

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

**FORM 8-K**

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES AND EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): April 19, 2012

**WESCO International, Inc.**

(Exact name of registrant as specified in its charter)

Commission file number **001-14989**

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**25-1723342**  
(I.R.S. Employer  
Identification No.)

**225 West Station Square Drive**  
**Suite 700**  
**Pittsburgh, Pennsylvania**  
(Address of principal executive offices)

**(412) 454-2200**  
(Registrant's telephone number, including area code)

**N/A**

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02 Results of Operations and Financial Condition.**

The information in this Item 2.02 is being furnished and shall not be deemed "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information in this Item 2.02 shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

On April 19, 2012, WESCO International, Inc. (the "Company") issued a press release announcing its financial results for the first quarter of 2012. A copy of the press release is attached hereto as Exhibit 99.1.

**Item 7.01 Regulation FD Disclosure**

The information in this Item 7.01 is being furnished and shall not be deemed "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information in this Item 7.01 shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

A slide presentation to be used by senior management of the Company in connection with its discussions with investors regarding the Company's financial results for the first quarter of 2012 is included in Exhibit 99.2 to this report and is being furnished in accordance with Regulation FD of the Securities and Exchange Commission.

**Item 9.01 Financial Statements and Exhibits****(d) Exhibits**

99.1 Press Release dated April 19, 2012.

99.2 Slide presentation for investors.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

April 19, 2012

(Date)

WESCO INTERNATIONAL, INC.

/s/ Stephen A. Van Oss

Stephen A. Van Oss

Senior Vice President, Chief Operating Officer and interim  
Chief Financial Officer



# NEWS RELEASE

WESCO International, Inc. / Suite 700, 225 West Station Square Drive / Pittsburgh, PA 15219

## WESCO International, Inc. Reports First Quarter 2012 Results

*First quarter results compared to the prior year:*

- *Earnings per diluted share of \$1.03 increased 39%*
- *Net income of \$52.9 million increased 42%*
- *Operating margins improved to 5.2%, up 70 basis points*
- *Consolidated sales of \$1.61 billion increased 12%*

PITTSBURGH, April 19, 2012/PRNewswire/ -- WESCO International, Inc. (NYSE: WCC), a leading provider of electrical, industrial, and communications MRO and OEM products, construction materials, and advanced supply chain management and logistics services, today announced its 2012 first quarter results.

The following are results for the three months ended March 31, 2012 compared to the three months ended March 31, 2011:

- Consolidated net sales were \$1,606.0 million for the first quarter of 2012, compared to \$1,431.3 million for the first quarter of 2011, an increase of 12.2%. Acquisitions positively impacted consolidated sales by 2.6%, while one additional workday positively impacted sales by 1.6% and foreign exchange provided a 0.2% negative impact resulting in a normalized organic growth rate of approximately 8.2%. Sequentially, first quarter 2012 sales increased 1.0%. Sales per workday in March were at an all-time record level for any month.
- Gross profit of \$319.7 million, or 19.9% of sales, for the first quarter of 2012 was down 10 basis points, compared to \$286.0 million, or 20.0% of sales, for the first quarter of 2011.
- Selling, general & administrative (SG&A) expenses of \$228.1 million, or 14.2% of sales, for the first quarter of 2012 improved 70 basis points, compared to \$213.8 million, or 14.9% of sales, for the first quarter of 2011.
- Operating profit was \$83.5 million for the current quarter, up 29.0% from \$64.7 million for the comparable 2011 quarter. Operating profit as a percentage of sales was 5.2% in 2012, up 70 basis points from 4.5% in 2011.
- Total interest expense for the first quarter of 2012 was \$9.0 million, compared to \$12.6 million for the first quarter of 2011. Cash interest expense was \$10.8 million for the first quarter of 2012. Non-cash interest expense, which includes convertible debt interest, interest related to uncertain tax positions, and the amortization of deferred financing fees, amounted to \$1.9 million of income as a result of a favorable

adjustment of \$3.2 million of previously recorded interest related to uncertain tax positions. This adjustment was a result of a favorable Internal Revenue Service appeals settlement in the first quarter of 2012 related to the years 2000 to 2006.

