ENGLANDER ISRAEL A
Form 4
November 03, 2009

FORM 4

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

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL
OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
INTEGRATED CORE STRATEGIES (US) LLC

(Last) (First) (Middle)

C/O MILLENNIUM MANAGEMENT LLC, 666 FIFTH AVENUE, 8TH FLOOR

(Street)

NEW YORK, NY 10103-0899

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Navios Maritime Acquisition CORP [NNA]

3. Date of Earliest Transaction (Month/Day/Year)
10/30/2009

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director __X__ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
___ Form filed by One Reporting Person
_X_ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	10/30/2009		S		500,000	D	$ 9.79	2,947,400 (1) (2)	D (3) (4) (5)	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
INTEGRATED CORE STRATEGIES (US) LLC C/O MILLENNIUM MANAGEMENT LLC 666 FIFTH AVENUE, 8TH FLOOR NEW YORK, NY 10103-0899		X		
MILLENNIUM MANAGEMENT LLC 666 FIFTH AVENUE, 8TH FLOOR NEW YORK, NY 10103-0899				May be deemed a group member.
ENGLANDER ISRAEL A C/O MILLENNIUM MANAGEMENT LLC 666 FIFTH AVENUE, 8TH FLOOR NEW YORK, NY 10103-0899				May be deemed a group member.

Signatures

*David Nolan, Co-President	11/02/2009
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) As of the date of this filing, Integrated Core Strategies (US) LLC, a Delaware limited liability company ("Integrated Core Strategies"), is the beneficial owner of 2,947,400 shares of common stock, par value $0.0001 per share ("Common Stock") of Navios Maritime Acquisition Corporation (the "Issuer").

(2) As of the date of this filing, Integrated Core Strategies also holds 5,702,425 warrants to purchase the Issuer's Common Stock. Each warrant entitles the holder to purchase one share of the Issuer's Common Stock at a price of $7.00. ("Warrant"). The Warrants will become exercisable upon the Issuer's completion of a business combination. However, the Warrants will only be exercisable if a registration statement relating to the Common Stock issuable upon exercise of the Warrants is effective and current. The Warrants will expire on June 25, 2013, or earlier upon redemption. As of the date of this filing, the Issuer has not announced the completion of a business combination and therefore, the Warrants are not currently exercisable.

(3) Millennium Management LLC, a Delaware limited liability company ("Millennium Management"), is the general partner of the managing member of Integrated Core Strategies, and may be deemed to have shared voting control and investment discretion over securities owned by Integrated Core Strategies.

(4) Israel A. Englander ("Mr. Englander"), is the managing member of Millennium Management. Consequently, Mr. Englander may also be deemed to have shared voting control and investment discretion over securities owned by Integrated Core Strategies.

(5) The foregoing should not be construed in and of itself as an admission by Millennium Management or Mr. Englander as to beneficial ownership of the securities owned by Integrated Core Strategies.

Remarks:

*INTEGRATED CORE STRATEGIES (US) LLC, By: Integrated Holding Group LP, its Managing Member, By: Millennium

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. tion of earnings held by foreign-based subsidiaries to approximately 5.25 percent. Normally, such repatriations would be taxed at a rate of 35 percent. In the fourth quarter of 2005, WESCO elected to repatriate approximately $23.0 million under the Jobs Act. This repatriation of earnings triggered a U.S. federal tax payment of approximately $1.0 million. This amount is reflected in the current income tax expense. Prior to the Jobs Act, WESCO did not provide deferred taxes on undistributed earnings of foreign subsidiaries as WESCO intended to utilize these earnings through expansion of its business operations outside the United States for an indefinite period of time. (4) Represents the recognition of a $0.6 million benefit associated with the utilization of a net operating loss. (5) In 2005, represents a benefit of $1.2 million from Research and Development credits.

As of December 31, 2005 and 2004, WESCO had state tax benefits derived from net operating loss carryforwards of approximately $15.7 million ($10.2 million, net of federal income tax) and $13.4 million ($8.7 million, net of federal income tax), respectively. The amounts will begin expiring in 2006. The realization of these state deferred tax assets is dependent upon future earnings, if any, and the timing and amount are uncertain. Accordingly, the net deferred tax assets have been fully offset by a valuation allowance. The valuation allowance increased by approximately $1.5 million in 2005 and $0.4 million in 2004. Utilization of WESCO s state net operating loss carryforwards is subject to a substantial annual limitation imposed by state statute. Such an annual limitation could result in the expiration of the net operating loss and tax credit carryforwards before utilization.

As of December 31, 2005, WESCO had approximately $9.0 million of undistributed earnings related to its foreign subsidiaries. Management believes that these earnings will be indefinitely reinvested in foreign jurisdiction; accordingly, WESCO has not provided for U.S. federal income taxes related to these earnings.

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table sets forth deferred tax assets and liabilities:

	December 31			
	2005		2004	
	(In thousands)			
	Assets	Liabilities	Assets	Liabilities
Accounts receivable	$ 7,504	$	$ 7,314	$
Inventory		2,732		3,465
Other	12,481	3,854	4,791	4,720
Current deferred tax	19,985	6,586	12,105	8,185
Intangibles		70,189		38,917
Property, buildings and equipment		3,494		3,876
Other		55		161
Long-term deferred tax	$	$ 73,738	$	$ 42,954

11. Earnings Per Share

Basic earnings per share are computed by dividing net income by the weighted average common shares outstanding during the periods. Diluted earnings per share are computed by dividing net income by the weighted average common shares and common share equivalents outstanding during the periods. The dilutive effect of common share equivalents is considered in the diluted earnings per share computation using the treasury stock method.

The following table sets forth the details of basic and diluted earnings per share:

	Year Ended December 31		
	2005	2004	2003
	(Dollars in thousands, except share data)		
Net income	$ 103,526	$ 64,932	$ 30,006
Weighted average common shares outstanding used in computing basic earnings per share	47,085,524	41,838,034	44,631,459
Common shares issuable upon exercise of dilutive stock options	2,152,912	2,271,119	1,717,623
Weighted average common shares outstanding and common share equivalents used in computing diluted earnings per share	49,238,436	44,109,153	46,349,082
Earnings per share			
Basic	$ 2.20	$ 1.55	$ 0.67
Diluted	$ 2.10	$ 1.47	$ 0.65

Stock-settled stock appreciation rights of 1.7 million and 0.9 million at a weighted average exercise price of $28.00 and $24.02 per share were outstanding as of December 31, 2005 and 2004, respectively, were not included in the computation of diluted earnings per share because to do so would have been antidilutive for the years ending December 31, 2005 and 2004. In addition, to the extent that the average share price during the three-month period ending December 31, 2005 (first three-month period subsequent to the offering of the Debentures)

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

exceeds the Debentures conversion price of $41.86 per share, an incremental number of up to 3,583,080 shares is included in determining diluted earnings per share using the Treasury method of accounting as represented in the table below. For the year ended December 31, 2005, WESCO s average share price did not exceed the conversion price and hence, there was no effect of the Debentures on diluted earnings per share.

The Debentures include a contingent conversion price provision and the option for a settlement in shares, known as net share settlement. The FASB Emerging Issues Task Force (EITF) No. 04-8, *The Effect of Contingently Convertible Instruments on Diluted Earnings Per Share*, requires WESCO to include the diluted earnings per share calculation, regardless of whether the requirements at the conversion feature have been met. Furthermore, the FASB is contemplating an amendment to SFAS No. 128, *Earnings Per Share*, that would require WESCO to assume net share settlement for the purposes of calculating diluted earnings per share.

Under EITF No. 04-8, and EITF 90-19 *Convertible Bonds with Issuer Option to Settle for Cash upon Conversion*, and because of WESCO s obligation to settle the par value of the Debentures in cash, WESCO is not required to include any shares underlying the Debentures in its diluted weighted average shares outstanding until the average stock price per share for the quarter exceeds the $41.86 conversion price and only to the extent of the additional shares WESCO may be required to issue in the event WESCO s conversion obligation exceeds the principal amount of the Debentures converted. At such time, only the number of shares that would be issuable (under the treasury method of accounting for share dilution) will be included, which is based upon the amount by which the average stock price exceeds the conversion price. For the first $1 per share that WESCO s average stock price exceeds the $41.86 conversion price of the Debentures, WESCO will include approximately 83,000 additional shares in WESCO s diluted share count. For the second $1 per share that WESCO s average stock price exceeds the $41.86 conversion price, WESCO will include approximately 80,000 additional shares, for a total of approximately 163,000 shares, in WESCO s diluted share count, and so on, with the additional shares dilution decreasing for each $1 per share that WESCO s average stock price exceeds $41.86 if the stock price rises further above $41.86 (see table, below).

