

WESCO

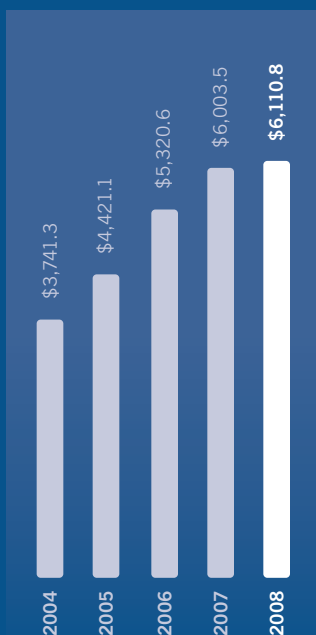


# 2008 ANNUAL REPORT

Value Driven. Productivity Focused.

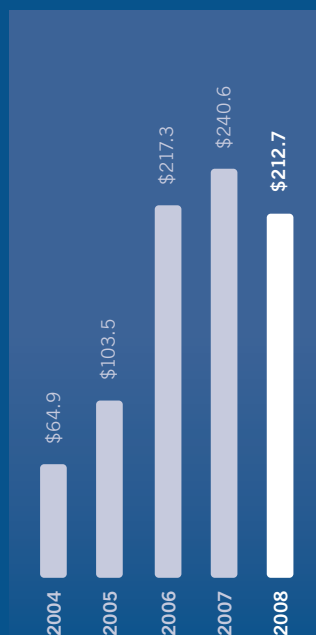
## NET SALES

In millions

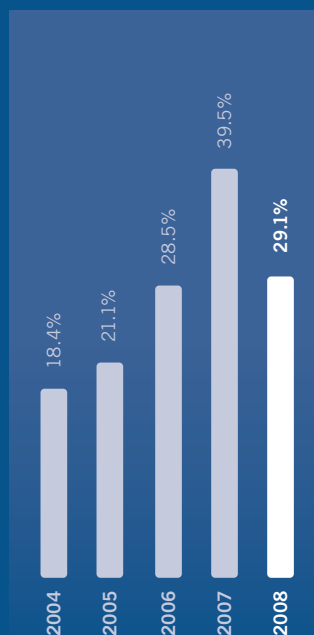


## NET INCOME

In millions



## RETURN ON EQUITY



## FINANCIAL HIGHLIGHTS

Year Ended December 31

2008

2007

2006

2005

2004

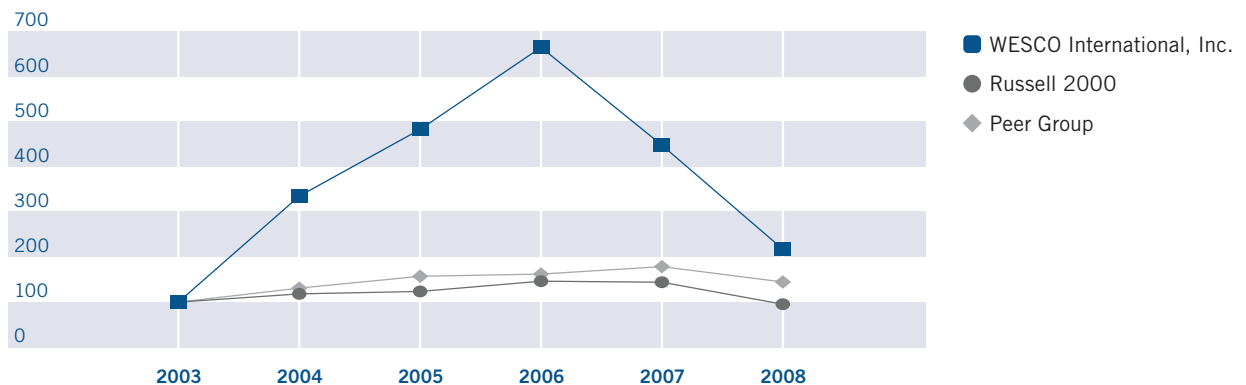
(Dollars in millions)