- The effective tax rate for the current quarter was 29.0%, compared to 28.4% for the prior year first quarter.
- Net income of \$52.9 million for the current quarter was up 41.9% from \$37.3 million for the prior year first quarter.
- Earnings per diluted share for the first quarter of 2012 were \$1.03 per share, based on 51.3 million diluted shares, and was up 39.2% from \$0.74 per share in the first quarter of 2011, based on 50.4 million diluted shares. The adjustment of previously recorded interest related to uncertain tax positions positively impacted first quarter 2012 earnings per diluted share by approximately \$0.04.
- Free cash flow for the first quarter of 2012 was \$53.8 million, compared to \$26.2 million for the first quarter of 2011.

Mr. John J. Engel, WESCO's Chairman and Chief Executive Officer, stated, "2012 is off to a good start, and we are pleased with our first quarter results, which reflect effective execution of our growth strategy and our ability to deliver strong sales and earnings growth in a challenging economic environment. We have now posted seven consecutive quarters of double digit sales growth and six consecutive quarters of EPS growth of well over 25% on a year-over-year basis. Operating margins improved 70 basis points to 5.2% and free cash flow exceeded net income, demonstrating the continued effectiveness and operating leverage of our business model."

Mr. Engel continued, "We are building on the positive momentum that we have generated across our company over the last few years, and continue to execute our One WESCO growth strategy, which targets the countless customer service opportunities within our large, fragmented end markets. Through these One WESCO initiatives, we are providing customers with the leading products, services, and supply chain solutions they need to meet their global MRO, OEM, and Capital Project requirements."

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#### Teleconference Access

WESCO will conduct a teleconference to discuss the first quarter earnings as described in this News Release on Thursday, April 19, 2012, at 11:00 a.m. E.D.T. The conference call will be broadcast live over the Internet and can be accessed from the Company's website at <http://www.wesco.com>. The conference call will be archived on this Internet site for seven days.

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*WESCO International, Inc. (NYSE: WCC), a publicly traded Fortune 500 holding company headquartered in Pittsburgh, Pennsylvania, is a leading provider of electrical, industrial, and communications maintenance, repair and operating ("MRO") and original equipment manufacturers ("OEM") product, construction materials, and advanced supply chain management and logistic services. 2011 annual sales were approximately \$6.1 billion. The Company employs approximately 7,300 people, maintains relationships with over 18,000 suppliers, and serves over 65,000 active customers worldwide. Customers include commercial and industrial businesses, contractors, government agencies, institutions, telecommunications providers and utilities. WESCO operates eight fully automated distribution centers and approximately 400 full-service branches in North America and international markets, providing a local presence for customers and a global network to serve multi-location businesses and multi-national corporations.*

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*The matters discussed herein may contain forward-looking statements that are subject to certain risks and uncertainties that could cause actual results to differ materially from expectations. Certain of these risks are set forth in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011, as well as the Company's other reports filed with the Securities and Exchange Commission.*

Contact: Stephen A. Van Oss, Senior Vice President, Chief Operating and interim Chief Financial Officer  
WESCO International, Inc. (412) 454-2271, Fax: (412) 222-7471  
<http://www.wesco.com>

**WESCO INTERNATIONAL, INC.**

CONDENSED CONSOLIDATED STATEMENT OF INCOME  
(dollar amounts in millions, except per share amounts)  
(Unaudited)

	<b>Three Months Ended March 31, 2012</b>		<b>Three Months Ended March 31, 2011</b>	
Net sales	\$	1,606.0	\$	1,431.3
Cost of goods sold (excluding depreciation and amortization below)		1,286.3	80.1%	1,145.3
				80.0%
Selling, general and administrative expenses		228.1	14.2%	213.8
				14.9%
Depreciation and amortization		8.1		7.5
Income from operations		83.5	5.2%	64.7
				4.5%
Interest expense, net		9.0		12.6
Income before income taxes		74.5	4.6%	52.1
				3.6%
Provision for income taxes		21.6		14.8
Net income attributable to WESCO International, Inc.	\$	52.9	3.3%	\$ 37.3
				2.6%
Earnings per diluted common share	\$	1.03	\$	0.74
Weighted average common shares outstanding and common share equivalents used in computing earnings per diluted share (in millions)		51.3		50.4

**WESCO INTERNATIONAL, INC.**

**CONDENSED CONSOLIDATED BALANCE SHEET**

(dollar amounts in millions)

(Unaudited)

