WESCO DISTRIBUTION INC
Form S-4/A
May 24, 2006

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As filed with the Securities and Exchange Commission on May 24, 2006
Registration No. 333-133422

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 1 to
Form S-4
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

WESCO DISTRIBUTION, INC.
(exact name of registrant as specified in its charter)

Delaware	**5063**	**25-1723345**
(state or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code)*	*(I.R.S. employer identification no.)*

WESCO INTERNATIONAL, INC.
(exact name of registrant as specified in its charter)

Delaware	**5063**	**25-1723342**
(state or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code)*	*(I.R.S. employer identification no.)*

225 West Station Square Drive
Suite 700
Pittsburgh, Pennsylvania 15219
(412) 454-2200
(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Stephen A. Van Oss
Senior Vice President and
Chief Financial and Administrative Officer
WESCO International, Inc.
225 West Station Square Drive
Suite 700
Pittsburgh, Pennsylvania 15219
(412) 454-2200
(Name, address, including zip code, and telephone number, including area code, of agent for service)

With a Copy to:
Michael C. McLean
Kirkpatrick & Lockhart Nicholson Graham LLP
Henry W. Oliver Building
535 Smithfield Street

Pittsburgh, Pennsylvania 15222
(412) 355-6500

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

SUBJECT TO COMPLETION, DATED MAY 24, 2006

PRELIMINARY PROSPECTUS

WESCO DISTRIBUTION, INC.

OFFER TO EXCHANGE UP TO $150,000,000 IN PRINCIPAL AMOUNT OF OUR 7.50% SENIOR SUBORDINATED NOTES DUE 2017 WHICH HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, FOR ANY AND ALL OF OUR OUTSTANDING 7.50% SENIOR SUBORDINATED NOTES DUE 2017, ISSUED IN 2005

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON , 2006, UNLESS EXTENDED

We are offering to exchange up to $150,000,000 in aggregate principal amount of our 7.50% Senior Subordinated Notes due 2017 (the exchange notes) for an equal aggregate principal amount of our outstanding 7.50% Senior Subordinated Notes due 2017, issued in 2005 (the original notes). We sometimes refer to the original notes and the exchange notes in this prospectus collectively as the notes. The exchange notes will be unconditionally guaranteed by WESCO International, Inc., our parent company, on an unsecured senior basis, but not by any of WESCO International s other direct or indirect subsidiaries.

The terms of the exchange notes are substantially identical in all respects (including principal amount, interest rate and maturity) to the terms of the original notes for which they may be exchanged pursuant to this exchange offer, except that the exchange notes will be freely transferable by the holders (other than as described herein), are issued free of any covenant restricting transfer absent registration and will not have the right to earn additional interest in the event of a failure to register the exchange notes. The exchange notes will evidence the same debt as the original notes and contain terms that are substantially identical to the terms of the original notes. Original notes that are accepted for exchange will be cancelled and retired. For a description of the terms of the exchange notes, see Description of the Notes.

The exchange notes will bear interest from April 15, 2006. Holders whose original notes are accepted for exchange will not receive any payment in respect of interest on the original notes for which the record date occurs on or after completion of the exchange offer. See The Exchange Offer Terms of the Exchange Offer.

The principal features of the exchange offer are as follows:

- You may withdraw tendered original notes at any time prior to the expiration of the exchange offer.
- The exchange of original notes for exchange notes pursuant to the exchange offer should not be a taxable event for U.S. federal income tax purposes.
- We will not receive any proceeds from the exchange offer.
- There is no existing public market for the original notes. We expect that the exchange notes will be eligible for trading in The PORTAL^{sm} Market of the National Association of Securities Dealers, Inc., but we do not intend to list the exchange notes on any securities exchange or seek approval for quotation through any automated trading systems.

EACH BROKER-DEALER THAT RECEIVES EXCHANGE NOTES FOR ITS OWN ACCOUNT PURSUANT TO THE EXCHANGE OFFER MUST ACKNOWLEDGE THAT IT WILL DELIVER A PROSPECTUS IN CONNECTION WITH ANY RESALE OF THE EXCHANGE NOTES. THE ACCOMPANYING LETTER OF

TRANSMITTAL STATES THAT BY SO ACKNOWLEDGING AND BY DELIVERING A PROSPECTUS, A BROKER-DEALER WILL NOT BE DEEMED TO ADMIT THAT IT IS AN UNDERWRITER WITHIN THE MEANING OF THE SECURITIES ACT. THIS PROSPECTUS, AS IT MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, MAY BE USED BY A BROKER-DEALER IN CONNECTION WITH ANY RESALE OF EXCHANGE NOTES RECEIVED IN EXCHANGE FOR ORIGINAL NOTES WHERE THE ORIGINAL NOTES WERE ACQUIRED BY THE BROKER-DEALER AS A RESULT OF MARKET-MAKING ACTIVITIES OR OTHER TRADING ACTIVITIES. WE HAVE AGREED THAT, FOR A PERIOD OF 180 DAYS AFTER THE EXPIRATION DATE OF THE EXCHANGE OFFER, WE WILL MAKE THIS PROSPECTUS AVAILABLE TO ANY BROKER-DEALER FOR USE IN CONNECTION WITH ANY SUCH RESALE. SEE PLAN OF DISTRIBUTION.

FOR A DISCUSSION OF CERTAIN FACTORS YOU SHOULD CONSIDER BEFORE PARTICIPATING IN THE EXCHANGE OFFER, SEE RISK FACTORS BEGINNING ON PAGE 19 OF THIS PROSPECTUS.

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

THE DATE OF THIS PROSPECTUS IS , 2006.

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

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

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

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

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The accompanying letter of transmittal for the exchange offer states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act of 1933, as amended. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for original notes where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. WESCO Distribution and WESCO International have agreed that, starting on the expiration date of the exchange offer and ending on the close of business 180 days after the expiration date of the exchange offer, they will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

Neither the fact that a registration statement or an application for a license has been filed under Chapter 421-B of the New Hampshire Revised Statutes with the State of New Hampshire nor the fact that a security is effective registered or a person is licensed in the State of New Hampshire constitutes a finding by the Secretary of State of New Hampshire that any document filed under RSA 421-B is true, complete and not misleading. Neither any such fact nor the fact that an exemption or exception is available for a security or a transaction means that the Secretary of State has passed in any way upon the merits or qualifications of, or recommended or given approval to, any person, security or transaction. It is unlawful to make, or cause to be made, to any prospective purchaser, customer or client any representation inconsistent with the provisions of this paragraph.

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FORWARD-LOOKING INFORMATION

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

AVAILABLE INFORMATION

WESCO International files annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any document WESCO International files at the SEC s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. WESCO International s SEC filings are also available to the public from the SEC s web site at *www.sec.gov* or from our website at *www.wesco.com.* However, the information on our web site does not constitute a part of this prospectus.

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SUMMARY

This summary provides an overview of selected information and does not contain all the information you should consider. Because this is only a summary, it may not contain all of the information that may be important to you in deciding whether to participate in the exchange offer. Before making an investment decision, you should carefully read this entire prospectus, including the financial data and information contained in this prospectus and the section of this prospectus entitled Risk Factors.

Unless the context otherwise requires, in this prospectus, the terms the Company, we, us, our, WESCO, and WESCO Distribution refer to WESCO Distribution, Inc., the issuer of the notes and a wholly owned subsidiary of WESCO International, Inc., and its subsidiaries; and WESCO International refers to WESCO International, Inc., the parent of WESCO Distribution and the guarantor of the notes. The principal asset of WESCO International is all of the outstanding capital stock of WESCO Distribution.

WESCO Distribution, Inc.