TREASURY METHOD OF ACCOUNTING FOR SHARE DILUTION

Conversion Price:	$ 41.86
Number of Underlying Shares:	0 to 3,583,080
Principal Amount	$ 150,000,000

Formula: Number of extra dilutive shares created = ((Stock Price * Underlying Shares) Principal)/ Stock Price

Condition: Only applies when share price exceeds $41.86

Stock Price	Conversion Price	Price Difference	Include in Share Count	Share Dilution Per $1.00 Share Price Difference
$41.86	$ 41.86	$ 0	0	0
$42.86	$ 41.86	$ 1	83,313	83,313
$51.86	$ 41.86	$ 10	690,677	69,068
$61.86	$ 41.86	$ 20	1,158,249	57,912
$71.86	$ 41.86	$ 30	1,495,687	49,856
$81.86	$ 41.86	$ 40	1,750,683	43,767

Share dilution is limited to a maximum of 3,583,080 shares

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. Employee Benefit Plans

A majority of WESCO s employees are covered by defined contribution retirement savings plans for their service rendered subsequent to WESCO s formation. For U.S. participants, WESCO will make contributions in an amount equal to 50% of the participant s total monthly contributions up to a maximum of 6% of eligible compensation. For Canadian participants, WESCO will make contributions in an amount ranging from 1% to 7% of the participant s eligible compensation based on years of continuous service. In addition, employer contributions may be made at the discretion of the Board of Directors and can be based on WESCO s financial performance. Discretionary employer contributions were made in the amount of $10.4 million, $8.8 million and $4.2 million in 2005, 2004 and 2003, respectively. For the years ended December 31, 2005, 2004 and 2003, WESCO contributed to all such plans $16.8 million, $15.1 million and $9.5 million, respectively, which was charged to expense. Contributions are made in cash to employee retirement savings plan accounts. Employees then have the option to transfer into any of their investment options, including WESCO stock.

13. Stock Incentive Plans

Stock Purchase Plans

In connection with the 1998 recapitalization, WESCO established a stock purchase plan (1998 Stock Purchase Plan) under which certain employees may be granted an opportunity to purchase WESCO s common stock. The maximum number of shares available for purchase may not exceed 427,720. There were no shares issued in 2005, 2004 or 2003.

Stock Option Plans

WESCO has sponsored four stock option plans, the 1999 Long-Term Incentive Plan (LTIP), the 1998 Stock Option Plan, the Stock Option Plan for Branch Employees and the 1994 Stock Option Plan. The LTIP was designed to be the successor plan to all prior plans. Outstanding options under prior plans will continue to be governed by their existing terms, which are substantially similar to the LTIP. Any remaining shares reserved for future issuance under the prior plans are available for issuance under the LTIP. The LTIP and predecessor plans are administered by the Compensation Committee of the Board of Directors.

An initial reserve of 6,936,000 shares of common stock has been authorized for issuance under the LTIP. This reserve automatically increases by (i) the number of shares of common stock covered by unexercised options granted under prior plans that are cancelled or terminated after the effective date of the LTIP, and (ii) the number of shares of common stock surrendered by employees to pay the exercise price and/or minimum withholding taxes in connection with the exercise of stock options granted under our prior plans.

Options granted vest and become exercisable once criteria based on time or financial performance are achieved. If the financial performance criteria are not met, all the options will vest after nine years and nine months. All options vest immediately in the event of a change in control. Each option terminates on the tenth anniversary of its grant date unless terminated sooner under certain conditions.

During December 2003, in a privately negotiated transaction with 19 employees, WESCO redeemed the net equity value of stock options originally granted in 1994 and 1995, representing approximately 2.9 million shares. The options held by the employees had a weighted average price of $1.75. The options were redeemed at a price of $8.63 per share. The cash payment of

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

$20.1 million was made in January 2004. WESCO recognized a tax benefit of $7.3 million as a result of this transaction.

From June 2005 through December 2005, WESCO granted 908,889 stock-settled stock appreciation rights at an average exercise price of $31.85. None of these awards was cancelled in 2005 and none was exercisable at December 31, 2005.

All awards under WESCO s stock incentive plans are designed to be issued at fair market value.

As of December 31, 2005, 4.6 million shares of common stock were reserved under the LTIP for future equity award grants.

The following table sets forth a summary of both stock options and stock appreciation rights and related information for the years indicated:

	2005		2004		2003	
	Awards	Weighted Average Exercise Price	Awards	Weighted Average Exercise Price	Awards	Weighted Average Exercise Price
Beginning of year	7,217,473	$ 10.26	7,654,822	$ 7.64	9,840,114	$ 5.99
Granted	908,889	31.85	1,105,500	22.55	1,093,500	5.92
Exercised	(1,328,954)	7.08	(1,484,176)	5.92	(202,581)	2.63
Redeemed					(2,920,890)	1.75
Cancelled	(493,472)	10.52	(58,673)	8.05	(155,321)	8.91
End of year	6,303,936	14.02	7,217,473	10.26	7,654,822	7.64
Exercisable at end of year	1,805,305	$ 10.83	2,514,232	$ 8.01	3,463,309	$ 7.38

The following table sets forth exercise prices for equity awards outstanding as of December 31, 2005:

Range of exercise prices	Awards Outstanding	Awards Exercisable	Weighted Average Remaining Contractual Life
$0.00 $5.00	804,552	99,702	5.4
$5.01 $10.00	1,844,480	564,976	5.9
$10.01 $15.00	1,725,388	869,225	2.6
$15.01 $20.00	234,587	33,334	8.4
$20.01 $25.00	786,040	238,068	8.8
$25.01 $30.00	3,700	0	9.4
$30.01 $35.00	888,500	0	9.5
$35.01 $40.00	0	0	
$40.01 $45.00	16,689	0	9.9
	6,303,936	1,805,305	5.9

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Commitments and Contingencies

Future minimum rental payments required under operating leases, primarily for real property that have noncancelable lease terms in excess of one year as of December 31, 2005, are as follows:

	(In thousands)
2006	$ 27,694
2007	23,062
2008	17,209
2009	12,297
2010	7,690
Thereafter	11,658

Rental expense for the years ended December 31, 2005, 2004 and 2003 was $33.2 million, $33.1 million and $32.5 million, respectively.

From time to time, a number of lawsuits and claims have been or may be asserted against WESCO relating to the conduct of its business, including routine litigation relating to commercial and employment matters. The outcomes of litigation cannot be predicted with certainty, and some lawsuits may be determined adversely to WESCO. However, management does not believe that the ultimate outcome is likely to have a material adverse effect on WESCO s financial condition or liquidity, although the resolution in any fiscal quarter of one or more of these matters may have a material adverse effect on WESCO s results of operations for that period.

WESCO is a defendant in a lawsuit in a state court in Florida in which a former supplier alleges that WESCO failed to fulfill its commercial obligations to purchase product and seeks monetary damages in excess of $17 million. WESCO believes that it has meritorious defenses. Neither the outcome nor the monetary impact of this litigation can be predicted at this time. A trial is scheduled for October 2006.

WESCO was a defendant in a suit filed in federal district court in northern California alleging antitrust, contract and other claims. On August 9, 2005, WESCO and the plaintiff agreed to settle this lawsuit. Under the terms of the settlement, both parties agreed to release all claims against the other in exchange for cash and other consideration. On October 14, 2005, as stipulated by the settlement agreement, the majority of the cash settlement amount was paid. The settlement plus related litigation expenses resulted in a charge of $6.9 million, net of income tax, in 2005.

In 2003, WESCO reached a final settlement agreement related to an employment and wages claim with the case being dismissed with prejudice. WESCO settled the case for $3.4 million and received a refund of approximately $300,000 of that amount.

15. Segments and Related Information

WESCO provides distribution of product and services through our seven operating segments which have been aggregated as one reportable segment. The sale of electrical products and maintenance repair and operating supplies which represents more than 90% of the consolidated net sales, income from operations and assets for 2005, 2004 and 2003. WESCO has over 200,000 unique product stock keeping units and markets more than 1,000,000 products for customers. It is impractical to disclose net sales by product, major product group or service group. There were no material amounts of sales or transfers among geographic areas and no material amounts of export sales.

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table sets forth information about WESCO by geographic area:

	Net Sales			Long-Lived Assets		
	Year Ended December 31,			December 31,		
	2005	2004	2003	2005	2004	2003
	(In thousands)					
United States	$ 3,829,755	$ 3,265,280	$ 2,872,239	$ 728,329	$ 488,787	$ 491,515
Foreign operations						
Canada	499,817	394,375	335,695	12,375	11,958	11,926
Other foreign	91,531	81,598	78,832	1,592	1,194	1,341
Subtotal foreign operations	591,348	475,973	414,527	13,967	13,152	13,267
Total U.S. and Foreign	$ 4,421,103	$ 3,741,253	$ 3,286,766	$ 742,296	$ 501,939	$ 504,782

16. Other Financial Information

WESCO Distribution has issued $150 million in aggregate principal amount of 2017 Notes. The 2017 Notes are fully and unconditionally guaranteed by WESCO on a subordinated basis to all existing and future senior indebtedness of WESCO. WESCO Distribution, WESCO and the Initial Purchasers also entered into an Exchange and Registration Rights Agreement, dated September 27, 2005 (the 2017 Notes Registration Rights Agreement) with respect to the 2017 Notes and WESCO s guarantee of the 2017 Notes (the 2017 Notes Guarantee). Pursuant to the 2017 Notes Registration Rights Agreement, WESCO and WESCO Distribution agreed to file a registration statement within 210 days after the issue date of the 2017 Notes to register an exchange enabling holders of 2017 Notes to exchange the 2017 Notes and 2017 Notes Guarantee for publicly registered senior subordinated notes, and a similar unconditional guarantee of those notes by WESCO, with substantially identical terms (except for terms relating to additional interest and transfer restrictions). WESCO and WESCO Distribution agreed to use their reasonable best efforts to cause the registration statement to become effective within 270 days after the issue date of the 2017 Notes and to complete the exchange offer as promptly as practicable but in no event later than 300 days after the issue date of the 2017 Notes. WESCO and WESCO Distribution agreed to file a shelf registration statement for the resale of the 2017 Notes if they cannot complete the exchange offer within the time periods listed above and in certain other circumstances.