Assets	March 31,		December 31,	
	2012		2011	
<b>Current Assets</b>				
Cash and cash equivalents	\$	63.6	\$	63.9
Trade accounts receivable, net		1,006.4		939.4
Inventories, net		634.7		627.0
Other current assets		89.7		107.2
Total current assets		<u>1,794.4</u>		<u>1,737.5</u>
Other assets		1,352.8		1,341.0
Total assets	\$	<u><u>3,147.2</u></u>	\$	<u><u>3,078.5</u></u>
<b>Liabilities and Stockholders' Equity</b>				
<b>Current Liabilities</b>				
Accounts payable	\$	699.3	\$	642.8
Current debt and short-term borrowings		15.2		6.4
Other current liabilities		163.7		196.7
Total current liabilities		<u>878.2</u>		<u>845.9</u>
Long-term debt		603.3		642.9
Other noncurrent liabilities		254.5		243.8
Total liabilities		<u>1,736.0</u>		<u>1,732.6</u>
<b>Stockholders' Equity</b>				
Total stockholders' equity		<u>1,411.2</u>		<u>1,345.9</u>
Total liabilities and stockholders' equity	\$	<u><u>3,147.2</u></u>	\$	<u><u>3,078.5</u></u>

**WESCO INTERNATIONAL, INC.**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

(dollar amounts in millions)

(Unaudited)

	<b>Three Months Ended</b>		<b>Three Months Ended</b>	
	<b>March 31, 2012</b>		<b>March 31, 2011</b>	
<b>Operating Activities:</b>				
Net income	\$	52.9	\$	37.3
Add back (deduct):				
Depreciation and amortization		8.1		7.5
Deferred income taxes		7.2		(0.1)
Change in Trade and other receivables, net		(38.2)		(69.7)
Change in Inventories, net		2.0		(38.7)
Change in Accounts Payable		50.3		107.4
Other		(24.0)		(11.9)
Net cash provided by operating activities		<u>58.3</u>		<u>31.8</u>
<b>Investing Activities:</b>				
Capital expenditures		(4.5)		(5.6)
Acquisition payments		(22.0)		(7.8)
Other		—		0.1
Net cash used by investing activities		<u>(26.5)</u>		<u>(13.3)</u>
<b>Financing Activities:</b>				
Debt repayments, net		(32.3)		(22.6)
Equity activity, net		(0.6)		—
Other		(2.1)		1.5
Net cash used by financing activities		<u>(35.0)</u>		<u>(21.1)</u>
Effect of exchange rate changes on cash and cash equivalents		<u>2.9</u>		<u>1.4</u>
Net change in cash and cash equivalents		(0.3)		(1.2)
Cash and cash equivalents at the beginning of the period		63.9		53.6
Cash and cash equivalents at the end of the period	\$	<u><u>63.6</u></u>	\$	<u><u>52.4</u></u>



## **NON-GAAP FINANCIAL MEASURES**

This earnings release includes certain non-GAAP financial measures. These financial measures include financial leverage, free cash flow, gross profit and organic sales growth. The Company believes that these non-GAAP measures are useful to investors in order to provide a better understanding of the Company's capital structure position, liquidity, and organic growth trends on a comparable basis. Additionally, certain non-GAAP measures either focus on or exclude transactions of an unusual nature, allowing investors to more easily compare the Company's financial performance from period to period. Management does not use these non-GAAP financial measures for any purpose other than the reasons stated above.

**WESCO INTERNATIONAL, INC.**

**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**

(dollar amounts in thousands)

(Unaudited)

	<b>Twelve Months Ended March 31, 2012</b>		<b>Twelve Months Ended December 31, 2011</b>	
<b>Financial Leverage:</b>				
Income from operations	\$	351,767	\$	332,979
Depreciation and amortization		32,140		31,607
EBITDA	\$	<u>383,907</u>	\$	<u>364,586</u>
		<b>March 31, 2012</b>		<b>December 31, 2011</b>
Short-term debt	\$	12,734	\$	—
Current debt		2,482		6,411
Long-term debt		603,328		642,922
Debt discount related to convertible debentures <sup>(1)</sup>		175,200		175,908
Total debt including debt discount	\$	<u>793,744</u>	\$	<u>825,241</u>
Financial leverage ratio		2.1		2.3

Note: Financial leverage is provided by the Company as an indicator of capital structure position. Financial leverage is calculated by dividing total debt, including debt discount, by the trailing twelve months earnings before interest, taxes, depreciation and amortization (EBITDA).

	<b>Three Months Ended March 31, 2012</b>		<b>Three Months Ended March 31, 2011</b>	
<b>Free Cash Flow:</b>				
(dollar amounts in millions)				
Cash flow provided by operations	\$	58.3	\$	31.8
Less: Capital expenditures		(4.5)		(5.6)
Free Cash flow	\$	<u>53.8</u>	\$	<u>26.2</u>

Note: Free cash flow is provided by the Company as an additional liquidity measure. Capital expenditures are deducted from operating flow to determine free cash flow. Free cash flow is available to provide a source of funds for any of the Company's financing needs.