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

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

Industry Overview

The electrical distribution industry serves customers in a number of markets including the industrial, electrical contractors, utility, government and institutional markets. Electrical distributors provide logistical and technical services for customers along with a wide range of products typically required for the construction and maintenance of electrical supply networks, including wire, lighting, distribution and control equipment and a wide variety of electrical supplies. Many customers demand that distributors provide a broader and more complex package of services as they seek to outsource non-core functions and achieve cost savings in purchasing, inventory and supply chain management.

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

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Electrical Distribution. According to *Electrical Wholesaling Magazine,*the U.S. electrical wholesale distribution industry had forecasted sales of approximately $74 billion in 2005. According to published sources*, our industry has grown at an approximate 5% compounded annual rate over the past 20 years. This expansion has been driven by general economic growth, increased price levels for key commodities, increased use of electrical products in businesses and industries, new products and technologies and customers who are seeking to more efficiently purchase a broad range of products and services from a single point of contact, thereby eliminating the costs and expenses of purchasing directly from manufacturers or multiple sources. The U.S. electrical distribution industry is highly fragmented. In 2004, the latest year for which market share data is available, the four national distributors, including us, accounted for approximately 18% of estimated total industry sales.

Integrated Supply. The market for integrated supply services has grown rapidly in recent years. Growth has been driven primarily by the desire of large industrial companies to reduce operating expenses by implementing comprehensive third-party programs, which outsource cost-intensive procurement, stocking and administrative functions associated with the purchase and consumption of MRO supplies. For some of our customers, we believe these costs can account for up to 35% of the total costs for MRO products and services. We believe that significant opportunities exist for further expansion of integrated supply services, as the total potential in the United States for purchases of industrial MRO supply and services through all channels is currently estimated to be approximately $380 billion.

Business Strategy

We believe we are the leading provider of electrical products and MRO supplies and services to companies in North America and selected international markets. Our goal is to grow earnings at a faster rate than sales by continuing to focus on margin enhancement and continuous productivity improvement. Our growth strategy utilizes our existing strengths and focuses on developing new initiatives and programs to position us to grow at a faster rate than the industry.

Enhance Our Leadership Position in Electrical Distribution. We will continue to capitalize on our extensive market presence and brand equity in the WESCO name to grow our market position in electrical distribution. As a result of our geographical coverage, effective information systems and value-added products and services, we believe we have become a leader in serving several important and growing markets including:

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

We are focusing our sales and marketing efforts in three primary areas:

- expanding our product and service offerings to existing customers in industries we currently serve;
- targeting new customers in industries we currently serve; and

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

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- targeting markets that provide significant growth opportunities, such as multi-site retail construction, education and healthcare facilities, original equipment manufacturers (OEM) and regional and national contractors.

Continue to Grow Our Premier Position in National Accounts. From 2002 through 2005, revenue from our national accounts program increased at a compound annual growth rate of 10%. We plan to continue to invest in the expansion of this program. Through our national accounts program, we coordinate electrical MRO procurement and purchasing activities across multiple locations, primarily for large industrial and commercial companies and for electric utilities. We have well-established relationships with more than 290 companies, providing us with a recurring base of revenue through multi-year agreements with these companies. Our objective is to continue to increase revenue from our national account customers by:

- offering existing national account customers new products and services and serving additional customer locations;
- extending certain established national account relationships to include our integrated supply services; and
- expanding our customer base by leveraging our existing industry expertise in markets served to enter into new markets.

Focus on Large Construction Projects. We intend to increase our customer base, where we have targeted new construction accounts, with a focus on large commercial, industrial and institutional projects. We seek to secure new major project contracts through:

- active national marketing of our demonstrated project management capabilities;
- further development of relationships with leading regional and national contractors and engineering firms; and
- close coordination with multi-location contractor customers on their major project requirements.

Extend Our Leadership Position in Integrated Supply Services. We believe we are the largest provider of integrated supply services for MRO goods and services in the United States. We provide a full complement of outsourcing solutions, focusing on improving the supply chain management process for our customers indirect purchases. Our integrated supply programs replace the traditional multi-vendor, resource-intensive procurement process with a single, outsourced, fully automated process capable of managing all MRO and related service requirements. Our solutions range from timely product delivery to assuming full responsibility for the entire procurement function. Our customers include some of the largest industrial companies in the United States. We plan to expand our leadership position as the largest integrated supply services provider in the United States by building upon established relationships within our large customer base and premier supplier network, to meet customer s continued interest in outsourcing.

Gain Share in Fragmented Local Markets. Significant opportunities exist to gain market share in highly fragmented local markets. We intend to increase our market share in key geographic markets through a combination of increased sales and marketing efforts at existing branches, acquisitions that expand our product and customer base and new branch openings. To promote this growth, we have a compensation system for branch managers that encourage them to increase sales and optimize business activities in their local markets, including managing the sales force, configuring inventories, targeting potential customers for marketing efforts and tailoring local service options.

Expand our LEAN Initiative. LEAN is a company-wide, strategic initiative to drive continuous improvement across the entire enterprise, including sales, operations and administra-

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tive processes. The basic principles behind LEAN are to rapidly identify and implement improvements through simplification, elimination of waste and reducing errors throughout a defined process. We have been highly successful in applying LEAN in a distribution environment and have developed and deployed numerous initiatives through the Kaizen approach. The initiatives are primarily centered around our branch operations and target nine key areas: sales, pricing, warehouse operations, transportation, purchasing, inventory, accounts receivable, accounts payable and administrative processes. In 2006, our objective is to continue to implement the initiatives across our branch locations and headquarters operations, consistent with our long-term strategy of continuously refining and improving our processes to achieve both sales and operational excellence.

Pursue Strategic Acquisitions. Since 1995, we have completed and successfully integrated 27 acquisitions. Our most recent acquisitions were completed in July and September 2005. We believe that the highly fragmented nature of the electrical and industrial MRO distribution industry will continue to provide us with acquisition opportunities. We expect that any future acquisitions will be financed with internally generated funds, additional debt and/or the issuance of equity securities. However, our ability to make acquisitions will be subject to our compliance with certain conditions under the terms of our revolving credit facility. See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources, for a further description of the revolving credit facility.

Expand Product and Service Offerings. We have developed a service capability to assist customers in improving their internal productivity and overall cost position. This service, which we call Cost Reduction Solutions, is based on applying LEAN principles and practices in our customers work environment. To date, we have worked with manufacturers, assemblers and contractors to enhance supply chain operations and logistics. Our work on productivity projects, in cooperation with our customers, significantly increases the breadth of products that can be supplied and creates fee-for-service opportunities in kitting, assembly and warehouse operations. Additionally, we have demonstrated our ability to introduce new products and services to meet existing customer demands and capitalize on new market opportunities. For example, we developed the platform to sell integrated lighting control and power distribution equipment in a single package for multi-site specialty retailers, restaurant chains and department stores. These are strong growth markets where our national accounts strategies and logistics infrastructure provide significant benefits for our customers.

Capitalize on Our Information System Capabilities. We intend to utilize our sophisticated information technology capabilities to drive increased sales performance and market share. Our information systems support targeted direct mail marketing campaigns, sales promotions, sales productivity and profitability assessments and coordination with suppliers and overall supply chain programs that improve customer profitability and enhance our working capital productivity. Our information systems provide us with detailed, actionable information across all facets of our broad network, allowing us to quickly and effectively identify and act on profitability and efficiency-related initiatives.

Expand Our International Operations. Our international sales, the majority of which are in Canada, accounted for approximately 13% and 14% of total sales in 2005 and the three months ended March 31, 2006, respectively. We believe that there is significant additional demand for our products and services outside the United States and Canada. Many of our multinational domestic customers are seeking distribution, integrated supply and project management solutions globally. We follow our established customers and pursue business that we believe utilizes and extends our existing capabilities. We believe this strategy of working through well-developed customer and supplier relationships significantly reduces risk and provides the opportunity to establish profitable incremental business. We currently have seven locations in Mexico. Additionally, our locations in Aberdeen, Scotland and London, England support our sales efforts in Europe and the former Soviet Union. We also have operations in Nigeria to serve West Africa, an office in

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Singapore to support our operations in Asia and an office in United Arab Emirates to serve the Middle East.

