

WESCO DISTRIBUTION INC

Form 424B3

June 26, 2006

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Filed Pursuant to Rule 424(b)(3)  
Registration No. 333-133423

**PROSPECTUS**

**WESCO International, Inc.**  
**2.625% Convertible Senior Debentures due 2025**

On September 27, 2005, WESCO International, Inc. issued \$150.0 million aggregate principal amount of 2.625% Convertible Senior Debentures due 2025 in a private offering. Payment of all principal and interest (including contingent interest or additional interest, if any) payable on the Debentures is unconditionally guaranteed by WESCO International's subsidiary, WESCO Distribution, Inc. The Debentures are senior unsecured obligations of WESCO International, and the guarantee is an unsecured senior subordinated obligation of WESCO Distribution. This prospectus covers resales from time to time by selling securityholders of any or all of their Debentures, including the related guarantee, and shares of common stock of WESCO International into which the Debentures are convertible. We will not receive any proceeds from the resale by the selling securityholders of the Debentures or the shares of common stock hereunder.

The Debentures are convertible, at your option, into cash and shares of our common stock initially based on a conversion rate of 23.8872 shares (equivalent to an initial conversion price of approximately \$41.86 per share), subject to adjustment as described in this prospectus, at any time on or prior to the close of business on the trading day immediately preceding the maturity date, only under the circumstances described in this prospectus.

Upon conversion, we will pay cash and shares of our common stock, if any, based on a daily conversion value (as described herein) calculated on a proportionate basis for each day of the 20 trading-day cash settlement averaging period. See Description of the Debentures Conversion Rights Settlement Upon Conversion. In the event of certain types of fundamental changes, we will increase the number of shares issuable upon conversion or, in lieu thereof, we may elect to adjust the conversion obligation and conversion rate so that the Debentures are convertible into shares of the acquiring or surviving company, in each case as described in this prospectus.

The Debentures bear interest at a rate of 2.625% per year. Beginning with the six-month period commencing October 15, 2010, we will also pay contingent interest during any six-month interest period in which the trading price of the Debentures, measured over a specified number of trading days preceding the applicable six-month interest period, is 120% or more of the principal amount of the Debentures. Interest on the Debentures is payable on April 15 and October 15 of each year, beginning on April 15, 2006. The Debentures will mature on October 15, 2025.

The Debentures are subject to special U.S. federal income tax rules. For a discussion of the special tax regulations governing contingent payment debt instruments, see Material U.S. Federal Income and Estate Tax Considerations. We may redeem some or all of the Debentures on or after October 15, 2010, for cash at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest (including contingent interest or additional interest, if any).

You may require us to repurchase all or a portion of your Debentures on October 15, 2010, October 15, 2015 and October 15, 2020 at a cash repurchase price equal to 100% of the principal amount plus accrued and unpaid interest (including contingent interest or additional interest, if any). In addition, you may require us to repurchase all or a portion of your Debentures upon a fundamental change at a cash repurchase price equal to 100% of the principal amount plus accrued and unpaid interest (including contingent interest or additional interest, if any).

Our common stock is listed on The New York Stock Exchange under the ticker symbol WCC. The last reported sale price of our common stock on June 23, 2006 was \$60.91 per share.

We do not intend to apply for listing of the Debentures on any securities exchange or for inclusion of the Debentures in any automated quotation system. The Debentures originally issued in the private offering are eligible for trading on The PORTAL<sup>sm</sup> Market of the National Association of Securities Dealers, Inc. However, the Debentures sold pursuant to this prospectus will no longer be eligible for trading in The PORTAL<sup>sm</sup> Market of the National Association of Securities Dealers, Inc.

The Debentures, including the related guarantee, and the common stock may be sold from time to time by the selling securityholders named in this prospectus through public or private transactions, at prevailing market prices or at

privately negotiated prices, either directly or through agents or broker-dealers acting as principal or agent. The selling securityholders may engage underwriters, brokers, dealers or agents, who may receive commissions or discounts from the selling securityholders. We will pay substantially all of the expenses incident to the registration of the Debentures, including the related guarantee, and shares of our common stock, except for the selling commissions, if any. See Plan of Distribution.

***Investing in the Debentures or our common stock involves risks. See Risk Factors beginning on page 3.***

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

THE DATE OF THIS PROSPECTUS IS JUNE 23, 2006.

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WESCO International, Inc. and WESCO Distribution, Inc., a wholly owned subsidiary of WESCO International, each are a Delaware corporations incorporated in 1993. The principal executive offices of WESCO International and WESCO Distribution are each located at 225 West Station Square Drive, Suite 700, Pittsburgh, Pennsylvania 15219, and the telephone number at that address is (412) 454-2200. Our website is located at [www.wesco.com](http://www.wesco.com). The information in our website is not part of this prospectus.

We currently have trademarks and service marks registered with the U.S. Patent and Trademark Office. The registered trademarks and service marks include: WESCO<sup>®</sup>, our corporate logo, the running man logo, the running man in box logo and The Extra Effort People<sup>®</sup>. In 2005, two trademarks, CB Only the Best is Good Enough and LADD, were added as a result of the acquisition of Carlton-Bates Company. Certain of these and other trademark and service mark registration applications have been filed in various foreign jurisdictions, including Canada, Mexico, the United Kingdom, Singapore and the European Community.

Neither WESCO Distribution, WESCO International nor any of their respective representatives are making any representation to you regarding the legality of an investment by you under applicable laws. You should consult with your own advisors as to legal, tax, business, financial and related aspects of an investment in the Debentures or our common stock.

In making an investment decision, you must rely on your own examination of our business and the terms of the exchange offer, including the merits and risks involved. No person has been authorized to give any information or any representation concerning us, the Debentures, including the related guarantee, or our common stock (other than as contained in this prospectus), and, if given or made, that other information or representation should not be relied upon as having been authorized by us. Neither WESCO International, WESCO Distribution nor any of their respective representatives are making an offer to sell these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front cover of this prospectus.

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**FORWARD-LOOKING INFORMATION**

This prospectus 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 our Annual Report on Form 10-K for our fiscal year ended December 31, 2005, which is incorporated by reference in this prospectus, under Item 1, Business, Item 1A, Risk Factors, and Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, and in our Quarterly Report on Form 10-Q for our fiscal quarter ended March 31, 2006, which is incorporated by reference in this prospectus, under Part I, Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations. When used in this prospectus, the words anticipates, plans, believes, estimates, intends, expects, projects, will and similar 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.

**WESCO INTERNATIONAL, INC.**

With sales of \$4.4 billion in 2005 and \$1.3 billion in the three months ended March 31, 2006, we are a leading North American provider of electrical construction products and electrical and industrial maintenance, repair and operating supplies, commonly referred to as MRO. We believe we are the largest distributor in terms of sales in the estimated \$74 billion\* U.S. electrical wholesale distribution industry based upon published industry sources and our assessment of peer company 2005 sales. We believe we are also the largest provider of integrated supply services for MRO goods and services in the United States.

Our distribution capability combined with integrated supply solutions and outsourcing services are designed to fulfill a customer's MRO procurement needs. We have more than 370 full service branches and eight distribution centers located in the United States, Canada, Mexico, Puerto Rico, Guam, the United Kingdom, Nigeria, United Arab Emirates and Singapore. We serve approximately 100,000 customers worldwide, offering more than 1,000,000 products from more than 24,000 suppliers utilizing a highly automated, proprietary electronic procurement and inventory replenishment system. Our diverse customer base includes a wide variety of industrial companies; contractors for industrial, commercial and residential projects; utility companies; and commercial, institutional and governmental customers. Our top ten customers accounted for approximately 14% of our sales in 2005. Our leading market positions, experienced workforce, extensive geographic reach, broad product and service offerings and acquisition program have enabled us to grow our market position.

\* Source: Electrical wholesale estimated industry sales per *Electrical Wholesaling (November, 2005)* based upon revised U.S. Census Bureau Survey segregating electrical wholesale vs. electrical retail sales. *Electrical Wholesaling's* 2004 estimated industry sales of \$83 billion had aggregated \$67 billion wholesale and \$16 billion retail sales.

**Table of Contents****SUMMARY CONSOLIDATED FINANCIAL DATA**

The table below sets forth certain of our historical consolidated financial data as of and for each of the periods indicated. The financial data for the years ended December 31, 2003, 2004 and 2005, and as of December 31, 2004 and 2005, is derived from our audited consolidated financial statements, which are incorporated by reference in this prospectus. The financial data as of December 31, 2003 is derived from our audited consolidated financial statements, which do not appear and are not incorporated by reference in this prospectus. The financial data for the three-month periods ended March 31, 2005 and 2006, and as of March 31, 2005 and 2006, is derived from our unaudited condensed consolidated financial statements, which are incorporated by reference in this prospectus. In our opinion, such unaudited condensed consolidated financial statements include all adjustments (consisting of normal recurring adjustments) necessary for a fair statement of the financial data for such periods. The results for the three months ended March 31, 2006 are not necessarily indicative of the results to be achieved for the year ending December 31, 2006 or for any other future period.

The data below should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and the notes thereto, which are incorporated by reference in this prospectus.

