitted Receivables Financing and (b) the principal amount outstanding of Subordinated Debt.

3. 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 December 31, 2000 through September 30, 2001	5.75 to 1.0
From October 1, 2001 through September 30, 2002	5.25 to 1.0
From October 1, 2002 through September 30, 2003	5.00 to 1.0
From October 1, 2003 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 December 31, 2000 through September 30, 2001	2.25 to 1.0
From October 1, 2001 through September 30, 2002	2.35 to 1.0
From October 1, 2002 and thereafter	2.50 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 shall, at all times, be greater than or equal to 1.50 to 1.0.

4. Indebtedness. Section 9.1(o) of the Credit Agreement is amended in its entirety to read as follows:

(o) Indebtedness arising from a Permitted Receivables Financing incurred by the U.S. Credit Parties and/or their Subsidiaries domiciled in the United States (including a Receivables Subsidiary) not to exceed \$375,000,000 at any one time outstanding; provided, that the Borrower may, upon at least three Business Days' advance written notice, increase this amount (in minimum amounts of \$10 million and increments of \$5 million in excess thereof) up to a maximum amount of \$475,000,000 as long as simultaneously with such notice the Borrower provides notice under Section 2.1(d) that it is permanently reducing the U.S. Revolving Committed Amount by an identical dollar amount.

5. Restricted Payments. Clause (b)(iv) of Section 9.8 of the Credit Agreement is amended in its entirety to read as follows:

(iv) as long as (A) no Default or Event of Default has occurred and is continuing (or would be caused thereby), (B) no violation of Regulation U would be caused thereby and (C) the Adjusted Leverage Ratio (at the time of such repurchase or on a pro forma basis after giving effect to such repurchase) is less than or equal to 5.0 to 1.0, the Parent may repurchase shares of its own common stock in an amount not to exceed, in the aggregate, during the term of this Credit Agreement, \$35,000,000.

6. Exhibits. Exhibits 8.1(c) and 12.3(b) to the Credit Agreement are replaced in their entirety With the exhibits attached hereto.

7. 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 Borrower 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 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 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 Borrower of (i) an amendment fee in an amount equal to .10% of the aggregate amount of the Commitments 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 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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 Third 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: _____
Name: _____
Title: _____

CANADIAN BORROWER:

WESCO DISTRIBUTION-CANADA, INC.,
an Ontario corporation

By: _____
Name: _____
Title: _____

GUARANTORS:

WESCO INTERNATIONAL, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

CDW REALCO, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

WESCO EQUITY CORPORATION,
a Delaware corporation

By: _____
Name: _____
Title: _____

WESCO FINANCE CORP.,
a Delaware corporation

By: _____
Name: _____
Title: _____

Signature pages to Third Amendment
to WESCO Credit Agreement

WESCO - AZERBAIJAN, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

Signature pages to Third 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: _____
Name: _____
Title: _____

BANK OF AMERICA CANADA, in its capacity
as Canadian Administrative Agent

By: _____
Name: _____
Title: _____

Signature pages to Third 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: _____
Name: _____
Title: _____

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: _____
Name: _____
Title: _____

Signature pages to Third Amendment
to WESCO Credit Agreement

ABN AMRO BANK N.V.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Signature pages to Third Amendment
to WESCO Credit Agreement

FLEET NATIONAL BANK

By: _____
Name: _____
Title: _____

Signature pages to Third Amendment
to WESCO Credit Agreement

BANK OF HAWAII

By: _____
Name: _____
Title: _____

Signature pages to Third Amendment
to WESCO Credit Agreement

THE BANK OF NEW YORK

By: _____
Name: _____
Title: _____

Signature pages to Third Amendment
to WESCO Credit Agreement

THE BANK OF NOVA SCOTIA

By: _____
Name: _____
Title: _____

Signature pages to Third Amendment
to WESCO Credit Agreement

BANK ONE, MICHIGAN

By: _____
Name: _____
Title: _____

Signature pages to Third Amendment
to WESCO Credit Agreement

THE CHASE MANHATTAN BANK

By: _____
Name: _____
Title: _____

Signature pages to Third Amendment
to WESCO Credit Agreement

THE CHASE MANHATTAN BANK OF CANADA

By: _____
Name: _____
Title: _____

Signature pages to Third Amendment
to WESCO Credit Agreement

COMERICA BANK

By: _____
Name: _____
Title: _____

Signature pages to Third Amendment
to WESCO Credit Agreement

THE FUJI BANK, LIMITED

By: _____
Name: _____
Title: _____

Signature pages to Third 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: _____
Name: Michele Swanson
Title: Authorized Signatory

Signature pages to Third Amendment
to WESCO Credit Agreement

MELLON BANK, N.A.