Competitive Strengths

We believe the following strengths are central to the successful execution of our business strategy:

Market Leadership. Our ability to manage large construction projects, complex multi-site plant maintenance programs, procurement projects that require special sourcing, technical advice, logistical support and locally based service has enabled us to establish leadership positions in our principal markets. We have utilized these skills to generate significant revenues in industries with intensive use of electrical and MRO products, including electrical contracting, utilities, OEM, process manufacturing and other commercial, institutional and governmental entities. We also have extended our position within these industries to expand our customer base.

Value-added Services. We are a leader in providing a wide range of services and procurement solutions that draw on our product knowledge, supply and logistics expertise and systems capabilities, enabling our customers with large operations and multiple locations to reduce supply chain costs and improve efficiency. Our expansive geographical coverage is essential to our ability to provide these services. We have more than 370 branches to complement our national sales and marketing activities with local customer service, product information and technical support, order fulfillment and a variety of other on-site services. These programs include:

- ***National Accounts*** we coordinate product supply and materials management activities for MRO supplies, project needs and direct material for national and regional customers with multiple locations who seek purchasing leverage through a single electrical products provider. Regional and national contractors and top engineering and construction firms that specialize in major projects such as airport expansions, power plants and oil and gas facilities are also a focus group for our national accounts program; and

- ***Integrated Supply*** we design and implement programs that enable our customers to significantly reduce the number of MRO suppliers they use through services that include highly automated, proprietary electronic procurement and inventory replenishment systems and on-site materials management and logistics services.

Broad Product Offering. We provide our customers with a broad product selection consisting of more than 1,000,000 electrical, industrial, data communications, MRO and utility products sourced from more than 24,000 suppliers. Our broad product offering and stable source of supply enables us to meet virtually all of a customer s electrical product and MRO requirements.

Extensive Distribution Network. We are a full-line distributor of electrical supplies and equipment with operations in the United States, Canada, Mexico, Guam, the United Kingdom, Nigeria, United Arab Emirates and Singapore. We operate more than 370 branch locations and eight distribution centers (six in the United States and two in Canada). This extensive network, which would be extremely difficult and expensive to duplicate, allows us to:

- maintain local sourcing of customer service, technical support and sales coverage;

- tailor branch products and services to local customer needs;

- offer multi-site distribution capabilities to large customers and national accounts; and

- provide same-day deliveries.

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Low Cost Operator. Our competitive position has been enhanced by our low cost position, which is based on:

- extensive use of automation and technology;
- centralization of functions such as purchasing, accounting and information systems;
- strategically located distribution centers;
- purchasing economies of scale; and
- incentive programs that increase productivity and encourage entrepreneurship.

As a result of these factors, we believe that our operating costs as a percentage of sales is one of the lowest in our industry. Our selling, general and administrative expenses as a percentage of revenues for the three months ended March 31, 2006 decreased to 13.4% from 13.9% for 2005, significantly below our peer group 2004 average of approximately 20%, according to the National Association of Electrical Distributors. Our low cost position enables us to generate a significant amount of net cash flow, as the amount of capital investment required to maintain our business is relatively low. Consequently, more of the cash we generate is available for debt reduction, continued investment in the growth of the business and strategic acquisitions.

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The Exchange Offer

The following summary contains basic information about the exchange offer. It does not contain all of the information that may be important to you. For a more complete understanding of the notes, please refer to the section of this prospectus entitled Description of the Notes.

Issuance of the Original Notes	We issued and sold the original notes on September 27, 2005 to Goldman, Sachs & Co., Lehman Brothers Inc., UBS Securities LLC, Banc of America Securities LLC and Credit Suisse First Boston LLC. In this prospectus, we collectively refer to those purchasers as the initial purchasers. The initial purchasers subsequently resold the outstanding notes to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended, or to non-U.S. persons outside the United States pursuant to Regulation S under the Securities Act.
Exchange and Registration Rights Agreement	Simultaneously with the sale of the original notes, we entered into an exchange and registration rights agreement with the initial purchasers. Under the exchange and registration rights agreement, we agreed to: file the registration statement of which this prospectus is a part within 210 days after the issue date of the original notes, which enables holders of the original notes to exchange such original notes for publicly registered exchange notes with substantially the same terms; use our reasonable best efforts to cause the registration statement of which this prospectus is a part to become effective within 270 days after the issue date of the original notes; use our reasonable best efforts to complete the exchange offer as promptly as practicable, but in any event prior to 300 days after the issue date of the original notes; and file a shelf registration statement for the resale of the original notes if we cannot affect the exchange offer within the time periods listed above and in certain other circumstances. The exchange offer is intended to satisfy these exchange rights. After the exchange offer is complete, you will no longer be entitled to any exchange or registration rights with respect to your original notes. If we do not comply with our obligations under the exchange and registration rights agreement, we will be required to pay specified additional interest to the holders of original notes under certain circumstances. See Exchange and Registration Rights Agreement.
The Exchange Offer	We are offering to exchange $1,000 principal amount of our 7.50% Senior Subordinated Notes due 2017, which have been registered under the Securities Act and which

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	we refer to in this prospectus as the exchange notes, for each $1,000 principal amount of our unregistered 7.50% Senior Subordinated Notes due 2017, which we refer to in this prospectus as the original notes. In order to be exchanged, an original note must be properly tendered and accepted for exchange. All original notes that are validly tendered and not validly withdrawn will be exchanged. As of the date of this prospectus, there are $150.0 million aggregate principal amount of original notes outstanding. We will issue the exchange notes promptly after the expiration of the exchange offer. The terms of the exchange notes are identical in all material respects (including principal amount, interest rate and maturity) to the terms of the original notes for which they may be exchanged pursuant to the exchange offer, except that the exchange notes are freely transferable by holders (other than as provided in this prospectus) and are not subject to any obligation regarding registration under the Securities Act as described in this prospectus. See The Exchange Offer.
Resales of the Exchange Notes	We believe that the exchange notes to be issued in the exchange offer may be offered for resale, resold and otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act if you meet the following conditions: the exchange notes are acquired by you in the ordinary course of your business; you are not engaging in and do not intend to engage in a distribution of the exchange notes; you do not have an arrangement or understanding with any person to participate in the distribution of the exchange notes; and you are not an affiliate of ours, as that term is defined in Rule 405 under the Securities Act. Our belief is based on interpretations by the staff of the Securities and Exchange Commission, as set forth in no-action letters issued to third parties unrelated to us. We have not applied to the Commission for no-action relief with respect to this exchange offer, and we cannot assure you that the staff would make a similar determination with respect to this exchange offer. If you do not meet the above conditions, you may incur liability under the Securities Act if you transfer any exchange note without delivering a prospectus meeting the requirements of the Securities Act. We do not assume or indemnify you against that liability. Each broker-dealer that is issued exchange notes in the exchange offer for its own account in exchange for original