Net sales	\$ 6,110.8	\$ 6,003.5	\$ 5,320.6	\$ 4,421.1	\$ 3,741.3
Cost of goods sold	4,904.2	4,781.4	4,234.1	3,580.4	3,029.2
Income from operations (EBIT)	245.6	394.2	364.9	209.3	149.5
Interest and other expenses	40.7	63.2	47.4	58.4	50.0
Net income	212.7	240.6	217.3	103.5	64.9
Working capital	551.7	388.6	464.3	189.0	290.7
Long-term debt (including current portion and short-term debt)	1,140.8	1,316.3	1,140.3	403.6	417.6
Stockholders' equity	732.0	608.5	763.2	491.5	353.6
Return on equity	29.1%	39.5%	28.5%	21.1%	18.4%

## Corporate Profile

WESCO International, Inc. (NYSE: WCC) is a publicly traded Fortune 500 holding company, headquartered in Pittsburgh, Pennsylvania, whose primary operating entity is WESCO Distribution, Inc. WESCO Distribution is a leading distributor of electrical construction products and electrical and industrial maintenance, repair and operating (MRO) supplies, and is the nation's largest provider of integrated supply services. 2008 annual sales were approximately \$6.1 billion. The Company employs approximately 7,200 people, maintains relationships with over 23,000 suppliers, and serves more than 115,000 customers worldwide. Major markets include commercial and industrial firms, contractors, government agencies, educational institutions, telecommunications businesses and utilities. WESCO operates seven fully automated distribution centers and approximately 400 full-service branches in North America and select international markets, providing a local presence for area customers and a global network to serve multi-location businesses and multi-national corporations.

### COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN\*



\* \$100 invested on 12/31/03 in stock or index-including reinvestment of dividends. Fiscal year ending December 31.

### PEER GROUP

Andersen Corporation <sup>1,2</sup>	Cooper Industries Ltd	Molson Coors Brewing Company	Smurfit-Stone Container Corp
Applied Industrial Technologies, Inc.	Corn Products International, Inc.	NCR Corporation	Sonoco Products Company
AutoZone, Inc.	Darden Restaurants, Inc.	NewPage Holding Corporation	Spartan Stores, Inc.
Avis Budget Group Inc	Dover Corporation	OfficeMax Incorporated	Temple-Inland Inc.
Belk, Inc. <sup>1,2</sup>	Ecolab Inc	Pantry Inc	Thomas & Betts Corporation
Big Lots, Inc.	FMC Technologies, Inc.	Pitney Bowes, Inc.	Trane Inc.
Boise Cascade LLC <sup>1,2</sup>	General Parts International, Inc. <sup>1,2</sup>	Praxair Inc	United Stationers Inc.
Boise, Inc.	Grainger (W W), Inc.	Rockwell Automation	Vulcan Materials Company
Bon-Ton Stores Inc	Hubbell Incorporated	Ross Stores, Inc.	Waste Management, Inc.
Borg Warner Inc	Hy-Vee, Inc. <sup>1,2</sup>	Ryder System Inc	
Brinker International, Inc.	Kohler Company <sup>1,2</sup>	Sauer-Danfoss Inc.	
Cameron International Corporation	Lennox International Inc.	Schneider National, Inc. <sup>1,2</sup>	

<sup>1</sup> Privately held    <sup>2</sup> Data not publicly available but summary statistics do incorporate their data

## To our Shareholders, Employees, and Friends

2008 was another strong year of performance for WESCO. Sales revenue increased 3% to over \$6 billion against the backdrop of a developing recession which included declines in many of our served end market segments. Strong earnings per share results of \$4.91 and free cash flow of \$245 million were maintained, demonstrating the resiliency of our business model. Despite global financial market problems, we have no banking or funding issues and exited the year with continued strength in our capital structure.