<sup>(1)</sup>The convertible debentures are presented in the consolidated balance sheets in long-term debt net of the unamortized discount.

**WESCO INTERNATIONAL, INC.**

**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**

(dollar amounts in millions)

(Unaudited)

<b>Gross Profit:</b>	<b>Three Months Ended March 31, 2012</b>	<b>Three Months Ended March 31, 2011</b>
Net Sales	\$ 1,606.0	\$ 1,431.3
Cost of goods sold (excluding depreciation and amortization)	1,286.3	1,145.3
Gross profit	\$ 319.7	\$ 286.0
Gross margin	19.9%	20.0%

Note: Gross profit is provided by the Company as an additional financial measure. Gross profit is calculated by deducting cost of goods sold, excluding depreciation and amortization, from net sales. This amount represents a commonly used financial measure within the distribution industry. Gross margin is calculated by dividing gross profit by net sales.

<b>Normalized Organic Sales Growth:</b>	<b>Three Months Ended March 31, 2012</b>
Change in net sales	12.2 %
Impact from acquisitions	2.6 %
Impact from foreign exchange rates	(0.2)%
Impact from number of workdays	1.6 %
Normalized organic sales growth	8.2 %

Note: Organic sales growth is provided by the Company as an additional financial measure to provide a better understanding of the Company's sales growth trends. Organic sales growth is calculated by deducting the percentage impact on net sales from acquisitions, foreign exchange rates and number of workdays from the overall percentage change in consolidated net sales.



# Supplemental Financial Data

WESCO First Quarter 2012  
April 19, 2012



# Safe Harbor Statement

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**Note:** All statements made herein that are not historical facts should be considered as “forward-looking statements” within the meaning of the Private Securities Litigation Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. Such risks, uncertainties and other factors include, but are not limited to, debt level, changes in general economic conditions, fluctuations in interest rates, increases in raw materials and labor costs, levels of competition and other factors described in detail in Form 10-K for WESCO International, Inc. for the year ended December 31, 2011 and any subsequent filings with the Securities & Exchange Commission. Any numerical or other representations in this presentation do not represent guidance by management and should not be construed as such. The following presentation may also include a discussion of certain non-GAAP financial measures. Information required by Regulation G with respect to such non-GAAP financial measures can be obtained via WESCO’s website, [www.wesco.com](http://www.wesco.com).

# First Quarter 2012 Results



Category	Q1 2012 Outlook Provided	Q1 2012 Performance
Sales Growth	Total sales growth expected to be 7% to 11%. Q1 organic sales growth rate expected to be 6% to 9%. Acquired sales expected to add approximately 2% to sales growth.	 <p>Total sales growth of 12.2%; Reported organic sales growth rate of 9.8%; Normalized sales per workday organic growth of approximately 8.2%; Acquisition sales impact of 2.6%; Seventh consecutive quarter of double digit sales growth year-over-year.</p>
Gross Margin	Gross margin expected to be at or above 20.0%	 <p>Gross margin of 19.9%</p>
Operating Margin	Operating margin expected to be at or above 5.0%	 <p>Operating margin of 5.2%</p>
Effective Tax Rate	Effective tax rate expected to be approximately 30% to 32%	 <p>Effective tax rate of 29.0%</p>

# Organic Sales Versus Prior Year



	-----2010-----					-----2011-----					-----2012-----
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4*	Full Year**	Q1***
Consolidated Sales Growth	(2.6%)	8.6%	14.9%	17.6%	9.5%	24.6%	21.1%	19.3%	19.4%	21.0%	12.2%
F/X	(1.8%)	(1.9%)	(0.9%)	(0.7%)	(1.3%)	(1.1%)	(1.0%)	(1.1%)	0%	(0.8%)	0.2%
Acquisitions	0	0	(0.7%)	(1.1%)	(0.4%)	(7.0%)	(7.4%)	(6.9%)	(6.2%)	(6.8%)	(2.6%)
Organic Sales Growth	(4.4%)	6.7%	13.3%	15.8%	7.8%	16.5%	12.7%	11.3%	13.2%	13.4%	9.8%
Workday Impact	-	-	-	-	-	-	-	-	(1.6%)	(0.4%)	1.6%
Organic Sales Per Workday	(4.4%)	6.7%	13.3%	15.8%	7.8%	16.5%	12.7%	11.3%	14.8%	13.8%	8.2%
Management Estimated Price Impact	1.5%	3.0%	2.5%	3.0%	2.5%	3.5%	3.0%	3.5%	2.0%	3.0%	1.5%

\* Q4 2011 had one less workday versus Q4 2010.