WESCO Distribution, Inc. issued $400 million of 2008 Notes in the amount of $300 million in June 1998 and $100 million in August 2001 and repurchased all amounts outstanding during 2005, 2004 and 2003. There was no outstanding balance remaining relating to the 2008 Notes as of December 31, 2005 and $323.5 million outstanding as of December 31, 2004. The 2008 Notes were fully and unconditionally guaranteed by WESCO International, Inc. on a subordinated basis to all existing and future senior indebtedness of WESCO International, Inc.

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Condensed consolidating financial information for WESCO, WESCO Distribution, Inc. and the non-guarantor subsidiaries is as follows:

CONDENSED CONSOLIDATED BALANCE SHEETS

	December 31, 2005				
	WESCO International, Inc.	**WESCO Distribution, Inc.**	**Non-Guarantor Subsidiaries**	**Consolidating and Eliminating Entries**	**Consolidated**
			(In thousands)		
Cash and cash equivalents	$	$ 18,088	$ 4,037	$	$ 22,125
Trade accounts receivable			315,594		315,594
Inventories		380,227	120,571		500,798
Other current assets		40,049	50,971	(20,674)	70,346
Total current assets		438,364	491,173	(20,674)	908,863
Intercompany receivables, net		(161,534)	206,253	(44,719)	
Property, buildings and equipment, net		31,712	71,371		103,083
Intangible assets, net		11,140	72,752		83,892
Goodwill and other intangibles, net		374,000	168,217		542,217
Investments in affiliates and other noncurrent assets	686,169	806,818	3,045	(1,482,928)	13,104
Total assets	$ 686,169	$ 1,500,500	$ 1,012,811	$ (1,548,321)	$ 1,651,159
Accounts payable	$	$ 453,101	$ 119,366	$	$ 572,467
Short-term debt		14,500			14,500
Other current liabilities		133,478	20,115	(20,674)	132,919
Total current liabilities		601,079	$ 139,481	(20,674)	$ 719,886
Intercompany payables, net	44,719			(44,719)	
Long-term debt	150,000	154,024	48,208		352,232
Other noncurrent liabilities		63,491	24,100		87,591
Stockholders equity	491,450	681,906	801,022	(1,482,928)	491,450
Total liabilities and stockholders equity	$ 686,169	$ 1,500,500	$ 1,012,811	$ (1,548,321)	$ 1,651,159

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	December 31, 2004				
	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
	(In thousands)				
Cash and cash equivalents	$ 1	$ 15,974	$ 18,548	$	$ 34,523
Trade accounts receivable		18,077	365,287		383,364
Inventories		326,194	61,145		387,339
Other current assets		31,152	27,313	(8,775)	49,690
Total current assets	1	391,397	472,293	(8,775)	854,916
Intercompany receivables, net		210,406	26,729	(237,135)	
Property, buildings and equipment, net		26,403	68,339		94,742
Goodwill and other intangibles, net		363,045	38,565		401,610
Investments in affiliates and other noncurrent assets	590,687	463,489	2,971	(1,051,560)	5,587
Total assets	$ 590,688	$ 1,454,740	$ 608,897	$ (1,297,470)	$ 1,356,855
Accounts payable	$	$ 376,932	$ 78,889	$	$ 455,821
Other current liabilities		101,989	15,210	(8,775)	108,424
Total current liabilities		478,921	94,099	(8,775)	564,245
Intercompany payables, net	237,135			(237,135)	
Long-term debt		336,782	49,391		386,173
Other noncurrent liabilities		48,350	4,534		52,884
Stockholders equity	353,553	590,687	460,873	(1,051,560)	353,553
Total liabilities and stockholders equity	$ 590,688	$ 1,454,740	$ 608,897	$ (1,297,470)	$ 1,356,855

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
CONDENSED CONSOLIDATING STATEMENTS OF INCOME

	Year Ended December 31, 2005				
	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
			(In thousands)		
Net sales	$	$ 3,664,618	$ 756,485	$	$ 4,421,103
Cost of goods sold, excluding depreciation and amortization		2,983,739	596,659		3,580,398
Selling, general and administrative expenses	7	543,009	69,764		612,780
Depreciation and amortization		15,994	2,645		18,639
Results of affiliates operations	87,431	89,849		(177,280)	
Interest expense (income), net	(25,443)	43,939	11,687		30,183
Loss on debt extinguishment, net		14,914			14,914
Other (income) expense		41,528	(28,223)		13,305
Provision for income taxes	9,341	23,913	14,104		47,358
Net income (loss)	$ 103,526	$ 87,431	$ 89,849	$ (177,280)	$ 103,526

	Year Ended December 31, 2004				
	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
			(In thousands)		
Net sales	$	$ 3,187,864	$ 553,389	$	$ 3,741,253
Cost of goods sold, excluding depreciation and amortization		2,588,682	440,450		3,029,132
Selling, general and administrative expenses	5	470,836	73,691		544,532
		15,057	3,086		18,143

Depreciation and amortization										
Results of affiliates operations		56,877		37,554				(94,431)		
Interest expense (income), net		(12,396)		52,397		790				40,791
Other (income) expense				26,001		(16,844)				9,157
Provision for income taxes		4,336		15,568		14,662				34,566
Net income (loss)	$	64,932	$	56,877	$	37,554	$	(94,431)	$	64,932

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Year Ended December 31, 2003				
	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
			(In thousands)		
Net sales	$	$ 2,806,044	$ 480,722	$	$ 3,286,766
Cost of goods sold, excluding depreciation and amortization		2,287,972	388,729		2,676,701
Selling, general and administrative expenses		429,567	71,895		501,462
Depreciation and amortization		19,391	3,167		22,558
Results of affiliates operations	22,495	26,889		(49,384)	
Interest expense (income), net	(11,559)	58,233	(4,357)		42,317
Other (income) expense		24,884	(20,247)		4,637
Provision for income taxes	4,048	(9,609)	14,646		9,085
Net income (loss)	$ 30,006	$ 22,495	$ 26,889	$ (49,384)	$ 30,006

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2005				
	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
			(In thousands)		
Net cash provided (used) by operating activities	$ 38,901	$ 272,483	$ (16,287)	$	$ 295,097
Investing activities:					
Capital expenditures		(13,026)	(1,128)		(14,154)
Acquisitions		(278,829)			(278,829)
Other		2,014			2,014
Net cash used by investing activities		(289,841)	(1,128)		(290,969)
Financing activities:					
Net borrowings (repayments)	(42,975)	24,299	(1,180)		(19,856)
Equity transactions	8,173				8,173
Other	(4,100)	(4,827)	3,579		(5,348)
Net cash provided (used) by financing activities	(38,902)	19,472	2,399		(17,031)
Effect of exchange rate changes on cash and cash equivalents			505		505
Net change in cash and cash equivalents	(1)	2,114	(14,511)		(12,398)
Cash and cash equivalents at beginning of period	1	15,974	18,548		34,523
Cash and cash equivalents at end of period	$	$ 18,088	$ 4,037	$	$ 22,125

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2004				
	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
			(In thousands)		
Net cash (used) provided by operating activities	$ 23,334	$ (10,748)	$ 9,358	$	$ 21,944
Investing activities:					
Capital expenditures		(11,708)	(441)		(12,149)
Acquisitions		(34,114)			(34,114)
Other					0
Net cash used by investing activities		(45,822)	(441)		(46,263)
Financing activities:					
Net borrowings (repayments)	(111,544)	56,235	(2,096)		(57,405)
Equity transactions	88,210				88,210
Other		(112)			(112)
Net cash provided (used) by financing activities	(23,334)	56,123	(2,096)		30,693
Effect of exchange rate changes on cash and cash equivalents			654		654
Net change in cash and cash equivalents		(447)	7,475		7,028
Cash and cash equivalents at beginning of period	1	16,421	11,073		27,495
Cash and cash equivalents at end of period	$ 1	$ 15,974	$ 18,548	$	$ 34,523