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	notes which were acquired by that broker-dealer as a result of market-making activities or other trading activities must agree to deliver a prospectus meeting the requirements of the Securities Act in connection with any resales of the exchange notes. A broker-dealer may use this prospectus for an offer to resell or to otherwise transfer these exchange notes. See Plan of Distribution.
No Minimum Condition	The exchange offer is not conditioned upon any minimum aggregate principal amount of original notes being tendered for exchange. See The Exchange Offer Conditions.
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on , 2006, or such later date and time to which we extend it. The exchange offer will not remain in effect for more than 45 business days after the date on which notice of the exchange offer is mailed to you. We currently do not intend to extend the expiration date, although we reserve the right to do so. See The Exchange Offer Expiration Date; Amendments.
Withdrawal of Tenders	You may withdraw the tender of your original notes at any time prior to 5:00 p.m., New York City time, on the expiration date. See The Exchange Offer Withdrawal Rights.
Certain Conditions to the Exchange Offer	The exchange offer is subject to certain customary conditions, which we may waive. We currently expect that each of the conditions will be satisfied and that no waivers will be necessary. We reserve the right to terminate or amend the exchange offer at any time prior to the expiration date upon the occurrence of any such condition. Please read carefully the section of this prospectus entitled The Exchange Offer Conditions for more information regarding the conditions to the exchange offer.
Procedures for Tendering Original Notes in the Form of Book-Entry Interests	The original notes were issued as global securities in fully registered form without coupons. Beneficial interests in the original notes which are held by direct or indirect participants in The Depository Trust Company (DTC) through certificateless depositary interests are shown on, and transfers of the original notes can be made only through, records maintained in book-entry form by DTC with respect to its participants. If you are a holder of an original note held in the form of a book-entry interest and you wish to tender your original note for exchange pursuant to the exchange offer, you must transmit to J.P.Morgan Trust Company, National

Association, as exchange agent, on or prior to the expiration of the exchange offer either:

a written or facsimile copy of a properly completed and executed letter of transmittal and all other required documents to the address set forth on the cover page of the accompanying letter of transmittal; or

a computer-generated message transmitted by means of DTC s Automated Tender Offer Program system and forming a part of a confirmation of book-entry transfer in which you acknowledge and agree to be bound by the terms of the accompanying letter of transmittal.

The exchange agent must also receive on or prior to the expiration of the exchange offer either:

a timely confirmation of book-entry transfer of your original notes into the exchange agent s account at DTC, in accordance with the procedure for book-entry transfers described in this prospectus under the heading The Exchange Offer Procedures for Tendering; or

the documents necessary for compliance with the guaranteed delivery procedures described below.

A letter of transmittal accompanies this prospectus. By executing the letter of transmittal or delivering a computer-generated message through DTC s Automated Tender Offer Program system, you will represent to us that, among other things:

the exchange notes to be acquired by you in the exchange offer are being acquired in the ordinary course of your business;

you are not engaging in and do not intend to engage in a distribution of the exchange notes;

you do not have an arrangement or understanding with any person to participate in the distribution of the exchange notes; and

you are not an affiliate of ours.

Procedures for Tendering Certificated Original Notes

If you are a holder of book-entry interests in the original notes, you are entitled to receive, in limited circumstances, in exchange for your book-entry interests, certificated notes which are in equal principal amounts to your book-entry interests. See Book-Entry; Delivery and Form Certificated Notes. No certificated original notes are issued and outstanding as of the date of this prospectus. If you acquire certificated original notes prior to the expiration of the exchange offer, you must tender your certificated original notes in accordance with the procedures described in this prospectus under the heading The Exchange Offer Procedures for Tendering.

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Special Procedures for Beneficial Owners	If you are a beneficial owner of original notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and you wish to tender the original notes in the exchange offer, you should contact that registered holder promptly and instruct that registered holder to tender on your behalf. If you wish to tender on your own behalf, you must, prior to completing and executing the accompanying letter of transmittal and delivering your original notes, either make appropriate arrangements to register ownership of the original notes in your name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time and may not be able to be completed prior to the expiration date. See The Exchange Offer Procedures Applicable to All Holders.
Guaranteed Delivery Procedures	If you wish to tender your original notes and your original notes are not immediately available or you cannot deliver your original notes, the accompanying letter of transmittal or any other documents required by the letter of transmittal, or cannot comply with the applicable procedures under DTC s Automated Tender Offer Program prior to the expiration date, you must tender your original notes according to the guaranteed delivery procedures set forth in this prospectus under The Exchange Offer Guaranteed Delivery Procedures.
Acceptance of Original Notes and Delivery of Exchange Notes	Except under the circumstances described above under Certain Conditions to the Exchange Offer, we will accept for exchange any and all original notes which are properly tendered in the exchange offer prior to 5:00 p.m., New York City time, on the expiration date. The exchange notes to be issued in the exchange offer will be delivered promptly following the expiration date. See The Exchange Offer Terms of the Exchange Offer.
Consequences of Failure to Exchange	Holders of original notes who do not exchange their original notes for exchange notes pursuant to the exchange offer will continue to be subject to the restrictions on transfer of the original notes provided for in the original notes and in the governing indenture and as set forth in the legend on the original notes. In general, the original notes may not be offered or sold unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities law. We do not currently anticipate that we will register the original notes under the Securities Act. To the extent that original notes are tendered and accepted in the exchange offer, the trading market for untendered original notes could be adversely

	affected. See The Exchange Offer Consequences of Failure to Exchange.
Exchange Agent	J.P.Morgan Trust Company, National Association is serving as exchange agent in connection with the exchange offer. See The Exchange Offer The Exchange Agent.
Certain Material U.S. Federal Income and Estate Tax Considerations	The exchange of the original notes for the exchange notes should not be a taxable event for federal income tax purposes. See Certain Material U.S. Federal and Estate Tax Considerations.
Use of Proceeds	We will not receive any proceeds from the exchange of original notes for exchange notes pursuant to the exchange offer.

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The Exchange Notes

The following summary contains basic information about the exchange notes. It does not contain all of the information that may be important to you. For a more complete description of the terms of the exchange notes, see Description of the Notes.

Issuer	WESCO Distribution, Inc.
Securities Offered	$150,000,000 aggregate principal amount of 7.50% Senior Subordinated Notes due 2017.
Maturity	October 15, 2017.
Interest	The exchange notes will accrue interest at the rate of 7.50% per annum and be payable in cash semi-annually in arrears on April 15 and October 15 of each year, beginning on April 15, 2006. The exchange notes will accrue interest from April 15, 2006.
Ranking	The exchange notes will be our unsecured senior subordinated obligations and will rank equally in right of payment with all of our existing and future senior subordinated indebtedness and senior to our future subordinated indebtedness. The exchange notes will be subordinated to our existing and future senior indebtedness and effectively subordinated to our existing and future secured indebtedness to the extent of the value of the related collateral. The exchange notes will be structurally subordinated to indebtedness and other liabilities of our subsidiaries. As of March 31, 2006: we had outstanding senior indebtedness of approximately $75 million, of which approximately $51 million was secured indebtedness (exclusive of the original notes and unused commitments under our revolving credit facility); we had no outstanding senior subordinated indebtedness other than the original notes and our guarantee of the $150 million in aggregate principal amount of the 2.625% Convertible Senior Debentures due 2025 (the Debentures) of WESCO International and no outstanding indebtedness that would be subordinate or junior in right of repayment to the exchange notes; and our subsidiaries had no indebtedness, excluding guarantees of approximately $48 million of borrowings under our mortgage financing facility (other than trade payables and other liabilities incurred in the ordinary course of business). See Risk Factors and Description of the Notes Ranking.
Optional Redemption	Except as described below, we will not have the option of redeeming the exchange notes prior to October 15, 2010. On or after October 15, 2010, we will have the option of redeeming the exchange notes, in whole or in part, at the