As we enter 2009, there is no doubt that we are facing serious challenges, but history has proven that in adversity, there is great opportunity. Our vision has been clear, our strategy has been consistent, and our business model has been proven to be sound through both prosperous and challenging times. Our strategy starts and ends with the customer, and includes at the core, a focus on providing superior customer service and value-added solutions for customers' needs today and tomorrow. Execution of our strategy is driven by our extra effort employees, who are the engine that creates value and drives WESCO, and who expand our service capabilities and represent our long term sustainable competitive differentiator.

### **INDUSTRY OPPORTUNITY**

The combined electrical and industrial distribution industries are large and highly fragmented and have proven to be resilient through multiple economic cycles. These industries include tens of thousands of local and regional competitors focused on addressing customer needs in maintenance, repair and operating (MRO) supplies, original equipment manufacturer (OEM) direct materials, and capital projects. But customer needs are changing, driven by continuing trends of consolidation and outsourcing which are now being accelerated by the increased pressure being placed on companies to reduce costs and increase supply chain efficiency and effectiveness.

WESCO is uniquely positioned to serve these changing customer needs by providing superior value through our comprehensive supply chain solutions to address MRO, OEM and capital project needs through our National Accounts, Integrated Supply, and extensive local service/support branch-based business models. We have strong and deep relationships with our supplier manufacturer partners who support our WESCO value proposition of being a "total solutions provider". These same capabilities and relationships are extended to all our other customers, large and small, in the United States, Canada, Mexico, and around the world.

## LEAN AND CUSTOMER VALUE CREATION

LEAN productivity and process improvement methodologies and techniques have been applied to all aspects of our business—from front end sales and marketing to back end product delivery and customer support, as well as the administrative functions that support the entire business enterprise. Our focus over the last year has been directed to LEAN initiatives that enhance our customers' operations. This Customer Value Creation program includes application of our LEAN expertise to customer projects, improvement initiatives, problem-solving efforts and supply chain re-engineering, and we are expanding these capabilities to a larger number of customers. We are confident this program will have a long term positive effect on our customer relationships and future growth opportunities. We are encouraged by the progress we've made and excited by the number and variety of improvement opportunities that are already identified.

## STRENGTH OF WESCO MODEL

The strength of the WESCO model lies in our diversity—our broad base of over 115,000 active customers, our deep product and service portfolio that includes over 250,000 products in stock with access to millions more through our relationships with 23,000 suppliers, and our extensive geographic footprint of 400 branches which provides around the clock customer service and support using a dedicated fleet of 700 vehicles. The strength of our model also lies in our stability and execution track record—our strong cash flow model which operates effectively during a downturn, and our low cost and productivity bias. Even though our end markets are contracting, we are confident we will see a rebound because our served segments remain large and our services, products, and technologies are fundamental requirements for basic business operations. Additionally, large scale infrastructure investments and energy efficiency initiatives included in the economic stimulus plans in the United States and other countries will require products of the type we supply. Our diverse WESCO profile positions us to take advantage of the opportunities that will arise in the current environment. WESCO successfully weathered the last recession and emerged a stronger player, and I'm happy to report that we are a much stronger and more capable company today than during the last downturn.



### MANAGEMENT TEAM

*from left to right*

**Stephen A. Van Oss**  
*Senior Vice President  
and Chief Financial and  
Administrative Officer*

**Roy W. Haley**  
*Chairman and  
Chief Executive Officer*

**John J. Engel**  
*Senior Vice President and  
Chief Operating Officer*

## OPERATING PROFIT PER EMPLOYEE



## ORGANIZATION DEVELOPMENT

Our Talent Management and Development process, which has been underway for several years, is having a significant positive impact on the organization, and is producing excellent results. We expanded our WESCO training and development programs, which target new managers, experienced and new outside and inside sales personnel, and the supply chain and logistics team. Special attention is also being paid to succession planning and development of our senior management team. Our senior management positions have been positively impacted over the last several years by new additions to WESCO or internal developmental moves. I am pleased to report that this extends to the executive management team as well as reflected in the recent appointments of John J. Engel and Stephen A. Van Oss to the WESCO Board of Directors.