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2003				
	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
			(In thousands)		
Net cash provided (used) by operating activities	$ (4,431)	$ 74,303	$ (34,114)	$	$ 35,758
Investing activities:					
Capital expenditures		(7,978)	(401)		(8,379)
Acquisitions		(2,028)			(2,028)
Other		1,177			1,177
Net cash used by investing activities		(8,829)	(401)		(9,230)
Financing activities:					
Net (repayments) borrowings	31,285	(66,065)	37,149		2,369
Equity transactions	(26,857)				(26,857)
Other		4,563	(2,389)		2,174
Net cash provided (used) by financing activities	4,428	(61,502)	34,760		(22,314)
Effect of exchange rate changes on cash and cash equivalents			711		711
Net change in cash and cash equivalents	(3)	3,972	956		4,925
Cash and cash equivalents at beginning of period	4	12,449	10,117		22,570
Cash and cash equivalents at end of period	$ 1	$ 16,421	$ 11,073	$	$ 27,495

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Selected Quarterly Financial Data (unaudited)

The following table sets forth selected quarterly financial data for the years ended December 31, 2005 and 2004:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(In thousands, except share data)			
2005				
Net sales	$ 990,871	$ 1,062,060	$ 1,131,449	$ 1,236,723
Gross profit	185,182	194,586	208,313	252,624
Income from operations	38,562	48,915	47,306	74,503
Income before income taxes	17,371	39,062	37,060	57,391
Net income	11,344(A),(B),(D)	27,439(B),(C),(D)	25,008(B),(D)	39,735(A),(B),(C),(D)
Basic earnings per share(E)	0.24	0.58	0.53	0.84
Diluted earnings per share	0.23	0.56	0.51	0.80
2004				
Net sales	$ 847,793	$ 931,020	$ 974,508	$ 987,932(G)
Gross profit	160,852	183,707	182,566	184,996(G)
Income from operations	26,259	42,871	40,888	39,428
Income before income taxes	15,204	29,806	28,203	26,285
Net income	9,721(K)	19,086(F),(K)	19,037(F),(H),(K)	17,088(F),(H),(I),(J)
Basic earnings per share	0.24	0.46	0.45	0.40
Diluted earnings per share(K)	0.23	0.44	0.43	0.38

(A)

During the first and fourth quarters of 2005 $123.8 million and $199.7 million, respectively in aggregate principal amount of the 2008 Notes were redeemed at a loss of $10.1 million and $4.8 million, respectively resulting from the payment of the call premium and the write-off of the unamortized original issue discount and debt issue costs.

(B) Income tax benefits from the recapitalization of the Canadian operations for the first, second, third and fourth quarters of 2005 were $0.5 million, $1.1 million, $1.2 million and $2.3 million, respectively.

(C) Income tax benefits from the utilization of research and development credits for the second and fourth quarters of 2005 were $1.0 million and $0.2 million, respectively.

(D) Stock option expense for the first, second, third and fourth quarters of 2005 was $1.7 million, $1.5 million, $2.5 million and $3.0 million, respectively.

(E) Earnings per share (EPS) in each quarter is computed using the weighted average number of shares outstanding during that quarter while EPS for the full year is computed by taking the average of the weighted average number of shares outstanding each quarter. Thus, the sum of the four quarters EPS may not equal the full-year EPS.

(F) During the second, third and fourth quarters of 2004 $36.0 million, $9.3 million and $10.0 million, respectively in aggregate principal amount of the 2008 Notes were redeemed at a loss of $1.6 million, $0.5 million and $0.5 million, respectively, resulting from the payment of the call premium and the write-off of the unamortized original issue discount and debt issue costs.

(G) On September 29, 2005, the common stock of Carlton-Bates Company was acquired and the sales and gross margin resulting from this acquisition for the fourth quarter of 2005 were $76.8 million and $21.3 million, respectively.

(H) Income tax benefits from the recapitalization of the Canadian operations for the third and fourth quarters of 2004 were $0.7 million and $0.6 million, respectively.

(I) During the fourth quarter of 2004 a public offering was completed offering 4.0 million shares of common stock resulting in equity issuance costs of $5.1 million.

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(J) Stock option expense for the first, second, third and fourth quarters of 2004 was $0.4 million, $0.4 million, $0.6 million and $1.6 million, respectively.

(K) Diluted earnings per share (DEPS) in each quarter is computed using the weighted average number of shares outstanding during that quarter while DEPS for the full year is computed by taking the average of the weighted average number of shares outstanding each quarter. Thus, the sum of the four quarters DEPS may not equal the full-year DEPS.

18. Subsequent Event

On March 3, 2006, Dana Corporation, (Dana) and forty of its domestic subsidiaries filed voluntary petitions for reorganization under chapter 11 of the United States Bankruptcy Code. The Dana petitions applied to its U.S. domestic entities only. Dana represented $48.5 million in WESCO sales in 2005. The amount of receivables due WESCO from Dana U.S. domestic entities as of December 31, 2005 was $7.7 million. At the time of filing its petitions for bankruptcy, Dana owed WESCO $0.3 million from their U.S. domestic entities for the balance of the Dana accounts receivable due as of December 31, 2005.

As of March 3, 2006, the accounts receivable due WESCO from Dana s U.S. domestic entities was $9.7 million. WESCO management is currently evaluating the collectibility of this balance prior to the end of WESCO s 2006 first quarter ending March 31, 2006.

19. Subsequent Event (Unaudited)

WESCO recognized an after tax charge of $2.7 million in the first quarter ending March 31, 2006 for the write down of accounts receivable related to 2006 sales due WESCO from Dana s U.S. domestic entities.

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Schedule II Valuation and Qualifying Accounts

	Col. A Balance at Beginning of Period	Col. B Charged to Expense	Col. C Charged to Other Accounts(1)	Col. D Deductions(2)	Col. E Balance at End of Period
			(In thousands)		
Allowance for doubtful accounts:					
Year ended December 31, 2005	$ 12,481	$ 8,601	$ 1,543	$ (10,016)	$ 12,609
Year ended December 31, 2004	11,422	5,824		(4,765)	12,481
Year ended December 31, 2003	10,261	10,229		(9,068)	11,422

(1) Represents allowance for doubtful accounts in connection with certain agreements.

(2) Includes a reduction in the allowance for doubtful accounts due to write-off of accounts receivable.

	Col. A Balance at Beginning of Period	Col. B Charged to Expense	Col. C Charged to Other Accounts(1)	Col. D Deductions(2)	Col. E Balance at End of Period
			(In thousands)		
Inventory reserve:					
Year ended December 31, 2005	$ 10,070	$ 4,081	$ 1,840	$ (3,525)	$ 12,466
Year ended December 31, 2004	9,759	5,500		(5,189)	10,070
Year ended December 31, 2003	11,873	5,005		(7,119)	9,759

(1) Represents inventory reserves in connection with certain acquisitions.
(2) Includes a reduction in the inventory reserve due to disposal of inventory.

Col. A	Col. B	Col. C	Col. D	Col. E
	Charged	Charged		

	Balance at Beginning of Period	(benefit) to Expense	to Other Accounts	Deductions	Balance at End of Period
			(In thousands)		
Valuation Allowance					
Year ended December 31, 2005	$ 13,439	$ 2,254	0	0	$ 15,693
Year ended December 31, 2004	12,845	594	0	0	13,439
Year ended December 31, 2003	11,291	1,554	0	0	12,845

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)

	March 31, 2006	December 31, 2005
	(Dollars in thousands, except share data)	
Assets		
Current Assets:		
Cash and cash equivalents	$ 30,350	$ 22,125
Trade accounts receivable, net of allowance for doubtful accounts of $15,293 and $12,609 in 2006 and 2005, respectively **(Note 5)**	348,611	315,594
Other accounts receivable	22,798	36,235
Inventories, net	507,930	500,798
Current deferred income taxes	13,712	13,399
Income taxes receivable	7,792	12,814
Prepaid expenses and other current assets	7,631	7,898
Total current assets	938,824	908,863
Property, buildings and equipment, net	103,569	103,083
Intangible assets, net **(Note 6)**	81,987	83,892
Goodwill **(Note 6)**	547,724	542,217
Other assets	12,629	13,104
Total assets	$ 1,684,733	$ 1,651,159
Liabilities and Stockholders Equity		
Current Liabilities:		
Accounts payable	$ 575,661	$ 572,467
Accrued payroll and benefit costs	34,818	51,220
Short-term debt related to revolving credit facility		14,500
Current portion of long-term debt	26,190	36,825
Deferred acquisition payable	8,180	2,680
Bank overdrafts	5,599	3,695
Other current liabilities	48,408	38,499
Total current liabilities	698,856	719,886
Long-term debt	348,477	352,232
Long-term deferred acquisition payable	3,333	4,346
Other noncurrent liabilities	10,561	9,507
Deferred income taxes	75,813	73,738
Total liabilities	1,137,040	1,159,709
Commitments and contingencies **(Note 8)**		
Stockholders Equity:		