	Year Ended December 31,			Three Months Ended March 31,	
	2003	2004	2005	2005	2006
(In millions, except share and per share data)					
<b>Income Statement Data:</b>					
Net sales(1)	\$ 3,286.8	\$ 3,741.3	\$ 4,421.1	\$ 990.9	\$ 1,265.5
Gross profit(2)	610.1	712.1	840.7	185.2	253.1
Selling, general and administrative expenses	501.5	544.5	612.8	142.7	169.9
Depreciation and amortization	22.5	18.1	18.6	3.9	6.3
Income from operations	86.1	149.5	209.3	38.6	76.9
Interest expense, net	42.3	40.8	30.2	9.1	6.4
Loss on debt extinguishment(3)	0.2	2.6	14.9	10.1	
Other expenses(4)	4.5	6.6	13.3	2.0	5.0
Income before income taxes	39.1	99.5	150.9	17.4	65.5
Provision for income taxes(5)	9.1	34.6	47.4	6.1	21.0
Net income	\$ 30.0	\$ 64.9	\$ 103.5	\$ 11.3	\$ 44.5
<b>Earnings per common share</b>					
Basic	\$ 0.67	\$ 1.55	\$ 2.20	\$ 0.24	\$ 0.93
Diluted	0.65	1.47	2.10	0.23	0.86
<b>Weighted average common shares outstanding</b>					
Basic	44,631,459	41,838,034	47,085,524	46,694,626	48,031,287
Diluted	46,349,082	44,109,153	49,238,436	49,226,141	51,493,217
<b>Other Financial Data:</b>					
Capital expenditures	\$ 8.4	\$ 12.1	\$ 14.2	\$ 2.7	\$ 4.2
	35.8	21.9	295.1	102.6	32.5

Net cash provided by operating activities(6)					
Net cash used by investing activities	(9.2)	(46.3)	(291.0)	(3.7)	(5.2)
Net cash provided (used) by financing activities(6)	(22.3)	30.7	(17.0)	(114.4)	(19.1)
<b>Balance Sheet Data:</b>					
Total assets	\$ 1,161.2	\$ 1,356.9	\$ 1,651.2	\$ 1,279.5	\$ 1,684.7
Total long-term debt (including current portion)	422.2	417.6	403.6	299.5	374.7
Long-term obligations(7)	53.0	2.0	4.3	1.0	3.3
Stockholders equity	167.7	353.6	491.5	375.0	547.7

(1) The operating results of the business of Fastec Industrial Corp., acquired on July 29, 2005, and Carlton-Bates Company, acquired on September 29, 2005, have been included in the consolidated financial data

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and represented, in the aggregate, sales of \$104.5 million for the year ended December 31, 2005 and \$106.6 million for the three months ended March 31, 2006.

- (2) Excludes depreciation and amortization.
- (3) Represents charges relating to the write-off of unamortized debt issuance and other costs associated with the early extinguishment of debt.
- (4) Represents costs relating to the sale of accounts receivable pursuant to our accounts receivable securitization facility (the Receivables Facility). See Note 4 to our audited consolidated financial statements incorporated by reference in this prospectus.
- (5) Benefits of \$2.6 million in 2003 from the resolution of prior year tax contingencies resulted in an unusually low provision for income taxes.
- (6) In the first quarter of 2006, the provisions of Financial Accounting Standards Board Statement of Financial Accounting Standard 123 (revised 2004), *Share-Based Payment* and SEC staff Accounting Bulletin No. 107, *Share-Based Payment*, requiring the measurement and recognition of all stock-based compensation under the fair value method were adopted.
- (7) Includes amounts due under earnout agreements for past acquisitions.

**RATIOS OF EARNINGS TO FIXED CHARGES**

Our consolidated ratios of earnings to fixed charges for the years ended December 31, 2001, 2002, 2003, 2004 and 2005 and the three months ended March 31, 2006 are as follows:

	<b>Year Ended December 31,</b>					<b>Three Months</b>
	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>Ended March 31, 2006</b>
Ratios of earnings to fixed charges(1):	1.6x	1.5x	1.7x	2.9x	4.7x	7.9x

- (1) For purposes of calculating the ratio of earnings to fixed charges, earnings represents income before income taxes plus fixed charges. Fixed charges consist of interest expense, including amortization of debt issuance costs and the portion of rental expense that management believes is representative of the interest component of rental expense.



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**RISK FACTORS**

Before investing in Debentures or our common stock, you should carefully consider the following risk factors in conjunction with the risk factors set forth in Item 1A of our Annual Report on Form 10-K for our fiscal year ended December 31, 2005 and the other information contained or incorporated by reference in this prospectus, including our historical financial statements and the related notes thereto. These factors, among others, could cause actual results to differ materially from those currently anticipated and presented from time to time in the future by our management. See Special Note on Forward Looking Statements.

**Risks Relating to the Debentures and Our Common Stock**

***We have outstanding consolidated indebtedness of approximately \$374.7 million as of March 31, 2006. This amount of indebtedness could adversely affect our business, financial condition and results of operations and our ability to meet our payment obligations under the notes and our other debt.***

As of March 31, 2006, we had approximately \$374.7 million of outstanding consolidated debt. This level of our debt and the related debt service requirements could have significant consequences on our future operations, including:

making it more difficult for us to meet our payment and other obligations under the Debentures and our other outstanding debt;

resulting in an event of default if we fail to comply with the financial and other restrictive covenants contained in our debt agreements, which event of default could result in all of our debt becoming immediately due and payable;

reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes, and limiting our ability to obtain additional financing for these purposes;

subjecting us to the risk of increased sensitivity to interest rate increases on our indebtedness with variable interest rates, including borrowings under our credit facilities;

limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industry in which we operate and the general economy; and

placing us at a competitive disadvantage compared to our competitors that have less debt or are less leveraged.

Any of the above-listed factors could have an adverse effect on our business, financial condition and results of operations and our ability to meet our payment obligations under the Debentures and our other debt.

As a holding company, our ability to meet our payment and other obligations under our debt instruments depends on our and our subsidiaries' ability to generate significant cash flow in the future. This, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control. We cannot assure you that our business will generate cash flow from operations, or that future borrowings will be available to us under our credit facilities or otherwise, in an amount sufficient to enable us to meet our payment obligations under the Debentures, WESCO Distribution's senior subordinated indebtedness and our other debt and to fund other liquidity needs. If we or our subsidiaries are not able to generate sufficient cash flow to service our debt obligations, we may need to refinance or restructure our debt, including the Debentures, sell assets, reduce or delay capital investments, or seek to raise additional capital. If we or our subsidiaries are unable to implement one or more of these alternatives, we may not be able to meet our payment obligations under the Debentures and our other debt.

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***Despite our current levels of indebtedness, we may incur substantially more debt, which could further exacerbate the risks associated with our substantial indebtedness.***

Although our credit facilities and the indenture regarding WESCO Distribution's senior subordinated indebtedness contains restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the indebtedness incurred in compliance with these restrictions could be substantial. Also, these restrictions do not prevent us from incurring obligations that do not constitute indebtedness as defined in the relevant agreement. If new debt is added to our current debt levels, the related risks that we now face could intensify. At March 31, 2006, WESCO Distribution had approximately \$275 million in available borrowing capacity under its credit facilities. All borrowings under its credit facilities are senior to WESCO Distribution's guarantee of the Debentures.

***Our debt agreements contain covenant restrictions that may limit our ability to operate our business.***

Our credit facilities and the indenture relating to WESCO Distribution's senior subordinated indebtedness contains, and any of our other future debt agreements may contain, covenant restrictions that limit our ability to operate our business, including restrictions on our ability to:

- incur additional debt or issue guarantees;
- create liens;
- make certain investments;
- enter into transactions with our affiliates;
- sell certain assets;
- redeem capital stock or make other restricted payments;
- declare or pay dividends or make other distributions to stockholders; and
- merge or consolidate with any person.

Our credit facilities also require us to maintain specific earnings to fixed expenses and debt to earnings ratios and to meet minimum net worth requirements. In addition, our credit facilities contain additional affirmative and negative covenants that are more restrictive than those contained in the indenture governing the Debentures. Our ability to comply with these covenants is dependent on our future performance, which will be subject to many factors, some of which are beyond our control, including prevailing economic conditions.

As a result of these covenants, our ability to respond to changes in business and economic conditions and to obtain additional financing, if needed, may be significantly restricted, and we may be prevented from engaging in transactions that might otherwise be beneficial to us. In addition, our failure to comply with these covenants could result in a default under the Debentures, WESCO Distribution's senior subordinated indebtedness and our other debt, which could permit the holders to accelerate such debt. If any of our debt is accelerated, we may not have sufficient funds available to repay such debt.

***The Debentures will be effectively subordinated to any existing and future secured indebtedness.***

The Debentures will be our general, unsecured obligations and will rank equally in right of payment with all of our existing and future unsubordinated, unsecured indebtedness. As a result, the Debentures are effectively subordinated to existing and future secured indebtedness we may have to the extent of the value of the assets securing such indebtedness and structurally subordinated to any existing and future liabilities and other indebtedness of our subsidiaries, other than the senior subordinated indebtedness of WESCO Distribution, including the Notes, if issued, and any subordinated indebtedness of WESCO Distribution. These liabilities may include indebtedness, trade payables, guarantees, lease obligations and letter of credit obligations. The Debentures do not restrict us or our subsidiaries from incurring indebtedness, including



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senior secured indebtedness in the future, nor do they limit the amount of indebtedness we can issue that is equal in right of payment.

***Our assets and the assets of our subsidiaries remain subject to a first priority pledge under our revolving credit facility.***

Our obligations and the obligations of WESCO Distribution under our revolving credit facility are secured by a first priority pledge of and security interest in substantially all of our assets and the assets of our subsidiaries, except for real property. If either we or WESCO Distribution become insolvent or are liquidated, or if payment under our revolving credit facility or any other secured indebtedness is accelerated, the lenders under the revolving credit facility or any such other future secured indebtedness will be entitled to exercise the remedies available to a secured lender under applicable law (in addition to any remedies that may be available under the instruments pertaining to the credit facility or such other secured indebtedness). Neither the Debentures nor the guarantee are secured. Accordingly, holders of such secured indebtedness will have a prior claim with respect to the assets securing such indebtedness. See Description of the Notes and Other Indebtedness.

***Our holding company structure may adversely affect our ability to meet our debt service obligations under the Debentures.***

Substantially all of our consolidated assets are held by our subsidiaries. Accordingly, our ability to service our debt, including the Debentures, depends on the results of operations of our subsidiaries and upon the ability of such subsidiaries to provide us with cash, whether in the form of management fees, dividends, loans or otherwise, and to pay amounts due on our obligations, including the Debentures. Our subsidiaries are separate and distinct legal entities and, apart from the guarantee of WESCO Distribution, have no obligation, contingent or otherwise, to make payments on the Debentures or to make any funds available for that purpose. In addition, dividends, loans or other distributions to us from such subsidiaries may be subject to contractual and other restrictions and are subject to other business considerations.

***The guarantee of the Debentures by WESCO Distribution is subordinated to all of its existing and future senior indebtedness, which may inhibit your ability to be repaid pursuant to the guarantee.***

The guarantee of the Debentures is contractually subordinated in right of payment to the existing and future senior indebtedness of WESCO Distribution. At March 31, 2006, WESCO Distribution and its subsidiaries had approximately \$75 million of senior debt, and had the ability to borrow up to an additional \$275 million under our credit facilities, all of which, if borrowed or drawn upon, would be senior debt. Any incurrence of additional indebtedness by us or WESCO Distribution may materially adversely impact our ability to service our debt, including the Debentures. Due to the subordination provisions of the senior subordinated indebtedness of WESCO Distribution, including the Debentures, in the event of our insolvency, funds of WESCO Distribution that would otherwise be used to pay the holders of the Debentures and other senior subordinated indebtedness of WESCO Distribution will be used to pay the holders of senior indebtedness to the extent necessary to pay the senior indebtedness in full. As a result of these payments, general creditors may recover less, ratably, than the holders of senior indebtedness of WESCO Distribution and the general creditors may recover more, ratably, than the holders of the Debentures or other subordinated indebtedness of WESCO Distribution. In addition, the holders of senior indebtedness of WESCO Distribution may, under certain circumstances, restrict or prohibit WESCO Distribution from making payments on the Debentures.