\*\* FY 2011 had one less workday versus FY 2010.

\*\*\* Q1 2012 had one more workday versus Q1 2011 and Q1 2010.



# Recent Acquisitions' Estimated End Market Mix



Acquisition	Date Acquired	Approximate Sales at Acquisition date (TTM Millions)	Industrial	Construction	Utility	CIG
Potelcom	June 2010	\$25	40%	-	60%	-
TVC	December 2010	\$300	-	10%	-	90%
Reco	March 2011	\$25	100%	-	-	-
Brews Supply	October 2011	\$50	75%	5%	20%	-
RS Electronics	January 2012	\$60	100%	-	-	-

## **End Market Definitions**

INDUSTRIAL: Sales to industrial customers.

CONSTRUCTION: Sales of electrical and communication products to construction contractors excluding utility contractors.

UTILITY: Sales to utilities and utility contractors.

CIG: Sales to schools, hospitals, property management firms, retailers, and governmental agencies of all types.

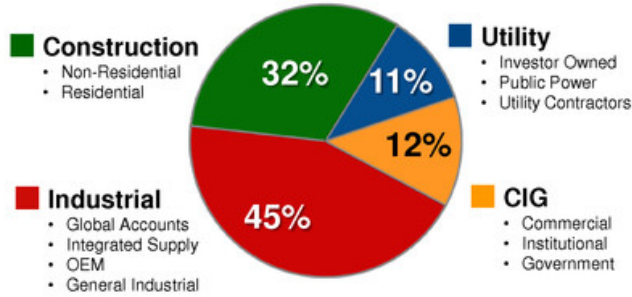




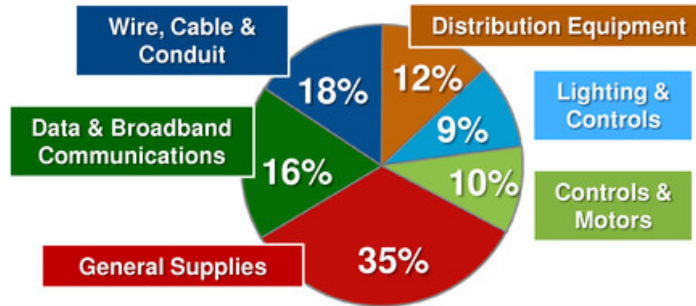
# End Markets and Product Categories

## Quarter Ended March 31, 2012

### Markets & Customers



### Products & Services



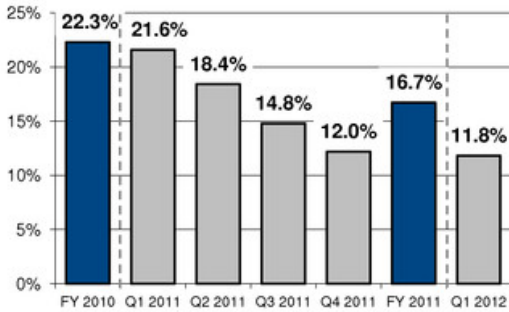
Note: End market percentages reported on consolidated basis.