Preferred stock, $.01 par value; 20,000,000 shares authorized, no shares issued or outstanding		
Common stock, $.01 par value; 210,000,000 shares authorized, 52,391,041 and 51,790,725 shares issued in 2006 and 2005, respectively	524	518
Class B nonvoting convertible common stock, $.01 par value; 20,000,000 shares authorized, 4,339,431 issued in 2006 and 2005; no shares outstanding	43	43
Additional capital	723,557	707,407
Retained earnings (deficit)	(123,882)	(168,332)
Treasury stock, at cost; 8,516,795 and 8,418,607 shares in 2006 and 2005, respectively	(66,323)	(61,821)
Accumulated other comprehensive income	13,774	13,635
Total stockholders equity	547,693	491,450
Total liabilities and stockholders equity	$ 1,684,733	$ 1,651,159

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

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

	Three Months Ended March 31,	
	2006	2005
	(Dollars in thousands, except share data)	
Net sales	$ 1,265,508	$ 990,871
Cost of goods sold (excluding depreciation and amortization below)	1,012,403	805,689
Gross profit	253,105	185,182
Selling, general and administrative expenses	169,898	142,681
Depreciation and amortization	6,282	3,939
Income from operations	76,925	38,562
Interest expense, net	6,393	9,125
Loss on debt extinguishment		10,051
Other expenses **(Note 5)**	5,059	2,015
Income before income taxes	65,473	17,371
Provision for income taxes	21,023	6,027
Net income	$ 44,450	$ 11,344
Earnings per share:		
Basic:	$ 0.93	$ 0.24
Diluted:	$ 0.86	$ 0.23

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

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Three Months Ended March 31, 2006	Three Months Ended March 31, 2005
	(In thousands)	
Operating Activities:		
Net income	$ 44,450	$ 11,344
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss on debt extinguishment (excluding premium of $8,168 in 2005)		1,883
Depreciation and amortization	6,282	3,940
Accretion of original issue and amortization of purchase discounts		493
Amortization of debt issuance costs	552	286
Deferred income taxes	1,762	(821)
Amortization of gain on interest rate swap		(228)
Stock-based compensation expense	2,568	1,658
Loss (gain) on the sale of property, buildings and equipment	21	(7)
Excess tax benefit from stock-based compensation **(Note 3)**	(8,126)	
Changes in assets and liabilities		
Change in receivables facility	(2,000)	90,500
Trade and other receivables	(17,319)	(31,931)
Inventories	(6,943)	2,037
Prepaid expenses and other current assets	13,336	3,216
Accounts payable	3,482	33,496
Accrued payroll and benefit costs	(16,402)	(16,119)
Other current and noncurrent liabilities	10,857	2,806
Net cash provided by operating activities	32,520	102,553
Investing Activities:		
Capital expenditures	(4,206)	(2,703)
Acquisition payments	(1,013)	(1,014)
Net cash used by investing activities	(5,219)	(3,717)
Financing Activities:		
Proceeds from issuance of long-term debt	137,904	109,000
Repayments of long-term debt	(167,228)	(227,778)
Debt issuance costs	(532)	
Proceeds from the exercise of stock options	960	4,337
Excess tax benefit from stock-based compensation **(Note 3)**	8,126	
Increase in bank overdrafts	1,903	
Payments on capital lease obligations	(209)	
Net cash used by financing activities	(19,076)	(114,441)
Effect of exchange rate changes on cash and cash equivalents		(153)

Net change in cash and cash equivalents	8,225	(15,758)
Cash and cash equivalents at the beginning of period	22,125	34,523
Cash and cash equivalents at the end of period	$ 30,350	$ 18,765
Supplemental disclosures:		
Non-cash investing activities:		
Property, plant and equipment acquired through capital leases	644	
Increase in deferred acquisition payable	5,500	
Non-cash financing activities:		
Decrease in fair value of outstanding interest rate swaps		1,107

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

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. Organization

WESCO International, Inc. and its subsidiaries (collectively, WESCO), headquartered in Pittsburgh, Pennsylvania, is a full-line distributor of electrical supplies and equipment and is a provider of integrated supply procurement services with operations in the United States, Canada, Mexico, Puerto Rico, Guam, the United Kingdom, Nigeria, United Arab Emirates and Singapore. WESCO currently operates approximately 370 branch locations and eight distribution centers (six in the United States and two in Canada.)

2. Accounting Policies

Basis of Presentation

The unaudited condensed consolidated financial statements of WESCO have been prepared in accordance with Rule 10-01 of Regulation S-X of the Securities and Exchange Commission (the SEC). The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in WESCO s 2005 Annual Report on Form 10-K filed with the SEC. The December 31, 2005 condensed balance sheet data was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United State of America.

The unaudited condensed consolidated balance sheet as of March 31, 2006, the unaudited condensed consolidated statements of income for the three months ended March 31, 2006 and March 31, 2005, respectively, and the unaudited condensed consolidated statements of cash flows for the three months ended March 31, 2006 and March 31, 2005, respectively, in the opinion of management, have been prepared on the same basis as the audited consolidated financial statements and include all adjustments necessary for the fair statement of the results of the interim periods. All adjustments reflected in the unaudited condensed consolidated financial statements are of a normal recurring nature unless indicated. Results for the interim periods presented are not necessarily indicative of the results to be expected for the full year.

Recent Accounting Pronouncements

In May 2005, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standard (SFAS) 154 (SFAS 151), *Accounting Changes and Error Corrections*, which changes the requirements for the accounting and reporting of a change in accounting principle. SFAS 154 applies to all voluntary changes in accounting principle as well as to changes required by an accounting pronouncement that does not include specific transition provisions. SFAS 154 eliminates the requirement to include the cumulative effect of changes in accounting principle in the income statement and instead requires that changes in accounting principle be retroactively applied. A change in accounting estimate continues to be accounted for in the period of change and future periods if necessary. A correction of an error continues to be reported by restating prior period financial statements. SFAS 154 is effective for WESCO for accounting changes and correction of errors made on or after January 1, 2006. The adoption of SFAS 154 is not expected to have a material impact on WESCO s financial position or results of operations.

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(unaudited)

3. Stock-Based Compensation

WESCO has sponsored four stock option plans, the 1999 Long-Term Incentive Plan (LTIP), the 1998 Stock Option Plan, the Stock Option Plan for Branch Employees and the 1994 Stock Option Plan. The LTIP was designed to be the successor plan to all prior plans. Outstanding options under prior plans will continue to be governed by their existing terms, which are substantially similar to the LTIP. Any remaining shares reserved for future issuance under the prior plans are available for issuance under the LTIP. The LTIP and predecessor plans are administered by the Compensation Committee of the Board of Directors.

An initial reserve of 6,936,000 shares of common stock has been authorized for issuance under the LTIP. This reserve automatically increases by (i) the number of shares of common stock covered by unexercised options granted under prior plans that are canceled or terminated after the effective date of the LTIP, and (ii) the number of shares of common stock surrendered by employees to pay the exercise price and/or minimum withholding taxes in connection with the exercise of stock options granted under our prior plans. All awards under WESCO s stock incentive plans are designed to be issued at fair market value.

Awards granted vest and become exercisable once criteria based on time or financial performance are achieved. If the financial performance criteria are not met, all the awards will vest after nine years and nine months. All awards vest immediately in the event of a change in control. Each award terminates on the tenth anniversary of its grant date unless terminated sooner under certain conditions.

In the first quarter of 2006, WESCO adopted the provisions of FASB SFAS No. 123 (revised 2004) (SFAS 123R), *Share-Based Payment* and SEC Staff Accounting Bulletin No. 107 (SAB 107), *Share-Based Payment*, requiring the measurement and recognition of all stock-based compensation under the fair value method.

During the year ended December 31, 2003, WESCO adopted the measurement provisions of SFAS No. 123 (SFAS 123), *Accounting for Stock-Based Compensation*. Stock options awarded prior to 2003 were accounted for under the intrinsic value method (i.e. the difference between the market price on the exercise date and the price paid by the employee to exercise the options) under Accounting Principles Board Opinion No. 25 (APB 25), *Accounting for Stock Issued to Employees*. Beginning January 1, 2006, WESCO adopted SFAS 123R using the modified prospective method, which requires measurement of compensation cost for all stock-based awards at fair value on date of grant and recognition of compensation cost, net of estimated forfeitures, over the service period for awards expected to vest. The fair value of stock-based awards is determined using the Black-Scholes valuation model, which is consistent with the valuation techniques previously utilized for stock-based awards in footnote disclosures required under SFAS 123. The forfeiture assumption is 5% per year and is based on WESCO s historical employee behavior that is reviewed on an annual basis.

Prior to the adoption of SFAS 123R, WESCO presented all tax benefits of deductions resulting from the exercise of stock options as operating cash flows in the Consolidated Statements of Cash Flows. SFAS 123R requires the tax benefits resulting from deductions in excess of the compensation cost recognized for those options (excess tax benefits) to be classified as financing cash flows.

WESCO recognized $2.6 million (including $0.1 million due to the adoption of SFAS 123R and related to the vesting in 2006 of options granted prior to January 1, 2003) and $1.7 million of non-cash stock-based compensation expense, which is included in selling, general and

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(unaudited)

administrative expenses, for the three months ended March 31, 2006 and 2005, respectively. As of March 31, 2006, there was $16.6 million of total unrecognized compensation cost related to non-vested stock-based compensation arrangements for all awards previously made. Approximately $7.0 million is expected to be recognized over the remainder of 2006, $7.5 million is expected to be recognized in 2007 and $2.1 million in 2008.