***The guarantee may be unenforceable due to fraudulent conveyance statutes, and, accordingly, you could have no claim against WESCO Distribution.***

Although laws differ among various jurisdictions, a court could, under fraudulent conveyance laws, further subordinate or avoid the guarantees if it found that the guarantees were incurred with actual intent to

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hinder, delay or defraud creditors, or WESCO Distribution did not receive fair consideration or reasonably equivalent value for the guarantee and that WESCO Distribution was any of the following:

insolvent or rendered insolvent because of the guarantee;

engaged in a business or transaction for which its remaining assets constituted unreasonably small capital; or

intended to incur, or believed that it would incur, debts beyond its ability to pay at maturity.

If a court voided the guarantee of WESCO Distribution as the result of a fraudulent conveyance, or held it unenforceable for any other reason, holders of the Debentures would cease to have a claim against WESCO Distribution based on the guarantee and would solely be creditors of WESCO International.

***Not all of our subsidiaries are guarantors, and your claims will be subordinated to all of the creditors of the non-guarantor subsidiaries.***

*Only WESCO Distribution guarantees the Debentures.* In the event of a bankruptcy, liquidation or reorganization of any of the non-guarantor subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those non-guarantor subsidiaries before any assets of the non-guarantor subsidiaries are made available for distribution to WESCO International or WESCO Distribution. As of March 31, 2006, the Debentures were effectively junior to approximately \$213 million of indebtedness and other liabilities (including trade payables) of these non-guarantor subsidiaries. The nonguarantor subsidiaries generated approximately \$284 million of our net sales for the three months ended March 31, 2006 and held approximately \$1.3 billion of our consolidated assets at March 31, 2006.

***The terms of the Debentures do not contain restrictive covenants and provide only limited protection in the event of a change of control.***

The indenture under which the Debentures were issued does not contain restrictive covenants that would protect you from several kinds of transactions that may adversely affect you. In particular, the indenture does not contain covenants that will limit our ability to pay dividends or make distributions on or redeem our capital stock or limit our ability to incur additional indebtedness and, therefore, may not protect you in the event of a highly leveraged transaction or other similar transaction. The requirement that we offer to repurchase the Debentures upon a change of control is limited to the transactions specified in the definition of a fundamental change under Description of the Debentures Repurchase at the Option of the Holder Fundamental Change Put. Similarly, the circumstances under which we are required to adjust the conversion rate upon the occurrence of a non-stock change of control are limited to circumstances where a Debenture is converted in connection with such a transaction as set forth under Description of the Debentures Conversion Rights Adjustment to Conversion Rate Upon a Non-Stock Change of Control. Accordingly, subject to restrictions contained in our other debt agreements, we could enter into certain transactions, such as acquisitions, refinancings or recapitalizations, that could affect our capital structure and the value of the Debentures and common stock but would not constitute a fundamental change under the Debentures.

***We may be unable to repurchase the Debentures for cash when required by the holders, including following a fundamental change.***

Holders of the Debentures have the right to require us to repurchase the Debentures on specified dates or upon the occurrence of a fundamental change prior to maturity as described under Description of the Debentures Repurchase at the Option of the Holder Optional Put and Fundamental Change Put. The occurrence of a change of control would also constitute an event of default under our credit facilities, requiring repayment of amounts outstanding thereunder and the occurrence of a change of control would also enable holders of WESCO Distribution's senior subordinated notes to require WESCO Distribution to repurchase such notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid

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interest and additional interest, if any. Any of our future debt agreements may contain similar provisions. We may not have sufficient funds to make the required repayments and repurchases at such time or the ability to arrange necessary financing on acceptable terms. In addition, our ability to repurchase the Debentures in cash may be limited by law or the terms of other agreements relating to our debt outstanding at the time, including our credit facilities, which will limit our ability to purchase the Debentures for cash in certain circumstances. If we fail to repurchase the Debentures in cash as required by the indenture, it would constitute an event of default under the indenture governing the Debentures, which, in turn, would constitute an event of default under our credit facilities and the indenture related to WESCO Distribution's senior subordinated notes, if the Notes.

***Some significant restructuring transactions may not constitute a fundamental change, in which case we would not be obligated to offer to repurchase the Debentures.***

Upon the occurrence of a fundamental change, you have the right to require us to repurchase Debentures. However, the fundamental change provisions will not afford protection to holders of the Debentures in the event of certain transactions. For example, transactions such as leveraged recapitalizations, refinancings, restructurings or acquisitions initiated by us would not constitute a fundamental change requiring us to repurchase the Debentures. In the event of any such transaction, the holders would not have the right to require us to repurchase the Debentures, even though each of these transactions could increase the amount of our indebtedness, or otherwise adversely affect our capital structure or any credit ratings, thereby adversely affecting the holders of the Debentures.

***Provisions of the Debentures could discourage an acquisition of us by a third party.***

Certain provisions of the Debentures could make it more difficult or more expensive for a third party to acquire us. Upon the occurrence of certain transactions constituting a fundamental change, holders of the Debentures have the right, at their option, to require us to repurchase all of their Debentures or any portion of the principal amount of such Debentures in integral multiples of \$1,000. In addition, the occurrence of certain change of control transactions may result in the Debentures becoming convertible for additional shares or result in antidilution adjustments which may have the effect of making an acquisition of us less attractive. We may also be required to issue additional shares upon conversion or provide for conversion into the acquirer's capital stock in the event of certain fundamental changes.

***The adjustment to the conversion rate upon the occurrence of certain types of fundamental changes may not adequately compensate you for the lost option time value of your Debentures as a result of such fundamental change.***

If certain types of fundamental changes occur on or prior to the date when the Debentures may be redeemed, we may adjust the conversion rate of the Debentures to increase the number of shares issuable upon conversion. The number of additional shares to be issued will be determined based on the date on which the fundamental change becomes effective and the price paid per share of our common stock in the fundamental change as described under Description of the Debentures Conversion Rights Adjustment to Conversion Price Upon Certain Fundamental Changes. Although this adjustment is designed to compensate you for the lost option value of your Debentures as a result of certain types of fundamental changes, the adjustment is only an approximation of such lost value based upon assumptions made on the date of this prospectus and may not adequately compensate you for such loss. In addition, if the price paid per share of our common stock in the fundamental change is less than \$31.01 or more than \$80.00 (subject to adjustment), there will be no such adjustment.

***There is currently no public market for the Debentures, and an active trading market may not develop for the Debentures. The failure of a market to develop for the Debentures could adversely affect the liquidity and value of your Debentures.***

We originally sold the Debentures to a limited number of investors in a private offering in reliance on an exemption from registration under U.S. federal and applicable state securities laws, and we are now

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registering the Debentures, the related guarantee and the common stock issuable upon conversion of the Debentures for resale by the selling securityholders. There is no public market for the Debentures. We do not intend to apply for listing of the Debentures on any securities exchange or for quotation of the Debentures on any automated dealer quotation system. Although the Debentures originally issued in the private offering are eligible for trading in The PORTAL<sup>SM</sup> Market, the Debentures sold pursuant to this prospectus will no longer be eligible for trading in The PORTAL<sup>SM</sup> Market. Despite our registering the Debentures for resale under the Securities Act, a market may not develop for the Debentures, and there can be no assurance as to the liquidity of any market that may develop for the Debentures once the securityholders are able to freely resell the Debentures. If an active, liquid market does not develop for the Debentures, the market price and liquidity of the Debentures may be adversely affected. If any of the Debentures are traded, they may trade at a discount from their initial offering price.

The liquidity of the trading market, if any, and future trading prices of the Debentures will depend on many factors, including, among other things, the market price of our common stock, prevailing interest rates, our operating results, financial performance and prospects, the market for similar securities and the overall securities market, and may be adversely affected by unfavorable changes in these factors. Historically, the market for convertible debt securities has been subject to disruptions that have caused volatility in prices. It is possible that the market for the Debentures will be subject to disruptions which may have a negative effect on the holders of the Debentures, regardless of our operating results, financial performance or prospects.

***The conditional conversion feature of the Debentures could result in your receiving less than the value of the common stock into which a Debenture is convertible.***

The Debentures are convertible into shares of our common stock only if specified conditions are met. If these conditions are not met, you will not be able to convert your Debentures, and you may not be able to receive the value of the common stock into which the Debentures would otherwise be convertible.

***The price of our common stock, and therefore of the Debentures, may fluctuate significantly.***

Stock markets have experienced significant price and trading volume fluctuations, and the market prices of companies in our industry have been volatile. It is impossible to predict whether the price of our common stock will rise or fall. Trading prices of our common stock will be influenced by our operating results and prospects and by economic, financial and other factors. In addition, general market conditions, including the level of, and fluctuations in, the trading prices of stocks generally, and sales of substantial amounts of common stock by us, or the perception that such sales could occur, could affect the price of our common stock and make it more difficult for us to raise funds through future offerings of equity securities. In addition, because the Debentures are convertible into our common stock, volatility or depressed prices for our common stock could have a similar effect on the trading price of the Debentures.

***If you hold Debentures, you will not be entitled to any rights with respect to our common stock, but you will be subject to all changes made with respect to our common stock.***

If you hold Debentures, you will not be entitled to any rights with respect to our common stock (including, without limitation, voting rights and rights to receive any dividends or other distributions on our common stock), but you will be subject to all changes affecting the common stock. You will only be entitled to rights on the common stock if and when we deliver shares of our common stock to you upon conversion of your Debentures. For example, in the event that an amendment is proposed to our charter or bylaws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to your conversion of Debentures, you will not be entitled to vote on the amendment, although you will nevertheless be subject to any changes in the powers, preferences or special rights of our common stock or other classes of capital stock.