	redemption prices described in this prospectus, together with accrued and unpaid interest and additional interest, if any, to the date of redemption. At any time before October 15, 2008, we may redeem up to 35% of the exchange notes issued in this exchange offer with the proceeds of certain equity offerings by us or WESCO International at the redemption price set forth under Description of the Notes Optional Redemption. See Description of the Notes Optional Redemption.
Change of Control	Upon the occurrence of a change of control, each holder of exchange notes will have the right to require us to repurchase all or any part of such holder s exchange notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional interest, if any, to the date of repurchase. See Description of the Notes Change of Control.
Guarantee	The exchange notes will be unconditionally guaranteed by WESCO International on an unsecured senior basis. The guarantee will rank equally in right of payment with all existing and future senior unsecured indebtedness of WESCO International. The guarantee will be effectively subordinated to any secured indebtedness of WESCO International, including the guarantee of senior indebtedness under our revolving credit facility, to the extent of the value of the related collateral, and will be structurally subordinated to indebtedness and other liabilities of WESCO International s subsidiaries, other than the senior subordinated indebtedness of WESCO Distribution, including the notes.
	As of March 31, 2006, WESCO International had approximately $300 million of senior indebtedness outstanding (excluding its guarantee of a mortgage financing facility under which approximately $48 million was outstanding), of which none was secured indebtedness.
	The exchange notes will not be guaranteed by any entity other than WESCO International. As of March 31, 2006, the exchange notes would have been structurally junior to approximately $213 million of indebtedness and other liabilities (including trade payables) of these non-guarantor subsidiaries. The non-guarantor subsidiaries generated approximately $284 million of our net sales for the three months ended March 31, 2006 and held approximately $1.3 billion of our consolidated assets at March 31, 2006. See Risk Factors Risks Relating to the Offering.
Certain Covenants	The indenture governing the exchange notes contains covenants that, subject to certain exceptions, limit the ability of us and our subsidiaries to:
	incur additional indebtedness and issue disqualified stock and preferred stock;

	pay dividends or make certain other restricted payments or investments; create restrictions on dividends or other payments by our subsidiaries; merge, consolidate, or sell all or substantially all of our assets; create liens on assets; enter into certain transactions with affiliates; and incur indebtedness senior to the notes but junior to senior indebtedness. These covenants are subject to a number of important exceptions and qualifications. See Description of the Notes Certain Covenants.
Exchange Offer; Registration Rights; Additional Interest	Under the exchange and registration rights agreement executed as part of the offering of the original notes, we agreed to: file the registration statement of which this prospectus is a part within 210 days after the issue date of the original notes, which enables holders of the original notes to exchange their original notes for publicly registered exchange notes with substantially the same terms; use our reasonable best efforts to cause the registration statement of which this prospectus is a part to become effective within 270 days after the issue date of the original notes; use our reasonable best efforts to complete the exchange offer as promptly as practicable but in any event prior to 300 days after the issue date of the original notes; and file a shelf registration statement for the resale of the original notes if we cannot affect the exchange offer within the time periods listed above and in certain other circumstances. If we do not comply with our obligations under the exchange and registration rights agreement, we will be required to pay specified additional interest to the holders of original notes under certain circumstances. See Exchange and Registration Rights Agreement.
Use of Proceeds	We will not receive any proceeds from the exchange of the original notes for exchange notes pursuant to the exchange offer. See Use of Proceeds.
Absence of a Public Market for the Exchange Notes	The exchange notes will be a new issue of securities. We cannot assure you that any active or liquid market will develop for the exchange notes.

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Risk Factors

Prospective investors are urged to read the information set forth under the caption Risk Factors in this prospectus for a discussion of certain risks associated with an investment in the exchange notes.

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Summary Consolidated Financial Data

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

The data below should be read in conjunction with Capitalization, Management s Discussion and Analysis of Financial Condition and Results of Operations and WESCO International s consolidated financial statements and the notes thereto, which appear elsewhere in this prospectus.

	Year Ended December 31,			Three Months Ended March 31,	
	2003	2004	2005	2005	2006
	(In millions, except share and per share data and ratios)				
Income Statement Data:					
Net sales(1)	$ 3,286.8	$ 3,741.3	$ 4,421.1	$ 990.9	$ 1,265.5
Gross profit(2)	610.1	712.1	840.7	185.2	253.1
Selling, general and administrative expenses	501.5	544.5	612.8	142.7	169.9
Depreciation and amortization	22.5	18.1	18.6	3.9	6.3
Income from operations	86.1	149.5	209.3	38.6	76.9
Interest expense, net	42.3	40.8	30.2	9.1	6.4
Loss on debt extinguishment(3)	0.2	2.6	14.9	10.1	
Other expenses(4)	4.5	6.6	13.3	2.0	5.0
Income before income taxes	39.1	99.5	150.9	17.4	65.5
Provision for income taxes(5)	9.1	34.6	47.4	6.1	21.0
Net income	$ 30.0	$ 64.9	$ 103.5	$ 11.3	$ 44.5
Earnings per common share					
Basic	$ 0.67	$ 1.55	$ 2.20	$ 0.24	$ 0.93
Diluted	0.65	1.47	2.10	0.23	0.86

Weighted average common shares outstanding					
Basic	44,631,459	41,838,034	47,085,524	46,694,626	48,031,287
Diluted	46,349,082	44,109,153	49,238,436	49,226,141	51,493,217
Other Financial Data:					
Capital expenditures	$ 8.4	$ 12.1	$ 14.2	$ 2.7	$ 4.2
Net cash provided by operating activities(6)	35.8	21.9	295.1	102.6	32.5
Net cash used by investing activities	(9.2)	(46.3)	(291.0)	(3.7)	(5.2)
Net cash provided (used) by financing activities(6)	(22.3)	30.7	(17.0)	(114.4)	(19.1)
Ratio of earnings to fixed charges(7)	1.7x	2.9x	4.7x	2.5x	7.9x

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	Year Ended December 31,			Three Months Ended March 31,	
	2003	2004	2005	2005	2006
	(In millions, except share and per share data and ratios)				
Balance Sheet Data:					
Total assets	$ 1,161.2	$ 1,356.9	$ 1,651.2	$ 1,279.5	$ 1,684.7
Total long-term debt (including current portion)	422.2	417.6	403.6	299.5	374.7
Long-term obligations(8)	53.0	2.0	4.3	1.0	3.3
Stockholders equity	167.7	353.6	491.5	375.0	547.7

(1) The operating results of the business of Fastec Industrial Corp., acquired on July 29, 2005, and Carlton-Bates Company, acquired on September 29, 2005, have been included in the consolidated financial data and represented, in the aggregate, sales of $104.5 million for the year ended December 31, 2005 and $106.6 million for the three months ended March 31, 2006.

(2) Excludes depreciation and amortization.

(3) Represents charges relating to the write-off of unamortized debt issuance and other costs associated with the early extinguishment of debt.

(4) Represents costs relating to the sale of accounts receivable pursuant to our accounts receivable securitization facility (the Receivables Facility). See Note 4 to WESCO International s audited consolidated financial statements included elsewhere in this prospectus.

(5) Benefits of $2.6 million in 2003 from the resolution of prior year tax contingencies resulted in an unusually low provision for income taxes.

(6) In the first quarter of 2006, the provisions of Financial Accounting Standards Board Statement of Financial Accounting Standard 123 (revised 2004), *Share-Based Payment* and SEC staff Accounting Bulletin No. 107, *Share-Based Payment*, requiring the measurement and recognition of all stock-based compensation under the fair value method were adopted.

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

(8) Includes amounts due under earnout agreements for past acquisitions.

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RISK FACTORS

Holders of original notes should consider carefully, in addition to the other information contained in this prospectus, the following factors before deciding whether to participate in the exchange offer. The risk factors set forth below under Risks Relating to Our Business and Risks Relating to the Notes are generally applicable to the original notes as well as the exchange notes.

Risks Relating to Our Business

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

Our credit facilities and the indenture governing the notes contain, and any of our future debt agreements may contain, certain covenant restrictions that limit our ability to operate our business, including restrictions on our ability to:

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

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

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

If the financial condition of our customers declines, our credit risk could increase.