During the three months ended March 31, 2006 and 2005, the total intrinsic value of options exercised was $24.5 million and $13.3 million, respectively, and the total amount of cash received from the exercise of these options was $5.5 million and $4.5 million, respectively. The tax benefit recorded for tax deductions associated with stock-based compensation plans for the three months ended March 31, 2006 and 2005 totaled $8.3 million and $4.9 million and was recorded as a credit to additional paid-in capital.

During the three months ended March 31, 2006 WESCO granted 3,482 stock-settled appreciation rights at the following weighted average assumptions:

	Three Months Ended March 31, 2006
Risk free interest rate	4.2%
Expected life	4 years
Expected volatility	57%

The following table sets forth a summary of both stock options and stock appreciation rights and related information for the three months ended March 31, 2006:

	Awards	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
Outstanding at December 31, 2005	6,303,936	$ 14.02	5.9
Granted	3,482	52.33	
Exercised	622,758	10.86	
Cancelled	40,634	13.86	
Outstanding at March 31, 2006	5,644,026	14.40	5.9
Exercisable at March 31, 2006	1,154,579	10.87	5.0
Unvested at March 31, 2006	4,489,447	15.31	6.1

As of March 31, 2006, the intrinsic value of awards exercisable and awards unvested was $66.0 million and $236.6 million, respectively.

There were no options or stock appreciation rights granted during the three months ended March 31, 2005.

As of March 31, 2006, 4.7 million shares of common stock were reserved under the 1999 Long Term Incentive Plan for future equity award grants.

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
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The following table sets forth exercise prices for equity awards outstanding as of March 31, 2006:

Range of exercise price	Awards Outstanding	Awards Exercisable	Weighted Average Remaining Contractual Life
$ 0.00 - $10.00	2,486,972	502,618	5.5
$10.00 - $20.00	1,528,650	471,234	3.2
$20.00 - $30.00	725,733	180,727	8.5
$30.00 - $40.00	882,500	0	
$40.00 - $50.00	17,639	0	
$50.00 - $60.00	2,150	0	
$60.00 - $70.00	382	0	
	5,644,026	1,154,579	5.9

For the three months ending March 31, 2005, WESCO s pro forma net income and earnings per share would have been adjusted to the amounts indicated below to reflect the additional fair value compensation, net of tax, as if the fair-value based method of accounting for stock-based awards had been applied to all outstanding awards:

	Three Months Ended March 31, 2005 (Dollars in thousands, except share amounts)	
Net income reported	$	11,344
Add: Stock-based compensation expense included in reported net income, net of related tax		1,043
Deduct: Stock based employee compensation expense determined under fair value based methods for all awards, net of related tax		1,236
Pro forma net income	$	11,151
Earnings per share:		
Basic as reported	$	0.24
Basic pro forma	$	0.24
Diluted as reported	$	0.23
Diluted pro forma	$	0.23

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4. Earnings Per Share

The following table sets forth the details of basic and diluted earnings per share:

	Three Months Ended March 31,	
	2006	2005
	(Dollars in thousands, except per share amounts)	
Net income reported	$ 44,450	$ 11,344
Weighted average common shares outstanding used in computing basic earnings per share	48,031,287	46,694,626
Common shares issuable upon exercise of dilutive stock options	2,636,644	2,531,515
Common shares issuable from contingently convertible debentures (see note below for basis of calculation)	825,286	
Weighted average common shares outstanding and common share equivalents used in computing diluted earnings per share	51,493,217	49,226,141
Earnings per share:		
Basic	$ 0.93	$ 0.24
Diluted	$ 0.86	$ 0.23

Stock-settled stock appreciation rights to purchase 0.9 million shares of common stock at a weighted average exercise price of $24.02 per share that were outstanding as of March 31, 2005 were not included in the computation of diluted earnings per share because to do so would have been antidilutive for the three month period ending March 31, 2005. In addition, to the extent that the average share price during the three month period ending March 31, 2006 exceeds the 2.625% Convertible Senior Debentures due 2025 (the Debentures) conversion price of $41.86 per share, an incremental number of up to 3,583,080 shares are to be included in determining diluted earnings per share using the treasury stock method of accounting as represented in the table below. Since the average stock price for the three month period ended March 31, 2006 was approximately $54 per share, 825,286 shares underlying the Debentures were included in the diluted weighted average shares outstanding for the three month period ended March 31, 2006, under the treasury stock method of accounting, as required by the FASB Emerging Issues Task Force (EITF) Issue No. 90-19.

Under EITF No. 04-8, and EITF 90-19 *Convertible Bonds with Issuer Option to Settle for Cash upon Conversion*, and because of WESCO s obligation to settle the par value of the Debentures in cash, WESCO is not required to include any shares underlying the Debentures in its diluted weighted average shares outstanding until the average stock price per share for the quarter exceeds the $41.86 conversion price and only to the extent of the additional shares WESCO may be required to issue in the event WESCO s conversion obligation exceeds the principal amount of the Debentures converted. At such time, only the number of shares that would be issuable (under the treasury stock method of accounting for share dilution) will be included, which is based upon the amount by which the average stock price exceeds the conversion price. For the first $1 per share that WESCO s average stock price exceeds the $41.86 conversion price of the Debentures, WESCO will include approximately 83,000 additional shares in WESCO s diluted

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share count. For the second $1 per share that WESCO s average stock price exceeds the $41.86 conversion price, WESCO will include approximately 80,000 additional shares, for a total of approximately 163,000 shares, in WESCO s diluted share count, and so on, with the additional shares dilution decreasing for each $1 per share that WESCO s average stock price exceeds $41.86 if the stock price rises further above $41.86 (see table, below).

TREASURY STOCK METHOD OF ACCOUNTING FOR SHARE DILUTION

Conversion Price:	$	41.86
Number of Underlying Shares:		0 to 3,583,080
Principal Amount	$	150,000,000
Formula: Number of extra dilutive shares created = ((Stock Price * Underlying Shares) Principal)/ Stock Price		
Condition: Only applies when share price exceeds $41.86		

Stock Price		Conversion Price		Price Difference	Include in Share Count	Share Dilution Per $1.00 Share Price Difference
$41.86	$	41.86	$	0	0	0
$42.86	$	41.86	$	1	83,313	83,313
$51.86	$	41.86	$	10	690,677	69,068
$61.86	$	41.86	$	20	1,158,249	57,912
$71.86	$	41.86	$	30	1,495,687	49,856
$81.86	$	41.86	$	40	1,750,683	43,767

Share dilution is limited to a maximum of 3,583,080 shares.

5. Accounts Receivable Securitization

WESCO maintains an accounts receivable securitization program (the Receivables Facility) that had a total purchase commitment of $400 million as of March 31, 2006 and December 31, 2005. The Receivables Facility has a term of three years and is subject to renewal in May 2008. Under the Receivables Facility, WESCO sells, on a continuous basis, an undivided interest in all domestic accounts receivable to WESCO Receivables Corporation, a wholly owned, special purpose entity (SPE). The SPE sells, without recourse, to a third-party conduit all the eligible receivables while maintaining a subordinated interest, in the form of overcollateralization, in a portion of the receivables. WESCO has agreed to continue servicing the sold receivables for the financial institution at market rates; accordingly, no servicing asset or liability has been recorded.

As of March 31, 2006 and December 31, 2005, accounts receivable eligible for securitization totaled approximately $522 million and $525 million, respectively, of which the subordinated retained interest was approximately $127 million and $128 million, respectively. Accordingly, approximately $395 million and $397 million of accounts receivable balances were removed from the consolidated balance sheets at March 31, 2006 and December 31, 2005, respectively. Costs associated with the Receivables Facility totaled $5.1 million and $2.0 million for the three months ended March 31, 2006 and March 31, 2005, respectively. These amounts are recorded as other expenses in the consolidated statements of income and are primarily related to interest and the

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discount and loss on the sale of accounts receivables, partially offset by related servicing revenue.

The key economic assumptions used to measure the retained interest at the date of the securitization for securitizations completed in 2006 were a discount rate of 4.2% and an estimated life of 1.5 months. At March 31, 2006, an immediate adverse change in the discount rate or estimated life of 10% and 20% would result in a reduction in the fair value of the retained interest of $0.2 million and $0.5 million, respectively. These sensitivities are hypothetical and should be used with caution. Changes in fair value based on a 10% variation in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, in this example, the effect of a variation in a particular assumption on the fair value of the retained interest is calculated without changing any other assumption. In reality, changes in one factor may result in changes in another.

6. Acquisitions

Acquisitions were accounted for under the purchase method of accounting in accordance with SFAS No. 141, *Business Combinations*. Accordingly, the purchase price has been allocated based on an independent appraisal of the fair value of intangible assets and management s estimate of the fair value of tangible assets acquired and liabilities assumed with the excess being recorded primarily as goodwill as of the effective date of the acquisition.