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***Future sales of our common stock in the public market or the issuance of securities senior to our common stock could adversely affect the trading price of our common stock and the value of the Debentures and our ability to raise funds in new stock offerings.***

Future sales of substantial amounts of our common stock or equity-related securities in the public market, or the perception that such sales could occur, could adversely affect prevailing trading prices of our common stock and the value of the Debentures and could impair our ability to raise capital through future offerings of equity or equity-related securities. No prediction can be made as to the effect, if any, that future sales of shares of common stock or the availability of shares of common stock for future sale, will have on the trading price of our common stock or the value of the Debentures.

***The trading price of our common stock may decline due to future issuances of shares.***

As of April 28, 2006, there were 48,370,670 shares of our common stock outstanding. In addition, there were: options to purchase 5,482,663 shares of common stock outstanding;

4,692,309 shares of common stock reserved for issuance for future awards under our equity compensation plans; and

3,583,080 shares of common stock reserved for issuance upon conversion of outstanding Debentures.

The issuance or expected issuance, including upon conversion of the Debentures, of a large number of shares of our common stock or sales or expected sales of a large number of our shares of common stock, including sales by the selling securityholders, at any time after the date of this prospectus could negatively affect the trading price of our common stock.

***Upon conversion of the Debentures, we will generally pay cash in lieu of issuing shares of our common stock with respect to an amount up to the principal amount of Debentures converted and shares of our common stock with respect to the conversion value in excess thereof. Therefore, holders of the Debentures may receive no shares of our common stock.***

Upon conversion, we will pay cash and shares of our common stock, if any, based on a daily conversion value (as described herein) calculated on a proportionate basis for each day of the 20 consecutive trading days during the cash settlement averaging period. See Description of the Debentures Conversion Rights Settlement Upon Conversion. Accordingly, upon conversion of a Debenture, holders may not receive any shares of our common stock. Further, our liquidity may be reduced upon conversion of the Debentures. In addition, in the event of our bankruptcy, insolvency or certain similar proceedings during the cash settlement averaging period, there is a risk that a bankruptcy court may decide a holder's claim to receive such cash and shares could be subordinated to the claims of our creditors as a result of such holder's claim being treated as an equity claim in bankruptcy.

***The conversion rate of the Debentures may not be adjusted for all dilutive events that may adversely affect the trading price of the Debentures or the common stock issuable upon conversion of the Debentures.***

The conversion rate of the Debentures is subject to adjustment upon certain events, including the issuance of stock dividends on our common stock, the issuance of rights or warrants, subdivisions, combinations, distributions of capital stock, indebtedness or assets, cash dividends and issuer tender or exchange offers as described under Description of the Debentures Conversion Rights Conversion Rate Adjustments. The conversion rate will not be adjusted for certain other events that may adversely affect the trading price of the Debentures or the common stock issuable upon conversion of the Debentures.



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***Anti-takeover provisions could negatively impact our stockholders.***

Provisions of Delaware law and of our certificate of incorporation and bylaws could make it more difficult for a third-party to acquire control of us. For example, we are subject to Section 203 of the Delaware General Corporation Law, which would make it more difficult for another party to acquire us without the approval of our Board of Directors. Our Board of Directors is divided into three classes, with each class serving a three-year term. Additionally, our Restated Certificate of Incorporation authorizes our Board of Directors to issue preferred stock without requiring any stockholder approval, and preferred stock could be issued as a defensive measure in response to a takeover proposal. These provisions could make it more difficult for a third-party to acquire us even if an acquisition might be in the best interest of our stockholders.

***You will be required to report taxable income for U.S. federal income purposes, perhaps in significant amounts, prior to your receipt of cash.***

We and each holder will be bound by the indenture to treat the Debentures as contingent payment debt instruments subject to the contingent payment debt regulations. As a result, you will be required to include amounts in income, as original issue discount, in advance of cash you receive on the Debentures, and to accrue interest on a constant yield to maturity basis at a rate comparable to the rate at which we would borrow in a fixed-rate, noncontingent, nonconvertible borrowing (which we have determined to be 7.98%, compounded semi-annually), even though the Debentures will have a lower yield to maturity. You will recognize taxable income significantly in excess of cash received while the Debentures are outstanding. In addition, you will recognize ordinary income, if any, upon a sale, exchange, conversion or redemption of the Debentures at a gain. You are urged to consult your own tax advisors as to the U.S. federal, state and other tax consequences of acquiring, owning and disposing of the Debentures and shares of common stock. See Material U.S. Federal Income and Estate Tax Considerations.

***If we pay a cash dividend on our common stock, you may be deemed to have received a taxable dividend without the receipt of any cash.***

If we pay a cash dividend on our common stock, an adjustment to the conversion rate will result, and you may be deemed to have received a taxable dividend subject to U.S. federal income tax without the receipt of any cash. If you are a non-U.S. holder (as defined in Material U.S. Federal Income and Estate Tax Considerations ), such deemed dividend may be subject to U.S. federal withholding tax at a 30% rate or such lower rate as may be specified by an applicable treaty. See Material U.S. Federal Income and Estate Tax Considerations.

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**USE OF PROCEEDS**

We will not receive any proceeds from any sale by any selling securityholder of the Debentures, including the related guarantee, or the shares of common stock issuable upon conversion of the Debentures that are covered by this prospectus.

**DESCRIPTION OF OTHER INDEBTEDNESS**

WESCO Distribution is party to a revolving credit facility, an accounts receivable securitization facility, a mortgage financing facility, a note payable to Bruckner Supply Company, Inc. and a note payable to Fastec Industrial Corp. The principal terms of these financing arrangements are summarized under Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources in our Annual Report on Form 10-K for our fiscal year ended December 31, 2005, which is incorporated herein by reference.

In addition, WESCO Distribution's senior subordinated notes are guaranteed on an unsecured senior basis by us. The guarantee of the Debentures is subordinated in right of payment to all of our existing and future senior debt. The notes are not guaranteed by any of our direct or indirect subsidiaries. The principal terms of the WESCO Distribution's senior subordinated notes are summarized under Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources in our Annual Report on Form 10-K for our fiscal year ended December 31, 2005, which is incorporated herein by reference.

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**DESCRIPTION OF THE DEBENTURES**

On September 27, 2005, we issued \$150.0 million aggregate principal amount of Debentures in a private offering. As of the date of this prospectus, the aggregate principal amount of Debentures outstanding is \$150.0 million. The Debentures were issued under an indenture dated as of September 27, 2005, among us, as issuer, WESCO Distribution, as guarantor, and J.P. Morgan Trust Company, National Association, as trustee. The terms of the Debentures include those provided in the indenture and those provided in the registration rights agreement dated as of September 27, 2005, among us, WESCO Distribution and the initial purchasers.

The following description is only a summary of the material provisions of the Debentures, the indenture and the registration rights agreement. We urge you to read the indenture and the registration rights agreement in their entirety because they, and not this description, define your rights as a holder of the Debentures. The indenture and the registration rights agreement have been filed as exhibits to the registration statement of which this prospectus is a part, and you may request copies of these documents as set forth under the caption **Where You Can Find More Information**.

When we refer to WESCO International, we, our or us in this section, we refer only to WESCO International, Inc. and not its subsidiaries.

**Brief Description of the Debentures**

The Debentures:

are limited to \$150.0 million aggregate principal amount;

bear interest at a rate of 2.625% per year, payable semi-annually in arrears, on April 15 and October 15 of each year, commencing on April 15, 2006;

beginning with the six-month interest period commencing October 15, 2010, bear contingent interest in the circumstances described under **Contingent Interest**;

are general unsecured obligations, ranking equally with all of our other unsecured senior indebtedness and senior in right of payment to any subordinated indebtedness;

are unconditionally guaranteed, on a senior subordinated basis, by our subsidiary WESCO Distribution;

are convertible by you at any time on or prior to the close of business on the trading day preceding the maturity date, only upon satisfaction of one of the conditions for conversion, as described under **Conversion Rights**, into cash and, under certain circumstances, shares of our common stock, initially at a conversion rate of 23.8872 shares of our common stock per \$1,000 in principal amount of Debentures, which represents an initial conversion price of approximately \$41.86 per share. Upon conversion, we will pay cash and shares of our common stock, if any, based on a daily conversion value (as defined below) calculated on a proportionate basis for each day of the 20 consecutive trading days during the cash settlement averaging period (as defined below), all as set forth below under **Settlement Upon Conversion**. In the event of certain types of fundamental changes, we will increase the conversion rate or, in lieu thereof, we may elect to adjust the conversion obligation and conversion rate so that the Debentures are convertible into shares of the acquiring or surviving company, in each case as described herein;

are subject to redemption for cash by us at any time on or after October 15, 2010, in whole or in part, at a redemption price equal to 100% of the principal amount of the Debentures plus accrued and unpaid interest (including contingent interest or additional interest, if any) to, but not including, the redemption date;

are subject to repurchase by us, at your option, on October 15, 2010, October 15, 2015 and October 15, 2020, at a cash repurchase price equal to 100% of the principal amount of the Debentures, plus accrued and unpaid interest (including contingent interest or additional interest, if



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any) to, but not including, the repurchase date, as set forth under      Repurchase at the Option of the Holder  
Optional Put;

are subject to repurchase by us at your option if a fundamental change occurs, at a cash repurchase price equal to 100% of the principal amount of the Debentures, plus accrued and unpaid interest (including contingent interest or additional interest, if any) to, but not including, the repurchase date, as set forth under      Repurchase at the Option of the Holder      Fundamental Change Put ; and

are due on October 15, 2025, unless earlier converted, redeemed by us at our option or repurchased by us at your option.

Neither we nor any of our subsidiaries are subject to any financial covenants under the indenture. In addition, neither we nor any of our subsidiaries are restricted under the indenture from paying dividends, incurring debt or issuing or repurchasing our securities. You are not afforded protection under the indenture in the event of a highly leveraged transaction or a change in control of us, except to the extent described below under      Conversion Rights      and      Repurchase at Option of the Holder      Fundamental Change Put.

No sinking fund is provided for the Debentures, and the Debentures are not subject to defeasance.

The Debentures initially were issued in book-entry form only in denominations of \$1,000 principal amount and whole multiples thereof. Beneficial interests in the Debentures are shown on, and transfers of beneficial interests in the Debentures are effected only through, records maintained by The Depository Trust Company, or DTC, or its nominee, and any such interests may not be exchanged for certificated Debentures except in limited circumstances. For information regarding conversion, registration of transfer and exchange of global Debentures held in DTC, see      Form, Denomination and Registration      Global Debentures, Book-Entry Form.