# End Market Momentum

## Industrial

Sales vs. Prior Year



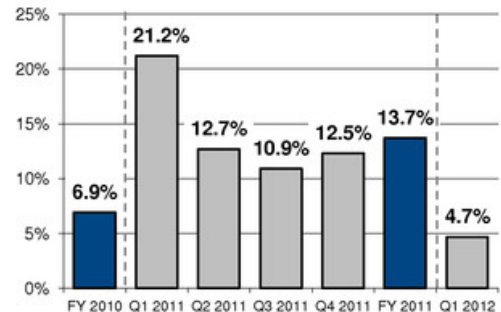
**45%**

**Industrial**

- Global Accounts
- Integrated Supply
- OEM
- General Industrial

## Construction

Sales vs. Prior Year



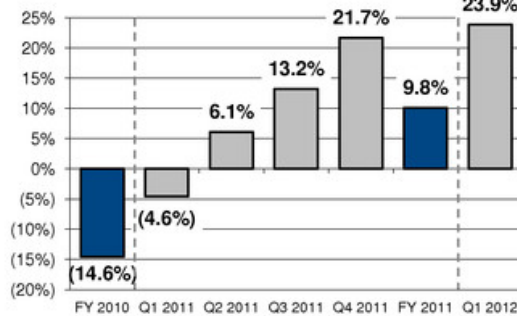
**32%**

**Construction**

- Non-Residential
- Residential

## Utility

Sales vs. Prior Year



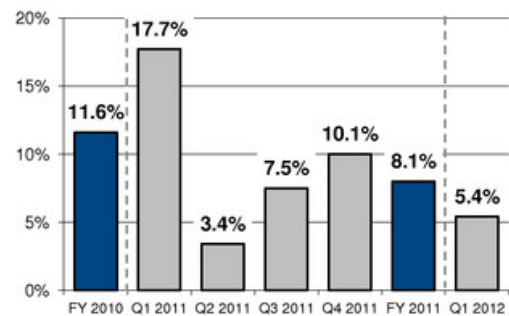
**11%**

**Utility**

- Investor Owned
- Public Power
- Utility Contractors

## CIG

Sales vs. Prior Year



**12%**

**CIG**

- Commercial
- Institutional
- Government

Note: All sales growth rates above exclude acquisitions owned less than one year  
 Note: End market percentages reported on consolidated basis.

**...growth in all end markets**

# 2012 Q1 End Market Comments



Year-over-year and sequential quarterly sales comparisons excluding acquisitions

*Note: Q1 versus prior year excludes Reco, Brews Supply, and RS Electronics results.*

*Q1 sequential excludes RS Electronics.*

End Market	Q1 2012 vs. Q1 2011	Q1 2012 vs. Q4 2011	Comments
WESCO Core	9.8%	Flat	<ul style="list-style-type: none"> <li>Seventh consecutive quarter of double year-over-year digit sales growth</li> <li>All four end market categories grew in Q1 versus prior year</li> <li>Six consecutive quarters of EPS growth in excess of 25% over prior year</li> </ul>
Industrial	11.8%	3.2%	<ul style="list-style-type: none"> <li>Ninth consecutive quarter of year-over-year double digit organic sales growth</li> <li>Channel inventory levels appear to be in balance with current demand</li> <li>Strong bidding activity continues with notable customer trends including outsourcing, increased capital spending, and high expectations for supply chain process improvements and savings</li> </ul>
Construction	4.7%	(1.9%)	<ul style="list-style-type: none"> <li>Eighth consecutive quarter of year-over-year organic sales growth</li> <li>Quarter end backlog up 7% versus December and up 5% versus prior year</li> <li>Non-residential market remains weak but appears to be stabilizing</li> <li>Increased bidding activity noted, particularly for upgrades, renovations, and energy efficiency</li> </ul>
Utility	23.9%	(4.2%)	<ul style="list-style-type: none"> <li>Third consecutive quarter of year-over-year double digit organic sales growth</li> <li>Increased bidding activity levels for transmission, sub-station, and IOU and public power MRO alliance agreements</li> <li>Distribution grid spending is expected to grow in the low to mid single digits in 2012 driven by system maintenance, reliability projects and storm restoration</li> </ul>
Commercial, Institutional, Government (CIG)	5.4%	(1.9%)	<ul style="list-style-type: none"> <li>Government project spending continues to be closely scrutinized but bidding activity continues</li> <li>Government opportunities are primarily being driven by infrastructure projects, security and communications</li> <li>Bidding activity remains active in the commercial markets.</li> </ul>



# Core Sales

## Reconciliation of Non-GAAP Financial Measures

**Unaudited**  
(dollar amounts in millions)

	Full Year 2011 vs 2010			Q1 2012 vs. Q1 2011			Q1 2012 vs. Q4 2011		
	2011	2010	% Growth	Q1	Q1	% Growth	Q1	Q4	% Growth
	2011	2010	% Growth	2012	2011	% Growth	2012	2011	% Growth
Industrial Core	\$ 2,632	\$ 2,256	16.7%	\$ 688	\$ 615	11.8%	\$ 703	\$ 681	3.2%
Construction Core	2,097	1,845	13.7%	510	487	4.7%	511	521	(1.9%)
Utility Core	683	622	9.8%	177	143	23.9%	180	188	(4.2%)
CIG Core	388	359	8.1%	200	190	5.4%	201	205	(1.9%)
Total Core Gross Sales	\$ 5,800	\$ 5,082	14.1%	\$ 1,574	\$ 1,435	9.8%	\$ 1,595	\$ 1,595	0.0%
Total Gross Sales from Acquisitions	347	-	-	37	1	-	16	-	-
Total Gross Sales	\$ 6,174	\$ 5,082	21.0%	\$ 1,611	\$ 1,436	12.2%	\$ 1,611	\$ 1,595	1.0%
Gross Sales Reductions/Discounts	(21)	(18)		(5)	(5)	-	(5)	(5)	-
Total Net Sales	\$ 6,126	\$ 5,064	21.0%	\$ 1,606	\$ 1,431	12.2%	\$ 1,606	\$ 1,590	1.0%