In light of the financial stresses within the worldwide automotive industry, certain automakers and tier-one mirror customers have already declared bankruptcy or may be considering bankruptcy. Should one or more of our larger customers declare bankruptcy, it could adversely impact the collectibility of our accounts receivable, bad debt expense and net income.

Downturns in the electrical distribution industry have had in the past, and may in the future have, an adverse effect on our sales and profitability.

The electrical distribution industry is affected by changes in economic conditions, including national, regional and local slowdowns in construction and industrial activity, which are outside our control. Our operating results may also be adversely affected by increases in interest rates that may lead to a decline in economic activity, particularly in the construction market, while simultaneously resulting in higher interest payments under our revolving credit facility. In addition, during periods of economic slowdown such as the one we recently experienced, our credit losses, based on history, could increase. There can be no assurance that economic slowdowns, adverse economic conditions or cyclical trends in certain customer markets will not have a material adverse effect on our operating results and financial condition.

An increase in competition could decrease sales or earnings.

We operate in a highly competitive industry. We compete directly with national, regional and local providers of electrical and other industrial MRO supplies. Competition is primarily focused in the local service area and is generally based on product line breadth, product availability, service capabilities and price. Other sources of competition are buying groups formed by smaller distributors to increase purchasing power and provide some cooperative marketing capability.

Some of our existing competitors have, and new market entrants may have, greater financial and marketing resources than us. To the extent existing or future competitors seek to gain or retain market share by reducing prices, we may be required to lower our prices for current services, thereby adversely affecting financial results. Existing or future competitors also may seek to compete with us for acquisitions, which could have the effect of increasing the price and reducing the number of suitable acquisitions. In addition, it is possible that competitive pressures resulting from industry consolidation could affect our growth and profit margins compared to the industry.

Loss of key suppliers or lack of product availability could decrease sales and earnings.

Most of our agreements with suppliers are terminable by either party on 60 days notice or less. Our ten largest suppliers in 2005 accounted for approximately 34% of our purchases for the period. Our largest supplier in 2005 was Eaton Corporation, through its Eaton Electrical division, accounting for approximately 12% of our purchases. The loss of, or a substantial decrease in the availability of, products from any of these suppliers, or the loss of key preferred supplier agreements, could have a material adverse effect on our business. Supply interruptions could arise from shortages of raw materials, labor disputes or weather conditions affecting products or shipments, transportation disruptions, or other reasons beyond our control. In addition, certain of our products, such as wire and conduit, are commodity-price-based products and may be subject to significant price fluctuations which are beyond our control. An interruption of operations at any of our distribution centers could have a material adverse effect on the operations of branches served by the affected distribution center. Furthermore, we cannot be certain that particular products or product lines will be available to us, or available in quantities sufficient to meet customer demand. Such limited product access could cause us to be at a competitive disadvantage.

Acquisitions that we may undertake would involve a number of inherent risks, any of which could cause us not to realize the benefits anticipated to result.

We have historically expanded our operations through selected acquisitions of businesses and assets. Acquisitions involve various inherent risks, such as:

- uncertainties in assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates;
- the potential loss of key employees of an acquired business;
- problems that could arise from the integration of the acquired business; and
- unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition or other transaction rationale.

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Any one or more of these factors could cause us not to realize the benefits anticipated to result from the acquisition of businesses or assets.

Goodwill and intangible assets recorded as a result of our acquisitions could become impaired.

As of March 31, 2006, our goodwill and other intangible assets amounted to $629.7 million, net of accumulated amortization. To the extent we do not generate sufficient cash flows to recover the net amount of any investments in goodwill and other intangible assets recorded, the investment could be considered impaired and subject to write-off. We expect to record further goodwill and other intangible assets as a result of future acquisitions we may complete. Future amortization of such other intangible assets or impairments, if any, of goodwill or intangible assets would adversely affect our results of operations in any given period.

A disruption of our information systems could increase expenses, decrease sales or reduce earnings.

A serious disruption of our information systems could have a material adverse effect on our business and results of operations. Our computer systems are an integral part of our business and growth strategies. We depend on our information systems to process orders, manage inventory and accounts receivable collections, purchase products, ship products to our customers on a timely basis, maintain cost-effective operations and provide superior service to our customers.

Our business may be harmed by required compliance with anti-terrorism measures and regulations.

Following the 2001 terrorist attacks on the United States, a number of federal, state and local authorities have implemented various security measures, including checkpoints and travel restrictions on large trucks, such as the ones that we and our suppliers use. If security measures disrupt or impede the timing of our suppliers deliveries of the product inventory we need or our deliveries of our product to our customers, we may not be able to meet the needs of our customers or may incur additional expenses to do so.

Risks Relating to the Notes

We have outstanding consolidated indebtedness of approximately $224.7 million as of March 31, 2006. This amount of indebtedness could adversely affect our business, financial condition and results of operations and our ability to meet our payment obligations under the notes and our other debt.

As of March 31, 2006, we had approximately $224.7 million of outstanding consolidated debt. This level of our debt and the related debt service requirements could have significant consequences on our future operations, including:

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

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

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

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- subjecting us to the risk of increased sensitivity to interest rate increases on our indebtedness with variable interest rates, including borrowings under our credit facilities;
- limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industry in which we operate and the general economy; and
- placing us at a competitive disadvantage compared to our competitors that have less debt or are less leveraged.

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

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

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

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

The notes are unsecured subordinated obligations.

Our obligations under the notes are unsecured senior subordinated obligations and will be subordinated to all of our existing and future senior indebtedness and effectively subordinated to our existing and future secured indebtedness to the extent of the value of the related collateral. Although the indenture contains limitations on the amount of additional indebtedness which we and our subsidiaries may incur, under certain circumstances, the amount of such indebtedness could be substantial, and such indebtedness could be senior indebtedness. By reason of such subordination, in the event of our insolvency, liquidation or other reorganization, the lenders under our revolving credit facility and other creditors who are holders of our senior indebtedness must be paid in full before the holders of the notes may be paid. Accordingly, there may be insufficient assets remaining after payment of prior claims to pay amounts due on the notes. In addition, under certain circumstances, no payments may be made with respect to the notes if a default exists with respect to our senior indebtedness. See Description of the Notes Ranking.

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WESCO International and its subsidiaries assets remain subject to a first priority pledge under the revolving credit facility.

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

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

Although laws differ among various jurisdictions, a court could, under fraudulent conveyance laws, further subordinate or avoid the guarantees if it found that the guarantees were incurred with actual intent to hinder, delay or defraud creditors, or WESCO International did not receive fair consideration or reasonably equivalent value for the guarantee and that WESCO International was any of the following:

- insolvent or rendered insolvent because of the guarantee;
- engaged in a business or transaction for which its remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay at maturity.

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

None of our subsidiaries are guarantors, and your claims will be subordinated to all of the creditors of the non-guarantor subsidiaries.

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

We may be unable to repurchase the notes for cash when required by the holders, including following a change of control.

Holders of the notes have the right to require us to repurchase the notes on specified dates or upon the occurrence of a change of control prior to maturity as described under Description of the Notes Change of Control. The occurrence of a change of control would also constitute an event of default under our credit facilities, requiring repayment of amounts outstanding thereunder, and the occurrence of a change of control would also enable holders of WESCO International s convertible senior debentures, if issued, to require WESCO International to repurchase such debentures at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest (including contingent interest and additional interest, if any). Any of our future debt agreements may contain similar provisions. We may not have sufficient funds to make the required repayments and repurchases at such time or the ability to arrange necessary financing on acceptable terms. In addition, our ability to repurchase the notes in cash may be limited by law or the terms of other agreements relating to our debt outstanding at the time, including our credit facilities, which will limit our ability to purchase the notes for cash in certain circumstances. If we fail to repurchase the notes in cash as required by the indenture, it would constitute an event of default under the indenture governing the notes, which, in turn, would constitute an event of default under our credit facilities and the indenture governing WESCO International s debentures, if issued.