## SUMMARY

To our customers, thank you for your support and your business. You have our commitment that we will take time to understand your needs and expectations and emphasize ways to provide value to your enterprise. To our employees, thank you for your dedication, commitment and Extra Effort. You have our commitment to provide an environment where you can succeed and be part of a winning team that is committed to satisfying our customers. To our suppliers, thank you for your support and your WESCO partnership. You have our commitment to combine our efforts in providing industry-leading solutions for our customers. To our shareholders, thank you for your vote of confidence through your investments in WESCO. There is great opportunity in the challenges and adversity that we face in 2009 and 2010. We're in the best shape we've ever been in as a company, and we are taking the necessary actions to manage our way through these challenging times. We remain focused on serving our customers, investing in and developing our people, and partnering with our suppliers, to emerge an even stronger company and enhance value-creation for our shareholders.

## [SIGNATURE]

**Roy W. Haley**

*Chairman and Chief Executive Officer*

## Corporate Governance



### BOARD OF DIRECTORS (shown above)

**Roy W. Haley**

*Chairman and Chief Executive Officer,  
WESCO International, Inc.*

**Sandra Beach Lin**

*Executive Vice President,  
Celanese  
President, Ticona (Division of  
Celanese)*

**John J. Engel**

*Senior Vice President and  
Chief Operating Officer*

**George L. Miles, Jr.**

*President and Chief Executive  
Officer, WQED Multimedia*

**John K. Morgan**

*Chairman, President and  
Chief Executive Officer,  
Zep, Inc.*

**Steven A. Raymund**

*Chairman, Tech Data  
Corporation*

**Class I: Term expires 2009**

John J. Engel  
Steven A. Raymund  
Lynn M. Utter  
William J. Vareschi

**Class II: Term expires 2010**

Sandra Beach Lin  
Robert J. Tarr, Jr.  
Stephen A. Van Oss  
Kenneth L. Way

**James L. Singleton**

*Managing Director,  
Pillar Capital, L.P.*

**Robert J. Tarr, Jr.**

*Professional Director  
and Private Investor*

**Lynn M. Utter**

*President and  
Chief Operating Officer,  
Knoll, Inc.*

**Stephen A. Van Oss**

*Senior Vice President and  
Chief Financial and  
Administrative Officer*

**William J. Vareschi,**

*Former Chief Executive Officer,  
Central Parking Corporation*

**Kenneth L. Way**

*Former Chairman,  
Lear Corporation*

**Class III: Term expires 2011**

Roy W. Haley  
George L. Miles, Jr.  
James L. Singleton

### EXECUTIVE OFFICERS

**Roy W. Haley**

*Chairman and Chief  
Executive Officer*

**John J. Engel**

*Senior Vice President and  
Chief Operating Officer*

**Stephen A. Van Oss**

*Senior Vice President  
and Chief Financial and  
Administrative Officer*

**David S. Bemoras**

*Vice President, Operations*

**Andrew J. Bergdoll**

*Vice President, Operations*

**Daniel A. Brailer**

*Vice President, Treasurer,  
Legal and Investor Relations*

**William E. Cenk**

*Vice President, Operations*

**Allan A. Duganier**

*Director of Internal Audit*

**James R. Griffin**

*Vice President, Operations*

**Timothy A. Hibbard**

*Corporate Controller*

**Robert J. Powell**

*Vice President, Human  
Resources*

**Robert B. Rosenbaum**

*Vice President, Operations*

**Ronald P. Van, Jr.**

*Vice President, Operations*

**Marcy Smorey-Giger**

*Corporate Counsel  
and Secretary*



**WESCO**  
INTERNATIONAL

**WESCO INTERNATIONAL, INC.**

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