If certificated Debentures are issued, you may present them for conversion, registration of transfer and exchange, without service charge, at our office or agency in New York City, which will initially be the office or agency of the trustee in New York City.

**Payment at Maturity**

On the maturity date, each holder will be entitled to receive on such date \$1,000 in cash for each \$1,000 in principal amount of Debentures, together with premium, if any, and accrued and unpaid interest (including contingent interest and additional interest, if any) to, but not including, the maturity date. With respect to global Debentures, principal and interest (including contingent interest and additional interest, if any) will be paid to DTC in immediately available funds. With respect to any certificated Debentures, principal, premium, if any, and interest (including contingent interest and additional interest, if any) will be payable at our office or agency in New York City, which initially will be the office or agency of the trustee in New York City.

**Interest**

The Debentures bear interest at a rate of 2.625% per year. Interest will accrue from September 27, 2005, or from the most recent date to which interest has been paid or duly provided for. Beginning with the six-month interest period commencing October 15, 2010, we will pay contingent interest under certain circumstances as described under

Contingent Interest. We will pay interest (including contingent interest and additional interest, if any) semi-annually, in arrears on April 15 and October 15 of each year, commencing on April 15, 2006, to holders of record at 5:00 p.m., New York City time, on the preceding April 1 and October 1, respectively. However, there are two exceptions to the preceding sentence:

we will not pay in cash accrued interest (including contingent interest or additional interest, if any, but excluding any additional interest) on any Debentures when they are converted, except as described under      Conversion Rights; and

we will pay accrued and unpaid interest (including contingent interest and additional interest, if any) to a person other than the holder of record on the record date on the maturity date. On such date, we will pay accrued and unpaid interest only to the person to whom we pay the principal amount.



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Similarly, the interest payable upon redemption or repurchase following a fundamental change will be payable to the person to whom principal is payable upon maturity or pursuant to such redemption or repurchase following a fundamental change (unless the redemption date or the fundamental change repurchase date, as the case may be, is after a record date and on or prior to the corresponding interest payment date, in which case the semi-annual payment of interest becoming due on such interest payment date shall be payable to the holder of such Debentures registered as such on the applicable record date).

We will pay interest on:

global Debentures to DTC in immediately available funds;

any certificated Debentures having a principal amount of less than \$2,000,000, by check mailed to the holders of those Debentures; provided, however, at maturity, interest will be payable as described under Payment at Maturity; and

any certificated Debentures having a principal amount of \$2,000,000 or more, by wire transfer in immediately available funds at the election of the holders of these Debentures duly delivered to the trustee at least five business days prior to the relevant interest payment date; provided, however, at maturity, interest will be payable as described under Payment at Maturity.

Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. If a payment date is not a business day, payment will be made on the next succeeding business day, and no additional interest will accrue thereon.

To the extent lawful, payments of principal, premium or interest (including contingent interest and additional interest, if any) on the Debentures that are not made when due will accrue interest at the annual rate of 1% above the then applicable interest rate from the required payment date.

**Contingent Interest**

Beginning with the six-month interest period commencing October 15, 2010, we will pay contingent interest during any six-month interest period to the holders of the Debentures if the trading price of the Debentures for each of the five trading days ending on the second trading day immediately preceding the first day of the applicable six-month interest period equals or exceeds 120% of the principal amount of the Debentures.

During any six-month period when contingent interest shall be payable, the contingent interest payable per \$1,000 principal amount of the Debentures will equal 0.25% of the average trading price of \$1,000 principal amount of Debentures during the five trading days ending on the second trading day immediately preceding the first day of the applicable six-month interest period.

Trading price for purposes of determining contingent interest shall have the meaning set forth under Conversion Rights Conversion Upon Satisfaction of Trading Price Condition, except that, for purposes of determining the trading price for the contingent interest provisions only, if the trustee cannot reasonably obtain at least one bid for \$5,000,000 principal amount of the Debentures from a nationally recognized securities dealer, then the trading price per \$1,000 principal amount of the Debentures will be deemed to equal the product of:

the conversion rate then in effect; and

the average closing sale price of our common stock over the five trading-day period ending on such determination date.

We will notify holders by issuing a press release prior to the beginning of any six-month interest period that they will be entitled to receive contingent interest during such six-month interest period.

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### **Subsidiary Guarantee**

WESCO Distribution, as primary obligor and not merely as surety, has irrevocably and unconditionally guaranteed on an unsecured senior subordinated basis the performance and full and punctual payment when due, whether at stated maturity, by acceleration or otherwise, of all obligations of WESCO International under the indenture and the Debentures, whether for payment of principal of or interest on (including contingent interest or additional interest, if any) the Debentures, expenses, indemnification or otherwise (all such obligations guaranteed by WESCO Distribution are referred to herein as the guaranteed obligations). WESCO Distribution has agreed to pay, in addition to the amount stated above, any and all costs and expenses (including reasonable counsel fees and expenses) incurred by the trustee or the Debenture holders in enforcing any rights under the WESCO Distribution guarantee. The WESCO Distribution guarantee is limited in amount to an amount not to exceed the maximum amount that can be guaranteed by WESCO Distribution without rendering the indenture, as it relates to WESCO Distribution, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally. See Risk Factors The guarantees may be unenforceable due to fraudulent conveyance statutes, and accordingly you could have no claim against the guarantors.

The guarantor may, without the consent of the holders of Debentures, consolidate with, merge with or into or transfer all or substantially all of their assets to any other person organized under the laws of the United States or any of its political subdivisions provided that:

the surviving person assumes all of the guarantor's obligations under the indenture;

at the time of such transaction, no event of default, and no event which, after notice or lapse of time, would become an event of default, shall have happened and be continuing; and

certain other conditions are met.

### ***Subordination***

The guarantee of the payment of principal of, premium and additional interest, if any, and interest (including contingent interest and additional interest, if any) on the Debentures is subordinated in right of payment, as set forth in the indenture, to all existing and future Senior Indebtedness of WESCO Distribution, ranks *pari passu* in right of payment with all existing and future Senior Subordinated Indebtedness of WESCO Distribution and is senior in right of payment to all existing and future Subordinated Obligations of WESCO Distribution. The Debentures also are effectively subordinated to any Secured Indebtedness of WESCO Distribution and its subsidiaries to the extent of the value of the assets securing such indebtedness and are effectively subordinated to all other obligations of the subsidiaries of WESCO Distribution.

We conduct certain of our operations through subsidiaries of WESCO Distribution. Claims of creditors of such subsidiaries, including trade creditors, and claims of preferred stockholders (if any) of such subsidiaries generally have priority with respect to the assets and earnings of such subsidiaries over the claims of creditors of WESCO Distribution, including the holders of Debentures by virtue of the guarantee of WESCO Distribution. The Debentures, therefore, are effectively subordinated to creditors (including trade creditors) and preferred stockholders (if any) of subsidiaries of WESCO Distribution. As of March 31, 2006 on an as adjusted basis, the subsidiaries of WESCO Distribution had approximately \$213 million of Indebtedness, excluding guarantees of indebtedness under the revolving credit facility, but had trade payables and other liabilities incurred in the ordinary course of business. The indenture does not limit the incurrence of indebtedness by and the issuance of preferred stock by any of WESCO Distribution's subsidiaries.

As of March 31, 2006:

the outstanding Senior Indebtedness of WESCO Distribution was approximately \$75 million, approximately \$51 million of which was Secured Indebtedness (exclusive of unused commitments under the credit facilities); and



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WESCO Distribution had no outstanding Senior Subordinated Indebtedness other than its senior subordinated notes and no outstanding Indebtedness that is subordinate or junior in right of repayment to the guarantee. The indenture does not limit the incurrence of indebtedness by and the issuance of preferred stock by WESCO Distribution.

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

any obligation of WESCO Distribution to any subsidiary;

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

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

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

any payment obligations with respect to any capital stock; or

any indebtedness incurred in violation of the anti-layering provision in the indenture.

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

Credit Agreement means the amended and restated credit agreement dated as of June 17, 2005 among WESCO Distribution, the other Credit Parties (as defined therein) party thereto, General Electric Capital Corporation, for itself as lender and as agent for lenders, the CIT Group/ Business Credit, Inc., as syndication agent and lender and the other lenders party thereto from time to time, as amended, restated, supplemented, waived, refinanced, replaced, renewed, extended or otherwise modified from time to time.

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

Refinancing Indebtedness means indebtedness that is incurred to refund, refinance, replace, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any indebtedness of WESCO Distribution or any Restricted Subsidiary existing on the closing date of this offering or incurred in compliance with the Note indenture (including indebtedness of WESCO Distribution that refinances Refinancing Indebtedness); provided, however, that (i) the Refinancing Indebtedness has a stated maturity no earlier than the stated maturity of the indebtedness being refinanced, (ii) the Refinancing Indebtedness has an



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average life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the average life of the Indebtedness being refinanced and (iii) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the indebtedness being refinanced (plus any accrued interest and premium thereon and reasonable expenses incurred in connection therewith); provided further, however, that Refinancing Indebtedness shall not include (x) Indebtedness of a Restricted Subsidiary (as defined in the indenture) that Refinances Indebtedness of WESCO Distribution or (y) indebtedness of WESCO Distribution or a Restricted Subsidiary that refinances indebtedness of an Unrestricted Subsidiary (as defined in the indenture).

Subordinated Obligation means any indebtedness of WESCO Distribution (whether outstanding on the closing date or thereafter incurred) that is subordinate or junior in right of payment to the WESCO Distribution guarantee pursuant to a written agreement.

Only indebtedness of WESCO Distribution that is Senior Indebtedness ranks senior to the guarantee in accordance with the provisions of the indenture. The guarantee is in all respects rank pari passu with all other Senior Subordinated Indebtedness of WESCO Distribution, including WESCO Distribution's senior subordinated notes. WESCO Distribution has agreed in the indenture that it will not incur, directly or indirectly, any indebtedness which is subordinate or junior in ranking in any respect to Senior Indebtedness unless such Indebtedness is Senior Subordinated Indebtedness or is expressly subordinated in right of payment to Senior Subordinated Indebtedness. Unsecured Indebtedness is not deemed to be subordinate or junior to Secured Indebtedness merely because it is unsecured.