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
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The allocation of assets acquired and liabilities assumed for the 2005 acquisitions summarized below is preliminary, pending the impact of the restructuring plans related to these acquisitions.

	Fastec Industrial Corp.	Carlton-Bates Company
	(Dollars in thousands)	
Assets Acquired		
Cash and equivalents	$ 281	$ 1,763
Trade accounts receivable	4,675	37,628
Inventories	11,944	40,709
Deferred income taxes short-term		1,861
Other accounts receivable		840
Prepaid expenses	161	762
Income taxes receivable		2,789
Property, buildings and equipment	2,168	5,159
Intangible assets	11,134	74,444
Goodwill	5,396	135,088
Total assets acquired	35,759	301,043
Liabilities Assumed		
Accounts payable	2,663	16,901
Accrued and other current liabilities	767	8,599
Deferred income taxes long-term		19,607
Other noncurrent liabilities		136
Total liabilities assumed	3,430	45,243
Fair value of net assets acquired, including intangible assets	$ 32,329	$ 255,800

Acquisition of Carlton-Bates Company

On September 29, 2005, WESCO acquired Carlton-Bates Company (Carlton-Bates), headquartered in Little Rock, Arkansas. The original purchase price was $248.5 million, net of $1.8 million cash acquired, of which $25.0 million of the purchase price was held in escrow to address up to $5.0 million of post-closing adjustments relating to working capital and up to $20.0 million of potential indemnification claims, with all distributions from the escrow to be made by March 2008. Distributions of $2.0 million and $3.0 million were made from the escrow in November 2005 and February 2006, respectively, in accordance with terms set forth in the purchase agreement. During the three months ended March 31, 2006, WESCO completed its evaluation of the calculation of the acquired working capital resulting in an increase in the purchase price in the amount of $5.5 million which amount was paid on April 6, 2006.

Carlton-Bates operates two business divisions: (1) a traditional branch-based distributor and (2) the LADD division, the sole U.S. distributor of engineered connecting devices for the industrial products division of Deutsch Company ECD. Carlton-Bates is a regional distributor of electrical and electronic components with a special emphasis on automation and electromechanical applications for the original equipment manufacturer markets. Carlton-Bates adds new capabilities for WESCO including new product categories, new supplier relationships, kitting and

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light assembly services for WESCO customers, sales opportunities resulting from value-added services.

The purchase price allocation resulted in intangible assets of $74.4 million and goodwill of $135.1 million, of which $55.9 million is deductible for tax purposes. The intangible assets include customer relationships of $45.3 million amortized over a range of 13 to 19 years, distribution agreements of $12.0 million and non-compete agreements of $0.2 million, both of which are amortized over five years and trademarks of $16.9 million. Trademarks have an indefinite life and are not being amortized. The intangible assets were valued by American Appraisal Associates, Inc., an independent appraiser. No residual value is estimated for these intangible assets.

The operating results of Carlton-Bates have been included in WESCO s consolidated financial statements since September 29, 2005. The following summary of the unaudited pro forma results of operations for the three months ended March 31, 2005 is included below as if the acquisition occurred on the first day of 2005 and is not necessarily indicative of what WESCO s results of operations would have been had Carlton-Bates been acquired at the beginning of the period. Seasonality of sales is not a significant factor to the pro forma combined results of operations.

	Three Months Ended March 31, 2005 (Dollars in thousands, except per share amounts)	
Net Sales	$	1,066,025
Net Income	$	12,759
Earnings per common share:		
Basis	$	0.27
Diluted	$	0.26

Acquisition of Fastec Industrial Corp.

On July 29, 2005, WESCO acquired the assets and business of Fastec Industrial Corp. (Fastec). Fastec is a nationwide importer and distributor of industrial fasteners, cabinet and locking and latching products. The original purchase price WESCO paid was $28.7 million net of $0.3 million cash acquired, and WESCO also issued a $3.0 million promissory note to consummate this acquisition. In accordance with the terms of the purchase, a net working capital valuation was performed subsequent to the closing date of the acquisition resulting in an increase to the purchase price and the note payable in the amount of $0.3 million.

The purchase price allocation resulted in intangible assets of $11.1 million and goodwill of $5.4 million, which is expected to be fully deductible for tax purposes. The intangible assets include customer relationships of $9.4 million, trademarks of $1.5 million and non-compete agreements of $0.2 million. Trademarks have an indefinite life and are not being amortized. Non-compete agreements are being amortized over 5 years and customer relationships over 15 years. The intangible assets were valued by American Appraisal Associates, Inc., an independent appraiser. No residual value is estimated for the intangible assets.

The operating results of Fastec have been included in WESCO s operating results since July 29, 2005. Pro forma comparative results of WESCO, assuming the acquisition of Fastec had been made at the beginning of fiscal 2005, would not have been materially different from the reported results or the pro forma results presented above.

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
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Other Acquisition

Another previously completed acquisition agreement contains contingent consideration for the final acquisition payment which management has estimated will be $5.0 million and paid between 2006 and 2008 and is reported as deferred acquisition payable.

7. Employee Benefit Plans

A majority of WESCO s employees are covered by defined contribution retirement savings plans for their services rendered subsequent to WESCO s formation. For U.S. participants, WESCO will make contributions in an amount equal to 50% of the participant s total monthly contributions up to a maximum of 6% of eligible compensation. For Canadian participants, WESCO will make contributions in an amount ranging from 1% to 7% of the participant s eligible compensation based on years of continuous service. In addition, employer contributions may be made at the discretion of the Board of Directors and can be based on WESCO s financial performance. For the three months ended March 31, 2006 WESCO contributed $2.1 million to all such plans. Contributions are made in cash to employee retirement savings plan accounts. Employees then have the option to transfer balances allocated to their accounts into any of the available investment options, including WESCO stock.

8. Commitments and Contingencies

WESCO is a defendant in a lawsuit in a state court in Florida in which a former supplier alleges that WESCO failed to fulfill its commercial obligations to purchase product and seeks monetary damages in excess of $17 million. WESCO believes that it has meritorious defenses. Neither the outcome nor the monetary impact of this litigation can be predicted at this time. A trial is scheduled for October 2006.

On March 3, 2006, Dana Corporation (Dana) and forty of its domestic subsidiaries filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code. The Dana petitions applied to its U.S. domestic entities only. Dana represented $48.5 million of WESCO sales in 2005.

As of March 3, 2006, the amount of accounts receivable due WESCO from Dana s U.S. domestic entities was $9.7 million of which $9.4 million related to 2006 sales. WESCO has established a reserve in the amount of $4.0 million during the three-month period ending March 31, 2006 based on management s evaluation of the collectibility of this balance.

9. Comprehensive Income

The following table sets forth comprehensive income and its components:

	Three Months Ended March 31,	
	2006	**2005**
	(In thousands)	
Net income	$ 44,450	$ 11,344
Foreign currency translation adjustment	(139)	(556)
Comprehensive income	$ 44,311	$ 10,788

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
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10. Income Taxes

The following table sets forth the reconciliation between the federal statutory income tax rate and the effective rate:

	Three Months Ended March 31,	
	2006	2005
Federal statutory rate	35.0%	35.0%
State taxes, net of federal tax benefit	2.5	2.1
Nondeductible expenses	0.4	0.8
Domestic tax benefit from foreign operations	(2.7)	(0.3)
Foreign tax rate differences(1)	(2.9)	(2.9)
Domestic production activity deduction	(0.2)	
	32.1%	34.7%

(1) Includes a benefit of $2.1 and $0.5 million for the three months ended March 31, 2006 and 2005, respectively, from the recapitalization of our Canadian operations.

11. Other Financial Information (Unaudited)

WESCO Distribution, Inc. (WESCO Distribution) has issued $150 million in aggregate principal amount of 7.50% Senior Subordinated Notes due 2017 (the 2017 Notes). The 2017 Notes are fully and unconditionally guaranteed by WESCO International, Inc. (WESCO International) on a subordinated basis to all existing and future senior indebtedness of WESCO International. WESCO Distribution, WESCO International and the initial purchasers of the 2017 notes also entered into an Exchange and Registration Rights Agreement, dated September 27, 2005 (the 2017 Notes Registration Rights Agreement) with respect to the 2017 Notes and WESCO International s guarantee of the 2017 Notes (the 2017 Notes Guarantee). Pursuant to the 2017 Notes Registration Rights Agreement, WESCO International and WESCO Distribution agreed to file a registration statement within 210 days after the issue date of the 2017 Notes to register an exchange enabling holders of the 2017 Notes to exchange the 2017 Notes and 2017 Notes Guarantee for publicly registered senior subordinated notes, and a similar unconditional guarantee of those notes by WESCO International, with substantially identical terms (except for terms relating to additional interest and transfer restrictions). WESCO International and WESCO Distribution agreed to use their reasonable best efforts to cause the registration statement to become effective within 270 days after the issue date of the 2017 Notes and to complete the exchange offer as promptly as practicable but in no event later than 300 days after the issue date of the 2017 Notes. WESCO International and WESCO Distribution agreed to file a shelf registration statement for the resale of the 2017 Notes if they cannot complete the exchange offer within the time periods listed above and in certain other circumstances.