Some significant restructuring transactions may not constitute a change of control, in which case we would not be obligated to offer to repurchase the notes.

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

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

Certain provisions of the notes could make it more difficult or more expensive for a third party to acquire us. Upon the occurrence of certain transactions constituting a change of control, holders of the notes will have the right, at their option, to require us to repurchase all of their notes or any portion of the principal amount of such notes in integral multiples of $1,000.

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

The exchange notes are being offered in the exchange offer only to holders of the original notes. The original notes were offered and sold in September 2005 to a small number of institutional investors in reliance upon an exemption from registration under the Securities Act and applicable state securities laws. Although the original notes are eligible for trading in The PORTAL^{sm} Market of the National Association of Securities Dealers, Inc., the original notes may be transferred or resold only in a transaction registered under or exempt from the Securities Act and applicable state securities laws.

A market may not develop for the notes, and there can be no assurance as to the liquidity of any market that may develop for the notes. If an active, liquid market does not develop for the notes, the market price and liquidity of the notes may be adversely affected. If any of the notes are traded after their initial issuance, they may trade at a discount from their initial offering price. The liquidity of the trading market, if any, and future trading prices of the notes will depend on many factors, including, among other things, prevailing interest rates, our operating results, financial performance and prospects, the market for similar securities and the overall securities market, and may be adversely affected by unfavorable changes in these factors. Historically, the market for similar debt securities has been subject to disruptions that have caused volatility in prices. It is possible that the market for the notes will be subject to disruptions which may have a negative effect on the holders of the notes, regardless of our operating results, financial performance or prospects.

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USE OF PROCEEDS

We will not receive any proceeds from the exchange of notes pursuant to the exchange offer. The net proceeds of approximately $145.5 million from the issuance of the original notes were used to finance, in part, our acquisition of Carlton-Bates Company (Carlton-Bates) and to redeem a portion of our then outstanding 9^{1}/8 % Senior Subordinated Notes due 2008 (the 2008 Notes).

CAPITALIZATION

The following table sets forth WESCO International s consolidated cash and cash equivalents and capitalization as of March 31, 2006. This table should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations, WESCO International s consolidated financial statements and related notes and the other information included elsewhere in this prospectus.

	As of March 31, 2006 (In millions)	
Cash and cash equivalents	$	30.4
Total debt (including current portion):		
Revolving credit facility	$	
Mortgage financing facility		47.9
7.50 Senior Subordinated Notes due 2017		150.0
2.625% Convertible Senior Debentures due 2025		150.0
Other debt		26.8
Total debt		374.7
Total 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 shares issued		0.5
Class B nonvoting convertible common stock, $.01 par value; 20,000,000 shares authorized; 4,339,431 shares issued		
Additional capital		723.6
Retained deficit		(123.9)
Treasury stock, at cost; 8,516,795 shares		(66.3)
Accumulated other comprehensive income		13.8
Total stockholders equity		547.7
Total capitalization	$	921.9

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SELECTED CONSOLIDATED FINANCIAL DATA

The table below sets forth certain of WESCO International s consolidated financial data as of and for each of the periods indicated. The financial data for the years ended December 31, 2005, 2004 and 2003, and as of December 31, 2004 and 2005, is derived from its audited consolidated financial statements which appear elsewhere in this prospectus. The financial data for the years ended December 31, 2002 and 2001, and as of December 31, 2001, 2002 and 2003, is derived from WESCO International s audited consolidated financial statements which do not appear in this prospectus. The financial data for the three-month periods ended March 31, 2005 and 2006, and as of March 31, 2005 and 2006, is derived from WESCO International s unaudited condensed consolidated financial statements, which are included elsewhere in this prospectus. In WESCO International s opinion, such unaudited condensed consolidated financial statements include all adjustments (consisting of normal recurring adjustments) necessary for a fair statement of the financial data for such periods. The results for the three months ended March 31, 2006 are not necessarily indicative of the results to be achieved for the year ending December 31, 2006 or for any other future period.

The data below should be read in conjunction with Capitalization, Management s Discussion and Analysis of Financial Condition and Results of Operations, and WESCO International s consolidated financial statements, including the notes thereto, which appear elsewhere in this prospectus.

	Year Ended December 31,					Three Months Ended March 31,	
	2001	2002	2003	2004	2005	2005	2006
	(In millions, except share and per share data and ratios)						
Income Statement Data:							
Net sales(1)	$ 3,658.0	$ 3,325.8	$ 3,286.8	$ 3,741.3	$ 4,421.1	$ 990.9	$ 1,265.5
Gross profit(2)	643.3	590.8	610.1	712.1	840.7	185.2	253.1
Selling, general and administrative expenses	517.2	494.4	501.5	544.5	612.8	142.7	169.9
Depreciation and amortization(3)	31.0	19.8	22.5	18.1	18.6	3.9	6.3
Income from operations	95.3	76.6	86.1	149.5	209.3	38.6	76.9
Interest expense, net	45.1	43.0	42.3	40.8	30.2	9.1	6.4
Loss on debt extinguishment(4)		1.1	0.2	2.6	14.9	10.1	

Other expenses(5)		16.9		6.6		4.5		6.6		13.3		2.0	5.0
Income before income taxes		33.3		25.9		39.1		99.5		150.9		17.4	65.5
Provision for income taxes(6)		13.1		2.8		9.1		34.6		47.4		6.1	21.0
Net income	$	20.2	$	23.1	$	30.0	$	64.9	$	103.5	$	11.3	$ 44.5
Earnings per common share													
Basic	$	0.45	$	0.51	$	0.67	$	1.55	$	2.20	$	0.24	$ 0.93
Diluted	$	0.43	$	0.49	$	0.65	$	1.47	$	2.10	$	0.23	$ 0.86
Weighted average common shares outstanding													
Basic		44,862,087		45,033,964		44,631,459		41,838,034		47,085,524		46,694,626	48,031,287
Diluted		46,901,673		46,820,093		46,349,082		44,109,153		49,238,436		49,226,141	51,493,217

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	Year Ended December 31,					Three Months Ended March 31,	
	2001	2002	2003	2004	2005	2005	2006
	(In millions, except share and per share data and ratios)						
Other Financial Data and Ratios:							
Capital expenditures	$ 13.8	$ 9.3	$ 8.4	$ 12.1	$ 14.2	$ 2.7	$ 4.2
Net cash provided by operating activities(7)	161.3	20.3	35.8	21.9	295.1	102.6	32.5
Net cash used by investing activities	(69.2)	(23.1)	(9.2)	(46.3)	(291.0)	(3.7)	(5.2)
Net cash provided (used) by financing activities(7)	(38.0)	(49.9)	(22.3)	30.7	(17.0)	(114.4)	(19.1)
Ratio of earnings to fixed charges(8)	1.6x	1.5x	1.7x	2.9x	4.7x	2.5x	7.9x
Balance Sheet Data (as of the end of the period):							
Total assets	$ 1,170.8	$ 1,019.5	$ 1,161.2	$ 1,356.9	$ 1,651.2	$ 1,279.5	$ 1,684.7
Total long-term debt (including current portion)	452.0	418.0	422.2	417.6	403.6	299.5	374.7
Long term obligations(9)			53.0	2.0	4.3	1.0	3.3
Total stockholders equity	144.7	169.3	167.7	353.6	491.5	375.0	547.7

(1) The operating results of the business of Fastec Industrial Corp., acquired on July 29, 2005, and Carlton-Bates Company, acquired on September 29, 2005, have been included in the consolidated financial data and represented, in the aggregate, sales of $104.5 million for the year ended December 31, 2005 and $106.6 million for the three months ended March 31, 2006.