Note: Q1 versus prior year excludes Reco, Brews Supply, and RS Electronics results.  
Q1 sequential excludes RS Electronics.

# Capital Structure



(\$Millions)	Outstanding at December 31, 2011	Outstanding at March 31, 2012	Debt Maturity Schedule
AR Securitization <sup>(V)</sup>	\$250	\$240	2014
Inventory Revolver <sup>(V)</sup>	\$37	\$6	2016
Real Estate Mortgage <sup>(F)</sup>	\$37	\$37	2013
2017 Bonds <sup>(F)</sup>	\$150	\$150	2017
2029 Convertible Bonds <sup>(F) (1)</sup>	\$345	\$345	2029
Other <sup>(F)</sup>	\$6	\$16	N/A
<b>Total Debt</b>	<b>\$825</b>	<b>\$794</b>	

Key Financial Metrics		
	12/31/2011	3/31/2012
Liquidity <sup>(2)</sup>	\$511 million	\$572 million
2011 Full Year & 2012 YTD Free Cash Flow <sup>(3)</sup>	\$134 million	\$54 million
Financial Leverage (Par Value Debt with Reported EBITDA)	2.3x	2.1x

V= Variable Rate Debt

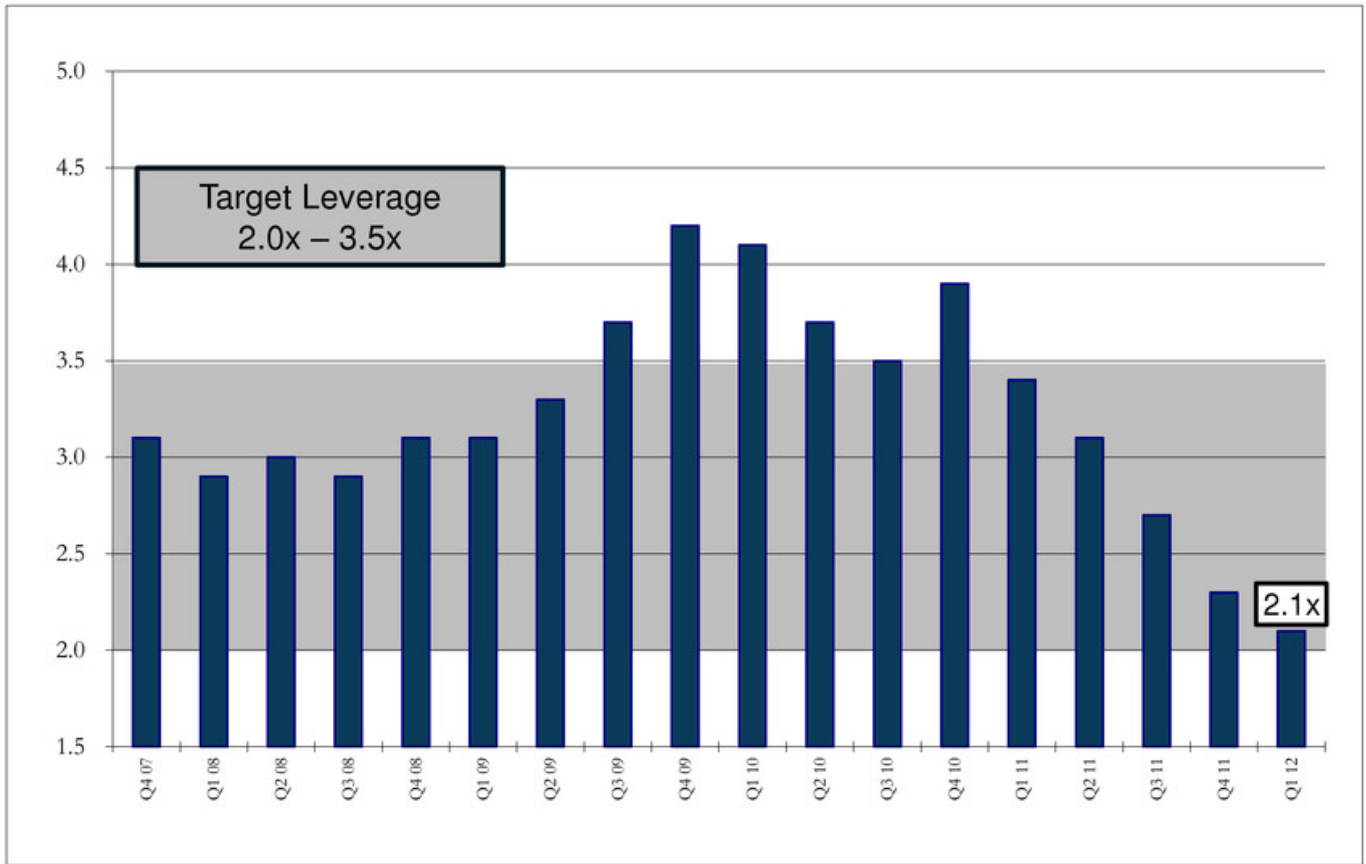
F= Fixed Rate Debt

1= Convertible bonds – No Put

2= Asset-backed credit facilities total available plus invested cash

3= Operating cash flow less capital expenditures

# Quarterly Financial Leverage



## Convertible Debt and Non-cash Interest as of March 31, 2012



### GAAP vs. Non-GAAP Debt Reconciliation

#### Convertible Debentures

(000s)

<u>Maturity</u>	<u>Par Value of Debt</u>	<u>Debt Discount</u>	<u>Debt per Balance Sheet</u>
2029	\$ 344,938	\$ (175,200)	\$ 169,738

### Non-Cash Interest Expense Schedule

#### Non-Cash Interest Expense (year-to-date)

(\$ millions)

	<u>2010</u>	<u>2011</u>	<u>2012 Q1</u>
Convertible Debt	\$4.3	\$2.5	\$0.7
Amortization of Deferred Financing Fees	\$2.6	\$4.4	\$0.6
FIN 48	\$5.0	\$1.9	(\$3.2)
Total	\$11.9	\$8.8	(\$1.9)