By: _____
Name: _____
Title: _____

Signature pages to Third Amendment
to WESCO Credit Agreement

MERITA BANK PLC

By: _____
Name: _____
Title: _____

Signature pages to Third Amendment
to WESCO Credit Agreement

NATIONAL BANK OF CANADA

By: _____
Name: _____
Title: _____

Signature pages to Third Amendment
to WESCO Credit Agreement

PNC BANK, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

Signature pages to Third Amendment
to WESCO Credit Agreement

THE TORONTO-DOMINION BANK

By: _____
Name: _____
Title: _____

Signature pages to Third Amendment
to WESCO Credit Agreement

TORONTO DOMINION (TEXAS), INC.

By: _____
Name: _____
Title: _____

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) demonstrating compliance by the Credit Parties with the financial covenants contained in Section 8.2 of the Credit Agreement.

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:

From December 31, 2000 through September 30, 2001	5.75 to 1.0
From October 1, 2001 through September 30, 2002	5.25 to 1.0
From October 1, 2002 through September 30, 2003	5.00 to 1.0
From October 1, 2003 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:

From December 31, 2000 through September 30, 2001	2.25 to 1.0
From October 1, 2001 through September 30, 2002	2.35 to 1.0
From October 1, 2002 and thereafter	2.50 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) | _____: |

Minimum Required: Line C.3 shall be greater than or equal to 1.50 to 1.0

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	_____	_____	_____	_____	_____

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (the "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 (as amended, 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 swingline 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.,
as U.S. Borrower
Wesco Distribution-Canada, Inc.,
as Canadian Borrower
4. Administrative Agents: Bank of America, N.A.,
as U.S. Administrative Agent
under the Credit Agreement
Bank of America Canada,
as Canadian Administrative
Agent under the Credit Agreement

- - - - -
1 Select as applicable.

5. Credit Agreement: The Credit Agreement dated as of June 29, 1999 among Wesco Distribution, Inc., as U.S. Borrower, Wesco Distribution-Canada, Inc., as Canadian Borrower, the Guarantors parties thereto, the Lenders parties thereto, Bank of America, N.A., as U.S. Administrative Agent and Bank of America Canada, as Canadian Administrative Agent

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.]

The terms set forth in this Assignment are hereby agreed to:

ASSIGNOR
 [NAME OF ASSIGNOR]
 By: _____
 Title:
 ASSIGNEE
 [NAME OF ASSIGNEE]
 By: _____
 Title:

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. "U.S. Revolving Loan Commitment", "Canadian Revolving Loan Commitment", etc.)

[Consented to and](4) Accepted:

BANK OF AMERICA, N.A., as U.S. Administrative Agent,
a U.S. Issuing Lender and as U.S. Swingline Lender

By: _____
Title:

BANK OF AMERICA CANADA, as Canadian Administrative Agent,
Canadian Issuing Lender and Canadian Swingline Lender

By: _____
Title:

THE CHASE MANHATTAN BANK, as a U.S. Issuing Lender

By: _____
Title:

[Consented to:](5)

WESCO DISTRIBUTION, INC.

By: _____
Title:

WESCO DISTRIBUTION-CANADA, INC.

By: _____
Title:

- -----
- 4 To be added only if the consent of the U.S. Administrative Agent, U.S. Issuing Lender and U.S. Swingline Lender or the Canadian Administrative Agent, Canadian Issuing Lender or Canadian Swingline Lender is required by the terms of the Credit Agreement.
- 5 To be added only if the consent of the Borrowers is required by the terms of the Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT
AND ASSUMPTION 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 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 to the Assignment 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.

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 Assignor for amounts which have accrued to but

excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

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.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (Nos. 333-81857, 333-81847, 333-81845 and 333-81841) of WESCO International, Inc. of our reports dated February 9, 2001 relating to the financial statements and financial statement schedule, which appear in this Form 10-K.

/s/ Pricewaterhousecoopers, LLP, Independent Accountants

600 Grant Street
Pittsburgh, Pennsylvania
March 30, 2001