WESCO Distribution may not pay principal of, premium (if any) or interest (including contingent interest and additional interest, if any) in respect of the guarantee of the Debentures, and may not otherwise repurchase, redeem or otherwise retire any Debentures (collectively, pay its guarantee ) if:

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

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

However, WESCO Distribution may make payment in respect of its guarantee without regard to the foregoing, if WESCO Distribution and the trustee receive written notice approving such payment from the representative of the Designated Senior Indebtedness with respect to which either of the events set forth above has occurred and is continuing. During the continuance of any default (other than a default described in the preceding paragraph) with respect to any Designated Senior Indebtedness pursuant to which the maturity thereof may be accelerated immediately without further notice (except such notice as may be required to effect such acceleration) or the expiration of any applicable grace periods, WESCO Distribution may not pay its guarantee for a period, referred to as Payment Blockage Period, commencing upon the receipt by the trustee (with a copy to WESCO Distribution) of written notice, or Blockage Notice, of such default from the representative of such Designated Senior Indebtedness specifying an election to effect a Payment Blockage Period and ending 179 days thereafter (or earlier if such Payment Blockage Period is terminated by written notice to the Trustee and WESCO Distribution from the Person or Persons who gave such Blockage Notice, by repayment in full in cash or cash equivalents of such Designated Senior Indebtedness or because the default giving rise to such Blockage Notice is no longer continuing). Notwithstanding the provisions described in the immediately preceding sentence (but subject to the provisions contained in the first sentence of this paragraph), unless the holders of such Designated Senior Indebtedness or the Representative of such holders have accelerated the maturity of such Designated Senior Indebtedness, WESCO Distribution may resume payments on its guarantee after the end of such Payment Blockage Period. Not more than one Blockage Notice may be given in any consecutive 360-day period, irrespective of the number of defaults with respect to Designated Senior Indebtedness during such period. However, if any Blockage Notice within such 360-day period is given by or on behalf of any

holders of Designated Senior Indebtedness other than the Bank Indebtedness, the representative of the Bank Indebtedness may give another Blockage Notice within

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such period. In no event, however, may the total number of days during which any Payment Blockage Period or Periods is in effect exceed 179 days in the aggregate during any 360 consecutive day period. For purposes of this paragraph, no default or event of default that existed or was continuing on the date of the commencement of any Payment Blockage Period with respect to the Designated Senior Indebtedness initiating such Payment Blockage Period shall be, or be made, the basis of the commencement of a subsequent Payment Blockage Period by the Representative of such Designated Senior Indebtedness, whether or not within a period of 360 consecutive days, unless such default or event of default has been cured or waived for a period of not less than 90 consecutive days.

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

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

By reason of these subordination provisions contained in the indenture in relation to the guarantee, in the event of insolvency, creditors of WESCO Distribution who are holders of Senior Indebtedness of WESCO Distribution may recover more, ratably, than the holders of the Debentures, and creditors of WESCO Distribution who are not holders of Senior Indebtedness of WESCO Distribution or who are holders of Senior Subordinated Indebtedness of WESCO Distribution (including the Debentures by virtue of the guarantee of WESCO Distribution) may recover less, ratably, than holders of Senior Indebtedness of WESCO Distribution.

**Conversion Rights**

Holders may convert their Debentures prior to the close of business on the trading day immediately preceding the maturity date based on an initial conversion rate of 23.8872 shares of common stock per \$1,000 principal amount of Debentures (equivalent to an initial conversion price of approximately \$41.86 per share), only if the conditions for conversion described below are satisfied. The conversion rate is subject to adjustment as described below. As described under Conversion Procedures Settlement Upon Conversion, upon conversion of Debentures, we will pay cash and shares of our common stock, if any, based on a daily conversion value calculated on a proportionate basis for each day of the 20 trading-day cash settlement averaging period. Unless we have previously redeemed or purchased the Debentures, you will have the right to convert any portion of the principal amount of any Debentures that is an integral multiple of \$1,000 at any time on or prior to the close of business on the trading day immediately preceding the maturity date only under the following circumstances:

- (1) prior to October 15, 2023, on any date during any fiscal quarter beginning after December 31, 2005 (and only during such fiscal quarter) if the closing sale price of our common stock was more than 120% of the then current conversion price for at least 20 trading days in the period of the 30 consecutive trading days ending on the last trading day of the previous fiscal quarter;

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(2) at any time on or after October 15, 2023;

(3) with respect to any Debentures called for redemption, until the close of business on the business day prior to the redemption date;

(4) if we distribute to all or substantially all holders of our common stock rights, options or warrants entitling them to purchase, for a period of 45 calendar days or less, shares of our common stock at a price less than the average closing sale price for the ten trading days preceding the declaration date for such distribution, as described below in more detail under Conversion Upon Specified Corporate Transactions ;

(5) if we distribute to all or substantially all holders of our common stock, cash or other assets, debt securities or rights to purchase our securities, which distribution has a per share value exceeding 5% of the closing sale price of our common stock on the trading day preceding the declaration date for such distribution, as described below in more detail under Conversion Upon Specified Corporate Transactions ;

(6) during a specified period if a fundamental change occurs, as described in more detail below under Conversion Upon a Fundamental Change ; or

(7) during the five consecutive trading-day period following any five consecutive trading-day period in which the average trading price for the Debentures was less than 98% of the product of the closing sale price of our common stock and the then current conversion rate for each day of such five trading-day period, as described in more detail below under Conversion Upon Satisfaction of Trading Price Condition; we refer to this condition as the trading price condition.

In the case of clauses (4) and (5) immediately above, we will notify you at least 20 calendar days prior to the ex-dividend date for such distribution; once we have given such notice, you may surrender your Debentures for conversion at any time until the earlier of 5:00 p.m., New York City time, on the business day preceding the ex-dividend date and any announcement by us that such distribution will not take place; in the case of a distribution identified in clauses (4) and (5) immediately above, you may not convert your Debentures if you will otherwise participate in the distribution without conversion as a result of holding the Debentures.

The closing sale price of any share of our common stock on any trading date means the closing sale price of such security (or if no closing sale price is reported, the average of the closing bid and closing ask prices or, if more than one in either case, the average of the average closing bid and the average closing ask prices) on such date as reported in composite transactions for the principal U.S. securities exchange on which our common stock is traded or, if our common stock is not listed on a U.S. national or regional securities exchange, as reported by the Nasdaq System or by Pink Sheets LLC. In the absence of such a quotation, the closing sale price by a nationally recognized securities dealer retained by us for that purpose. The closing sale price will be determined without reference to extended or after hours trading. The conversion price on any day will equal \$1,000 divided by the conversion rate in effect on that day.

Except as provided in the next paragraph, upon conversion, you will not receive any separate cash payment of accrued and unpaid interest (including contingent interest or additional interest, if any, but excluding any additional interest) on the Debentures. Accrued and unpaid interest (including contingent interest or additional interest, if any, but excluding any additional interest) and accrued tax original issue discount, if any, to the conversion date is deemed to be paid in full with the shares of our common stock issued or cash paid upon conversion rather than cancelled, extinguished or forfeited.

If you convert after the record date for an interest payment but prior to the corresponding interest payment date, you will receive on the corresponding interest payment date the interest (including contingent interest and additional interest, if any) accrued and unpaid on your Debentures, notwithstanding your conversion of those Debentures prior to the interest payment date, assuming you were the holder of record on the corresponding record date. However, except as provided in the next sentence, at the time you surrender your Debentures for conversion, you must pay us an amount equal to the interest (including contingent



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interest, if any, but excluding any additional interest) that has accrued and will be paid on the Debentures being converted on the corresponding interest payment date. You are not required to make such payment:

if you convert your Debentures in connection with a redemption and we have specified a redemption date that is after a record date and on or prior to the corresponding interest payment date;

if you convert your Debentures in connection with a fundamental change and we have specified a fundamental change repurchase date that is after a record date and on or prior to the corresponding interest payment date; or

to the extent of any overdue interest (including overdue contingent interest or additional interest, if any), if overdue interest (or overdue contingent interest) exists at the time of conversion with respect to your Debentures. Except as described under Conversion Rate Adjustments, we will not make any payment or other adjustment for dividends on any common stock issued upon conversion of the Debentures.

We will not issue fractional shares of our common stock upon conversion of the Debentures. Instead, we will pay cash in lieu of fractional shares based on the closing sale price of our common stock on the trading day immediately preceding the conversion date.

***Conversion Upon Specified Corporate Transactions***

You will have the right to convert your Debentures if we:

distribute to all or substantially all holders of our common stock rights, options or warrants (other than pursuant to a rights plan) entitling them to purchase, for a period of 45 calendar days or less, shares of our common stock at a price less than the average closing sale price for the ten trading days preceding the declaration date for such distribution; or

distribute to all or substantially all holders of our common stock, cash or other assets, debt securities or rights to purchase our securities (other than pursuant to a rights plan), which distribution has a per share value exceeding 5% of the closing sale price of our common stock on the trading day preceding the declaration date for such distribution.

We will notify you at least 20 calendar days prior to the ex-dividend date for such distribution. Once we have given such notice, you may surrender your Debentures for conversion at any time until the earlier of 5:00 p.m., New York City time, on the business day preceding the ex-dividend date or any announcement by us that such distribution will not take place. You may not convert any of your Debentures based on this conversion contingency if you will otherwise participate in the distribution without conversion as a result of holding the Debentures.

You will also have the right to convert your Debentures if we are a party to a consolidation, merger, binding share exchange or sale or conveyance of all or substantially all of our property and assets not constituting a fundamental change, in each case pursuant to which our common stock would be converted into cash, securities and/or other property. In such event, you will have the right to convert your Debentures at any time beginning 15 calendar days prior to the date announced by us as the anticipated effective date of the transaction and until and including the date which is 15 calendar days after the date that is the actual effective date of such transaction. If you do not convert your Debentures during this period, you will generally be entitled to receive, upon subsequent conversion, if any, the kind and amount of cash, securities and other property that you would have received if you had converted your Debentures immediately prior to the transaction.

***Conversion Upon a Fundamental Change***

If a fundamental change (as defined under Repurchase at Option of the Holder Fundamental Change Put ) occurs, you will have the right to convert your Debentures at any time beginning on the business day following the effective date of the fundamental change until 5:00 p.m., New York City time, on



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the business day preceding the repurchase date relating to such fundamental change. We will notify you of the anticipated effective date of any fundamental change at least 10 calendar days prior to such date. If you convert your Debentures in connection with a fundamental change, you will receive:

(1) cash equal to the lesser of (i) the principal amount of the Debentures converted and (ii) the conversion value and (2) if the conversion value exceeds the principal amount of the Debentures converted, an amount of cash, securities and other assets or property equal to such excess based on the consideration that you would have received if you had held a number of shares of common stock based on the conversion rate immediately prior to the transaction, with the conversion value based on the consideration received in such transaction; and

under certain circumstances, the transaction consideration with respect to additional shares of common stock, which will be in an amount determined as set forth under Adjustment to Conversion Rate Upon a Non-Stock Change of Control and which will be payable following certain types of fundamental change.