# Convertible Debt and SARs/Options EPS Dilution



## Weighted Average Quarterly Share Count

Stock Price	Incremental Shares from 2029 Convertible Debt (in millions) <sup>3</sup>	Incremental Shares from SARs/Option Awards (in millions)	Total Diluted Share Count (in millions) <sup>4</sup>
\$30.00	0.45	0.36	44.29
\$40.00	3.33	0.69	47.49
\$50.00	5.05	1.04	49.57
\$60.00	6.20	1.23	50.91
Q1 2012 Average (\$62.92)	6.47	1.34	51.29
\$75.00	7.35	1.61	52.44
\$100.00	8.50	1.99	53.97

### Footnotes: 2029 Convertible Debenture

<sup>1</sup> 1000/28.8656

<sup>2</sup> \$345 million/28.8656

<sup>3</sup>  $\frac{(\text{Underlying Shares} \times \text{Avg. Quarterly Stock Price}) \text{ minus } \$345 \text{ million}}{\text{Avg. Quarterly Stock Price}}$

<sup>4</sup> Basic Share Count of 43.48 million shares

2029 Convertible Debt Details	
Conversion Price	\$28.8656
Conversion Rate	34.6433 <sup>1</sup>
Underlying Shares	11,949,791 <sup>2</sup>



# Number of Work Days by Quarter



	Q1	Q2	Q3	Q4	FY
<b>2010</b>	63	64	64	64	255
<b>2011</b>	63	64	64	63	254
<b>2012</b>	64	64	63	63 <sup>(1)</sup>	255

<sup>(1)</sup> Note: Updated to reflect 63 versus 64 days.

## Q2 2012 Outlook



Category	Q2 2012 Expectations
Sales Growth	Total sales growth, including price and FX rates, expected to be 10% to 12%; which reflects an increase of 1 percentage point to the upper end of our 2012 FY sales growth range. Q2 price and FX rates assumed to be consistent with Q1 2012 rates of 1.5% and 0.2%, respectively.
Gross Margin	Gross margin expected to be at or above 20.0%
Operating Margin	Operating margin expected to be approximately 6%
Effective Tax Rate	Effective tax rate expected to be approximately 30% to 32%