WESCO International has issued $150 million in aggregate principal amount of Debentures. The Debentures are fully and unconditionally guaranteed by WESCO Distribution on a senior subordinated basis to all existing and future senior indebtedness of WESCO Distribution. WESCO International, WESCO Distribution and the initial purchasers of the Debentures also entered into a Registration Rights Agreement, dated September 27, 2005 (the Debentures

Registration Rights Agreement) with respect to the Debentures, WESCO Distribution s guarantee of the Debentures
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(the Debentures Guarantee) and the common stock of WESCO International into which the Debentures are convertible (the Conversion Shares). Pursuant to the Debentures Registration Rights Agreement, WESCO Distribution and WESCO International agreed to file a shelf registration statement within 210 days after the issue date of the Debentures to register the Debentures, the Debentures Guarantee and the Conversion Shares. WESCO Distribution and WESCO International agreed to use their reasonable best efforts to cause the registration statement to become effective within 270 days after the issue date of the Debentures.

WESCO Distribution issued $300 million in aggregate principal amount of 9 1/8% Senior Subordinated Notes due 2008 (the 2008 Notes) in June 1998 and $100 million in aggregate principal amount of the 2008 Notes in August 2001 and repurchased all amounts outstanding during 2005, 2004 and 2003. There was no outstanding balance remaining related to the 2008 Notes as of December 31, 2005. The 2008 Notes were fully and unconditionally guaranteed by WESCO International on a subordinated basis.

Condensed consolidating financial information for WESCO International, WESCO Distribution and the non-guarantor subsidiaries are as follows:

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEETS
(unaudited)

	March 31, 2006				
	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
			(In thousands)		
Cash and cash equivalents	$ 3	$ 20,404	$ 9,943	$	$ 30,350
Trade accounts receivable			348,611		348,611
Inventories		386,255	121,675		507,930
Other current assets		20,688	39,038	(7,793)	51,933
Total current assets	3	427,347	519,267	(7,793)	938,824
Intercompany receivables, net		(415,856)	441,034	(25,178)	
Property, buildings and equipment, net		32,397	71,172		103,569
Intangible assets, net		10,953	71,034		81,987
Goodwill and other intangibles, net		374,000	173,724		547,724
Investments in affiliates and other noncurrent assets	723,852	1,071,412	2,926	(1,785,561)	12,629
Total assets	$ 723,855	$ 1,500,253	$ 1,279,157	$ (1,818,532)	$ 1,684,733
Accounts payable	$	$ 453,563	$ 122,098	$	$ 575,661
Other current liabilities	984	109,137	20,867	(7,793)	123,195
Total current liabilities	984	562,700	142,965	(7,793)	698,856
Intercompany payables, net	25,178			(25,178)	
Long-term debt	150,000	151,759	46,718		348,477
Other noncurrent liabilities		65,981	23,726		89,707
Stockholders equity	547,693	719,813	1,065,748	(1,785,561)	547,693
Total liabilities and stockholders equity	$ 723,855	$ 1,500,253	$ 1,279,157	$ (1,818,532)	$ 1,684,733

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEETS (Continued)
(unaudited)

	December 31, 2005				
	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
	(In thousands)				
Cash and cash equivalents	$	$ 18,088	$ 4,037	$	$ 22,125
Trade accounts receivable			315,594		315,594
Inventories		380,227	120,571		500,798
Other current assets		40,049	50,971	(20,674)	70,346
Total current assets		438,364	491,173	(20,674)	908,863
Intercompany receivables, net		(161,534)	206,253	(44,719)	
Property, buildings and equipment, net		31,712	71,371		103,083
Intangible assets, net		11,140	72,752		83,892
Goodwill and other intangibles, net		374,000	168,217		542,217
Investments in affiliates and other noncurrent assets	686,169	806,818	3,045	(1,482,928)	13,104
Total assets	$ 686,169	$ 1,500,500	$ 1,012,811	$ (1,548,321)	$ 1,651,159
Accounts payable	$	$ 453,101	$ 119,366	$	$ 572,467
Short-term debt		14,500			14,500
Other current liabilities		133,478	20,115	(20,674)	132,919
Total current liabilities		601,079	139,481	(20,674)	719,886
Intercompany payables, net	44,719			(44,719)	
Long-term debt	150,000	154,024	48,208		352,232
Other noncurrent liabilities		63,491	24,100		87,591
Stockholders equity	491,450	681,906	801,022	(1,482,928)	491,450
Total liabilities and stockholders equity	$ 686,169	$ 1,500,500	$ 1,012,811	$ (1,548,321)	$ 1,651,159

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF INCOME
(unaudited)

	Three Months Ended March 31, 2006				
	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
			(In thousands)		
Net sales	$	$ 981,945	$ 283,563	$	$ 1,265,508
Cost of goods sold		793,215	219,188		1,012,403
Selling, general and administrative expenses	2	130,321	39,575		169,898
Depreciation and amortization		3,342	2,940		6,282
Results of affiliates operations	37,768	14,426		(52,194)	
Interest expense (income), net	(8,916)	9,961	5,348		6,393
Loss on debt extinguishment					
Other (income) expense		13,008	(7,949)		5,059
Provision for income taxes	2,232	8,756	10,035		21,023
Net income	$ 44,450	$ 37,768	$ 14,426	$ (52,194)	$ 44,450

	Three Months Ended March 31, 2005				
	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
			(In thousands)		
Net sales	$	$ 836,409	$ 154,462	$	$ 990,871
Cost of goods sold		681,937	123,752		805,689
Selling, general and administrative expenses	1	123,200	19,480		142,681
Depreciation and amortization		3,251	688		3,939
Results of affiliates operations	7,901	14,239		(22,140)	
	(5,299)	12,200	2,224		9,125

Interest expense (income), net					
Loss on debt extinguishment		10,051			10,051
Other (income) expense		8,724	(6,709)		2,015
Provision for income taxes	1,855	3,384	788		6,027
Net income	$ 11,344	$ 7,901	$ 14,239	$ (22,140)	$ 11,344

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
(unaudited)

Three Months Ended March 31, 2006

	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
			(In thousands)		
Net cash (used) provided by operating activities	$ 9,149	$ 12,641	$ 10,730	$	$ 32,520
Investing activities:					
Capital expenditures		(3,401)	(805)		(4,206)
Acquisition payments		(1,013)			(1,013)
Net cash used by investing activities		(4,414)	(805)		(5,219)
Financing activities:					
Net repayments	(18,232)	(10,768)	(324)		(29,324)
Equity transactions	9,086				9,086
Other		4,857	(3,695)		1,162
Net cash used by financing activities	(9,146)	(5,911)	(4,019)		(19,076)
Effect of exchange rate changes on cash and cash equivalents					
Net change in cash and cash equivalents	3	2,316	5,906		8,225
Cash and cash equivalents at the beginning of year		18,088	4,037		22,125
Cash and cash equivalents at the end of period	$ 3	$ 20,404	$ 9,943	$	$ 30,350

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS (Continued)
(unaudited)

	Three Months Ended March 31, 2005				
	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
			(In thousands)		
Net cash provided (used) by operating activities	$ 9,798	$ 99,815	$ (7,060)	$	$ 102,553
Investing activities:					
Capital expenditures		(2,663)	(40)		(2,703)
Acquisition payments		(1,014)			(1,014)
Net cash used by investing activities		(3,677)	(40)		(3,717)
Financing activities:					
Net borrowings (repayments)	(14,135)	(104,344)	(299)		(118,778)
Equity transactions	4,337				4,337
Net cash (used) provided by financing activities	(9,798)	(104,344)	(299)		(114,441)
Effect of exchange rate changes on cash and cash equivalents			(153)		(153)
Net change in cash and cash equivalents		(8,206)	(7,552)		(15,758)
Cash and cash equivalents at the beginning of year	1	15,974	18,548		34,523
Cash and cash equivalents at the end of period	$ 1	$ 7,768	$ 10,996	$	$ 18,765

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WESCO Distribution, Inc.

Completed Letters of Transmittal and any other documents required in connection with surrenders of original notes for exchange should be directed to the Exchange Agent at the address set forth below:

The Exchange Agent for the exchange offer is:

J.P.Morgan Trust Company, National Association

By Mail, Hand, or Express Delivery Prior to 5:00 p.m.
On the Expiration Date as follows:

By First Class/ Registered/ Certified Mail:	By Express Delivery Only:	By Hand Only:
J.P.Morgan Trust Company, National Association	**J.P.Morgan Trust Company, National Association**	**J.P.Morgan Trust Company, National Association**
Worldwide Securities Services	Worldwide Securities Services	Worldwide Securities Services Window
P.O. Box 2320	2001 Bryan St., 9th Floor	4 New York Plaza 1st Floor
Dallas, Texas 75221-2320	Dallas, Texas 75201	New York, New York 10004

By Facsimile: (214) 468-6494
Attention: Mr. Frank Ivins
Confirmation of Receipt:
(214) 468-6464