If you have submitted any or all of your Debentures for repurchase, unless you have withdrawn such Debentures in a timely fashion, your conversion rights on the Debentures so subject to repurchase will expire at 5:00 p.m., New York City time, on the business day preceding the repurchase date, unless we default in the payment of the repurchase price. If you have submitted any Debentures for repurchase, such Debentures may be converted only if you submit a withdrawal notice, and if the Debentures are evidenced by global Debentures, you comply with appropriate DTC procedures.

***Conversion Upon Satisfaction of Trading Price Condition***

You may surrender your Debentures for conversion prior to maturity during the five trading-day period following any five consecutive trading-day period in which the trading price per \$1,000 principal amount of Debentures, as determined following a request by a holder of Debentures in accordance with the procedures described below, for each trading day of such five trading-day period was less than 98% of the product of the closing sale price of our common stock and the then current conversion rate for each day of such five-day trading period.

The trading price of the Debentures on any date of determination means the average of the secondary market bid quotations per \$1,000 principal amount of Debentures obtained by the trustee for \$5,000,000 principal amount of the Debentures at approximately 3:30 p.m., New York City time, on such determination date from two independent nationally recognized securities dealers we select, which may include one or more of the initial purchasers, provided that if at least two such bids cannot reasonably be obtained by the trustee, but one such bid can reasonably be obtained by the trustee, this one bid will be used. If the trustee cannot reasonably obtain at least one bid for \$5,000,000 principal amount of the Debentures from a nationally recognized securities dealer, then, for purposes of the trading price condition only, the trading price of the Debentures will be deemed to be less than 98% of the applicable conversion rate of the Debentures multiplied by the closing sale price of our common stock on such determination date.

The trustee will determine the trading price of the Debentures upon our request. We will have no obligation to make that request unless a holder of Debentures requests that we do so. If a holder provides such request, we will instruct the trustee to determine the trading price of the Debentures for the applicable period.

***Conversion Procedures***

***Procedures to be Followed by a Holder***

If you hold a beneficial interest in global Debentures, to convert you must deliver to DTC the appropriate instruction form for conversion pursuant to DTC's conversion program and, if required, pay funds equal to interest payable (including contingent interest or additional interest, if any, but excluding any additional interest) on the next interest payment date to which you are not entitled and, if required, pay all taxes or duties, if any.

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If you hold certificated Debentures, to convert you must:

complete and manually sign the conversion notice on the back of the Debentures or a facsimile of the conversion notice;

deliver the completed conversion notice and the Debentures to be converted to the conversion agent;

if required, furnish appropriate endorsements and transfer documents;

if required, pay funds equal to interest (including contingent interest or additional interest, if any, but excluding any additional interest) payable on the next interest payment date to which you are not entitled; and

if required, pay all transfer or similar taxes, if any.

The conversion date will be the date on which you have satisfied all of the foregoing requirements. The Debentures will be deemed to have been converted immediately prior to 5:00 p.m., New York City time, on the conversion date.

You will not be required to pay any taxes or duties relating to the issuance or delivery of our common stock if you exercise your conversion rights, but you will be required to pay any tax or duty that may be payable relating to any transfer involved in the issuance or delivery of the common stock in a name other than your own. Certificates representing common stock will be issued and delivered only after all applicable taxes and duties, if any, payable by you have been paid in full.

***Settlement Upon Conversion***

Upon conversion, we will deliver to holders in respect of each \$1,000 principal amount of Debentures being converted a settlement amount equal to the sum of the daily settlement amounts (as defined below) for each of the twenty trading days during the cash settlement averaging period.

The cash settlement averaging period with respect to any Debentures means the 20 consecutive trading-day period beginning on and including the second trading day after you deliver your conversion notice to the conversion agent, except that with respect to any notice of conversion received after the date of issuance of a notice of redemption as described under *Optional redemption*, the cash settlement averaging period means the 20 consecutive trading days beginning on and including the twenty-third scheduled trading day prior to the applicable redemption date and except that with respect to any conversion arising solely by reason of the occurrence of a fundamental change, the cash settlement averaging period means the 20 consecutive trading days beginning on and including the twenty-third scheduled trading day prior to the fundamental change repurchase date.

Daily settlement amount, for each \$1,000 principal amount of Debentures, for each of the twenty trading days during the cash settlement averaging period, shall consist of:

cash equal to the lesser of \$50 and the daily conversion value; and

to the extent the daily conversion value exceeds \$50, a number of shares equal to, (A) the difference between the daily conversion value and \$50, divided by (B) the closing sale price of our common stock for such day.

Daily conversion value means, for each of the 20 consecutive trading days during the cash settlement averaging period, one-twentieth (1/20) of the product of (1) the applicable conversion rate and (2) the closing sale price of our common stock (or the consideration into which our common stock has been converted in connection with certain corporate transactions) on such day.

Trading day means a day during which (i) trading in our common stock generally occurs, (ii) there is no market disruption event and (iii) a closing sale price for our common stock is provided on the New York Stock Exchange or, if our common stock is not listed on the New York Stock Exchange, on the principal other U.S. national or regional securities exchange on which our common stock is then listed or, if our

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common stock is not listed on a U.S. national or regional securities exchange, on the principal other market on which our common stock is then traded.

Market disruption event means the occurrence or existence during the one-half hour period ending on the scheduled close of trading on any trading day for our common stock of any material suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the stock exchange or otherwise) in our common stock or in any options, contracts or future contracts relating to our common stock.

We will deliver the settlement amount to converting holders on the third business day immediately following the last day of the applicable cash settlement averaging period.

We will deliver cash in lieu of any fractional shares of common stock issuable in connection with payment of the settlement amount.

### ***Conversion Rate Adjustments***

We will adjust the conversion rate for certain events, including:

(1) issuances of our common stock as a dividend or distribution on our common stock;

(2) certain subdivisions, combinations or reclassifications of our common stock;

(3) issuances to all or substantially all holders of our common stock of certain rights or warrants to purchase, for a period of up to 45 days, our common stock at less than the then-current market price of our common stock, provided that the conversion rate will be readjusted to the extent that any of the rights or warrants are not exercised prior to their expiration;

(4) distributions to all or substantially all holders of our common stock, shares of our capital stock (other than our common stock), evidences of our indebtedness or assets, including securities, but excluding: the rights and warrants referred to in clause (3) above;

any dividends and distributions in connection with a reclassification, change, consolidation, merger, combination, sale or conveyance resulting in a change in the conversion consideration pursuant to the sixth succeeding paragraph below;

any dividends or distributions paid exclusively in cash; or

any dividends or distributions referred to in the clause (1) above;

(5) dividends or other distributions consisting exclusively of cash to all or substantially all holders of our common stock (other than dividends or distributions made in connection with our liquidation, dissolution or winding-up or upon a merger or consolidation), in which event the conversion rate will be adjusted by multiplying: the conversion rate by, a fraction,

the numerator of which will be the current market price of our common stock and the denominator of which will be the current market price of our common stock minus the amount per share of such dividend or distribution.

(6) purchases of our common stock pursuant to a tender offer or exchange offer made by us or any of our subsidiaries to the extent that the cash and value of any other consideration included in the payment per share of common stock exceeds the closing sale price per share of our common stock on the trading day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer; and

(7) purchases of our common stock pursuant to a tender offer or exchange offer by a person other than us or any or our subsidiaries in which, as of the closing date of the offer, our board of directors is



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not recommending rejection of the offer. The adjustment referred to in this provision will only be made if: the tender offer or exchange offer is for an amount that increases the offeror's ownership of WESCO International common stock to more than 25% of the total shares of common stock outstanding; and

if the cash and value of any other consideration included in such payment per share exceeds the current market price per share on the business day immediately following the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer.

However, the adjustment referred to in this clause (7) will generally not be made if, as of the closing of the offer, the offering documents disclose a plan or an intention to cause us to engage in a consolidation or merger or sale of all or substantially all of our assets.

For purposes of clause (3) and (5) above, current market price means the average closing sale price of our common stock for the 10 consecutive trading days immediately prior to the record date for the distribution requiring such computation.

To the extent that any future rights plan adopted by us is in effect upon conversion of the Debentures into common stock only or a combination of cash and common stock, you will receive, in addition to the common stock, the rights under the applicable rights agreement unless the rights have separated from our common stock at the time of conversion of the Debentures, in which case, the conversion rate will be adjusted as if we distributed to all holders of our common stock shares of our capital stock, evidences of indebtedness or assets as described above in clause (4), subject to readjustment in the event of the expiration, termination or redemption of such rights.

We will not make any adjustment if holders may participate in the transaction or in certain other cases. In cases where the fair market value of assets, debt securities or certain rights, warrants or options to purchase our securities, applicable to one share of common stock, distributed to stockholders:

equals or exceeds the average closing price of the common stock over the ten consecutive trading day period ending on the record date for such distribution, or

such average closing price exceeds the fair market value of such assets, debt securities or rights, warrants or options so distributed by less than \$1.00,

rather than being entitled to an adjustment in the conversion price, the holder of a Debenture will be entitled to receive upon conversion, in addition to the shares of common stock, the kind and amount of assets, debt securities or rights, warrants or options comprising the distribution that such holder would have received if such holder had converted such Debentures solely into common stock immediately prior to the record date for determining the stockholders entitled to receive the distribution.

Except as stated above, we will not adjust the conversion rate for the issuance of our common stock or any securities convertible into or exchangeable for our common stock or carrying the right to purchase any of the foregoing.

In the event that we distribute shares of capital stock of a subsidiary of ours pursuant to clause (4) above, the conversion rate will be adjusted, if at all, based on the market value of the subsidiary stock so distributed relative to the market value of our common stock, in each case over a measurement period following the distribution.

If we:

reclassify or change our common stock (other than changes resulting from a subdivision or combination), or

consolidate or merge with or into any person or sell, lease, transfer, convey or otherwise dispose of all or substantially all of our assets and those of our subsidiaries taken as a whole to another person,

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and the holders of our common stock receive stock, other securities or other property or assets (including cash or any combination thereof) with respect to or in exchange for their common stock, each outstanding Debenture will, without the consent of any holders of the Debentures, become convertible only into the cash and other consideration the holders of the Debentures would have received if they had converted their Debentures immediately prior to such reclassification, change, consolidation, merger, sale, lease, transfer, conveyance or other disposition (assuming such holder of common stock received proportionately the same consideration received by all common stock holders in the aggregate), except in the limited case of a public acquirer change of control where we elect to have the Debentures convertible into public acquirer common stock as described below under **Conversion After a Public Acquirer Change of Control** and except that the provisions above under **Settlement Upon Conversion** relating to the satisfaction of the conversion obligation shall continue to apply with the daily conversion value calculated based on the consideration received in such transaction. We may not become a party to any such transaction unless its terms are consistent with the foregoing.

If a taxable distribution to holders of our common stock or other transaction occurs that results in any adjustment of the conversion rate (including an adjustment at our option), you may, in certain circumstances, be deemed to have received a distribution subject to U.S. income tax as a dividend. In certain other circumstances, the absence of an adjustment may result in a taxable dividend to the holders of our common stock. See **Material U.S. Federal Income and Estate Tax Considerations**.

We may from time to time, to the extent permitted by law, increase the conversion rate of the Debentures by any amount for any period of at least 20 business days. In that case, we will give at least 15 days prior notice of such increase. We may make such increases in the conversion rate, in addition to those set forth above, as our board of directors deems advisable to avoid or diminish any income tax to holders of our common stock resulting from any dividend or distribution of stock (or rights to acquire stock) or from any event treated as such for income tax purposes.

We will not be required to make an adjustment in the conversion rate unless the adjustment would require a change of at least 1% in the conversion rate. However, we will carry forward any adjustment that is less than 1% of the conversion rate, take such carried-forward adjustments into account in any subsequent adjustment, and make such carried-forward adjustments, regardless of whether the aggregate adjustment is less than 1%, (a) annually on the anniversary of the first date of issue of the Debentures and (b) otherwise (1) five business days prior to the maturity of the Debentures (whether at stated maturity or otherwise) or (2) prior to the redemption date or repurchase date, unless such adjustment has already been made.

If we adjust the conversion rate pursuant to the above provisions, we will issue a press release through Business Wire containing the relevant information and make this information available on our website or through another public medium as we may use at that time.

***Adjustment to Conversion Rate Upon a Non-Stock Change of Control***

Prior to October 15, 2010, if and only to the extent you elect to convert your Debentures in connection with a transaction described under clause (1) or clause (4) under the definition of a fundamental change described below under **Repurchase at Option of the Holder** **Fundamental Change Put** pursuant to which 10% or more of the consideration for our common stock (other than cash payments for fractional shares and cash payments made in respect of dissenters' appraisal rights) in such fundamental change transaction consists of cash or securities (or other property) that are not shares of common stock, depositary receipts or other certificates representing common equity interests traded or scheduled to be traded immediately following such transaction on a U.S. national securities exchange or The Nasdaq National Market, which we refer to as a non-stock change of control, we will increase the conversion rate as described below. The number of additional shares by which the conversion rate is increased (the **additional shares**) will be determined by reference to the table below, based on the date on which the non-stock change of control becomes effective (the **effective date**) and the price (the **stock price**) paid per share for our common stock in such non-stock change of control. If holders of our common stock receive only cash in such transaction, the price paid per share will be the cash amount paid per share. Otherwise, the price paid

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per share will be the average of the closing sale prices of our common stock on the five trading days prior to but not including the effective date of such non-stock change of control. We will notify you of the anticipated effective date of any fundamental change at least 20 calendar days prior to such date.

A conversion of the Debentures by a holder will be deemed for these purposes to be in connection with a non-stock change of control if the conversion notice is received by the conversion agent following the effective date of the non-stock change of control but before 5:00 p.m., New York City time, on the business day immediately preceding the related repurchase date (as specified in the repurchase notice described under **Repurchase at the Option of the Holder - Fundamental Change Put** ).

The number of additional shares will be adjusted in the same manner as and as of any date on which the conversion rate of the Debentures is adjusted as described above under **Conversion Rate Adjustments**. The stock prices set forth in the first row of the table below (i.e., the column headers) will be simultaneously adjusted to equal the stock prices immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the conversion rate immediately prior to the adjustment and the denominator of which is the conversion rate as so adjusted.

The following table sets forth the number of additional shares by which the conversion rate shall be adjusted:

**Stock Price**

<b>Effective Date</b>	<b>\$31.01</b>	<b>\$40.00</b>	<b>\$45.00</b>	<b>\$50.00</b>	<b>\$55.00</b>	<b>\$60.00</b>	<b>\$65.00</b>	<b>\$70.00</b>	<b>\$75.00</b>	<b>\$80.00</b>
September 27, 2005	8.36	4.90	3.78	2.99	2.41	1.98	1.65	1.39	1.19	1.02
October 15, 2006	8.23	4.59	3.45	2.66	2.10	1.69	1.39	1.15	0.97	0.83
October 15, 2007	8.10	4.22	3.05	2.27	1.73	1.35	1.08	0.88	0.73	0.61
October 15, 2008	7.94	3.70	2.50	1.73	1.24	0.91	0.70	0.55	0.44	0.37
October 15, 2009	7.80	2.92	1.66	0.96	0.57	0.35	0.24	0.17	0.13	0.11
October 15, 2010	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

The exact stock price and effective dates may not be set forth on the table, in which case, if the stock price is:

between two stock price amounts on the table or the effective date is between two dates on the table, the number of additional shares will be determined by straight-line interpolation between the number of additional shares set forth for the higher and lower stock price amounts and the two dates, as applicable, based on a 360-day year;

in excess of \$80.00 per share (subject to adjustment), no additional shares will be issued upon conversion;

less than \$31.01 per share (subject to adjustment), no additional shares will be issued upon conversion.

Notwithstanding the foregoing, in no event will the total number of shares of common stock issuable upon conversion exceed 32.2476 per \$1,000 principal amount of the Debentures, subject to adjustments in the same manner as the conversion rate.

Any conversion that entitles the converting holder to an adjustment to the conversion rate as described in this section shall be settled as described under **Settlement Upon Conversion** above.

**Conversion After a Public Acquirer Change of Control**

Notwithstanding the foregoing, in the case of a non-stock change of control constituting a public acquirer change of control (as defined below), we may, in lieu of issuing additional shares upon conversion as described in

**Adjustment to Conversion Rate Upon a Non-Stock Change of Control** above, elect to adjust our conversion obligation and the conversion rate such that from and after the effective date of such public acquirer change of control, holders of the Debentures will be entitled to convert their Debentures

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(subject to the satisfaction of certain conditions) into cash and shares of public acquirer common stock (as defined below), and the conversion rate in effect immediately before the public acquirer change of control will be adjusted by multiplying it by a fraction:

the numerator of which will be (i) in the case of a share exchange, consolidation, merger or binding share exchange, pursuant to which our common stock is converted into cash, securities or other property, the average value of all cash and any other consideration (as determined by our board of directors) paid or payable per share of common stock or (ii) in the case of any other public acquirer change of control, the average of the closing sale prices of our common stock for the five consecutive trading days prior to but excluding the effective date of such public acquirer change of control, and

the denominator of which will be the average of the closing sale prices of the public acquirer common stock for the five consecutive trading days commencing on the trading day next succeeding the effective date of such public acquirer change of control.

A public acquirer change of control means a non-stock change of control in which the acquirer has a class of common stock traded on a U.S. national securities exchange or quoted on the Nasdaq National Market or that will be so traded or quoted when issued or exchanged in connection with such non-stock change of control (the public acquirer common stock). If an acquirer does not itself have a class of common stock satisfying the foregoing requirement, it will be deemed to have public acquirer common stock if a corporation that directly or indirectly owns at least a majority of the acquirer has a class of common stock satisfying the foregoing requirement, provided that such corporation fully and unconditionally guarantees the Debentures, in which case all references to public acquirer common stock will refer to such class of common stock. Majority owned for these purposes means having beneficial ownership (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act)) of more than 50% of the total voting power of all shares of the respective entity's capital stock that are entitled to vote generally in the election of directors.

Upon a public acquirer change of control, if we so elect, holders may convert their Debentures (subject to the satisfaction of the conditions to conversion described under Conversion Procedures Procedures to be Followed by a Holder above) for cash and public acquirer common stock at the adjusted conversion rate described in the second preceding paragraph but will not be entitled to receive additional shares upon conversion as described under

Adjustment to Conversion Rate Upon a Non-Stock Change of Control. We are required to notify holders of our election in our notice to holders of such transaction. Following any such election, the provisions set forth herein, including those set forth under Settlement Upon Conversion shall continue to apply except that reference to our common stock shall be deemed to refer to the public acquirer common stock. In addition, upon a public acquirer change of control, in lieu of converting the Debentures, the holder can, subject to certain conditions, require us to repurchase all or a portion of the Debentures owned by the holder as described below under Repurchase at Option of the Holders Fundamental Change Put.

**Optional Redemption**

At any time on or after October 15, 2010, we may redeem all or a part of the Debentures at a redemption price equal to 100% of the principal amount of the Debentures. In addition, we will pay interest (including contingent interest and additional interest, if any), on the Debentures being redeemed. This interest (including contingent interest and additional interest, if any), will include such interest accrued and unpaid to, but excluding, the redemption date. However, if the redemption date is after a record date and on or prior to the corresponding interest payment date, the interest (including contingent interest or additional interest, if any) and additional interest, if any, will be paid on the redemption date to the holder of record on the record date.



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We will give notice of redemption not less than 30 nor more than 60 days prior to the redemption date to all record holders of Debentures at their addresses set forth in the register of the registrar. This notice will state, among other things:

that you have a right to convert the Debentures called for redemption, and the conversion rate then in effect;

the date on which your right to convert the Debentures called for redemption will expire; and

the date on which the conversion and cash settlement averaging period will begin.

If we do not redeem all of the Debentures, the trustee will select the Debentures to be redeemed in principal amounts of \$1,000 or integral multiples of \$1,000 by lot, pro rata or by another method the trustee considers fair and appropriate. If any Debentures are to be redeemed in part only, we will issue a new Debenture in principal amount equal to the unredeemed principal portion thereof. If a portion of your Debentures is selected for partial redemption and you convert a portion of your Debentures, the converted portion will be deemed to be taken from the portion selected for redemption.

Additionally, we will not be required to:

issue, register the transfer of, or exchange any Debentures