(2) Excludes depreciation and amortization.

(3) Effective for 2002, WESCO International adopted Statement of Financial Accounting Standards (SFAS) No. 142, *Goodwill and Other Intangible Assets,* as described in Note 2 to WESCO International s audited consolidated financial statements included elsewhere in this prospectus.

(4)

Represents charges relating to the write-off of unamortized debt issuance and other costs associated with the early extinguishment of debt.

(5) Represents costs relating to the sale of accounts receivable pursuant to our Receivables Facility. See Note 4 to WESCO International s audited consolidated financial statements included elsewhere in this prospectus.

(6) Benefits of $2.6 million and $5.3 million in 2003 and 2002, respectively, from the resolution of prior year tax contingencies resulted in an unusually low provision for income taxes.

(7) In the first quarter of 2006, the provisions of Financial Accounting Standards Board Statement of Financial Accounting Standard 123 (revised 2004), *Share-Based Payment* and SEC staff Accounting Bulletin No. 107, *Share-Based Payment*, requiring the measurement and recognition of all stock-based compensation under the fair value method were adopted.

(8) For purposes of calculating the ratio of earnings to fixed charges, earnings represents income before income taxes plus fixed charges. Fixed charges consist of interest expense, amortization of deferred financing costs and the component of rental expense that management believes is representative of the interest component of rental expense.

(9) Includes amounts due under earnout agreements for past acquisitions.

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MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the audited consolidated financial statements of WESCO International and the related notes thereto included elsewhere in this prospectus. For purposes of this discussion, the terms we, us, our, the Company and WESCO refer to WESCO International and its consolidated subsidiaries. The principal asset of WESCO International is all of the outstanding capital stock of WESCO Distribution.

Company Overview

We are a full-line distributor of electrical supplies and equipment and a provider of integrated supply procurement services. WESCO has more than 370 full service branches and eight distribution centers located in the United States, Canada, Mexico, Puerto Rico, Guam, the United Kingdom, Nigeria, United Arab Emirates and Singapore. We serve over 100,000 customers worldwide, offering over 1,000,000 products from over 24,000 suppliers. Our diverse customer base includes a wide variety of industrial companies; contractors for industrial, commercial and residential projects; utility companies, and commercial, institutional and governmental customers. Approximately 87% of our net sales are generated from operations in the U.S., 11% from Canada and the remainder from other countries.

Sales increases attributed to growth in our served markets and from the two acquisitions completed in 2005, along with positive impact from our productivity initiatives contributed to improved financial results for the first three months of 2006. Sales increased $274.6 million or 27.7% over the same period last year. Gross margin was 20.0% and 18.7% for the first three months of 2006 and 2005, respectively. First quarter 2006 sales from our acquisitions, both of which were completed in the third quarter of 2005, were $106.6 million and accounted for 10.7% of the improved sales versus 2005. Favorable exchange rates accounted for approximately 1% of the higher revenues. The remainder of the 2006 sales increase was the result of a combination of market and share growth, higher commodity prices, hurricane rebuilding activity, and an additional work-day. Operating income improved by $38.4 million, or 99%, with $12.0 million of the increase attributed to our 2005 acquisitions compared with last year s similar period. Operating income improvement was due mainly to sales growth, gross margin expansion, acquisitions and cost containment. The current quarter s net income was $44.5 million versus $11.3 million in last year s first quarter.

Cash Flow

We generated $32.5 million in operating cash flow for the first three months of 2006. Included in this amount was a $2.0 million reduction in the amount outstanding under our Receivables Facility, whereby we sell, on a continuous basis, an undivided interest in all domestic accounts receivable to WESCO Receivables Corp., a wholly owned, special purpose entity (SPE). Investing activities in the first three months of 2006 included $4.2 million in capital expenditures and acquisition payments of $1.0 million. Financing activities during the first three months of 2006 consisted primarily of borrowings and repayments of $137.9 million and $166.9 million, respectively, related to our revolving credit facility and $0.3 million related to repayments under our mortgage financing facility.

Financing Availability

As of March 31, 2006, we had approximately $275 million in available borrowing capacity under our revolving credit facility, of which $225 million is the U.S. sub-facility borrowing limit and $50 million is the Canadian sub-facility borrowing limit.

Outlook

We believe that acquisitions and improvements in operations and our capital structure made in 2005 have positioned us well for 2006. We continue to see macroeconomic data that reflects improved activity levels in our major end markets. Capital spending in the manufacturing and construction markets we served are improving but are still somewhat below the levels experienced in 1999 and 2000. We continue to focus on selling and marketing initiatives to increase market share, pricing and procurement initiatives to achieve margin expansion and cost containment as we drive to improve our operating performance for the balance remaining of 2006.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, including those related to supplier programs, bad debts, inventories, insurance costs, goodwill, income taxes, contingencies and litigation. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. If actual market conditions are less favorable than those projected by management, additional adjustments to reserve items may be required. We believe the following critical accounting policies affect our judgments and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition

Revenues are recognized for product sales when title, ownership and risk of loss pass to the customer, or for services when the service is rendered or evidence of a customer arrangement exists. In the case of stock sales and special orders, a sale occurs at the time of shipment from our distribution point, as the terms of WESCO s sales are FOB shipping point. In cases where we process customer orders but ship directly from our suppliers, revenue is recognized once product is shipped and title has passed. For some of our customers, we provide services such as inventory management or other specific support. Revenues are recognized upon evidence of fulfillment of the agreed upon services. In all cases, revenue is recognized once the sales price to our customer is fixed or is determinable and WESCO has reasonable assurance as to the collectibility in accordance with Staff Accounting Bulletin No. 104.

Gross Profit

Our calculation of gross profit is net sales less cost of goods sold. Cost of goods sold includes our cost of the products sold and excludes cost for warehousing, selling, general and administrative expenses and depreciation and amortization, which are reported separately in the statement of income.

Allowance for Doubtful Accounts

We maintain allowances for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. We have a systematic procedure using estimates based on historical data and reasonable assumptions of collectibles made at the local branch level and on a consolidated corporate basis to calculate the allowance for doubtful accounts.

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Excess and Obsolete Inventory

We write down our inventory for estimated obsolescence or unmarketable inventory equal to the difference between the cost of inventory and the estimated market value based upon assumptions about future demand and market conditions. A systematic procedure is used to determine excess and obsolete inventory reflecting historical data and reasonable assumptions for the percentage of excess and obsolete inventory on a consolidated basis.

Supplier Volume Rebates

We receive rebates from certain suppliers based on contractual arrangements with them. Since there is a lag between actual purchases and the rebates received from the suppliers, we must estimate and accrue the approximate amount of rebates available at a specific date. We record the amounts as other accounts receivable on the balance sheet. The corresponding rebate income is recorded as a reduction of cost of goods sold. The appropriate level of such income is derived from the level of actual purchases made by WESCO from suppliers, in accordance with the provisions of Emerging Issues Task Force Issue No. 02-16, Accounting by a Reseller for Cash Consideration Received from a Vendor.

Goodwill

As described in the notes to the consolidated financial statements, we test goodwill for impairment annually or more frequently when events or circumstances occur indicating goodwill might be impaired. This process involves estimating fair value using discounted cash flow analyses. Considerable management judgment is necessary to estimate discounted future cash flows. Assumptions used for these estimated cash flows were based on a combination of historical results and current internal forecasts. Two primary assumptions were an average long-term revenue growth ranging from 3% to 13% depending on the end market served and a discount rate of 8%. We cannot predict certain events that could adversely affect the reported value of goodwill, which totaled $547.7 million at March 31, 2006, $542.2 million at December 31, 2005 and $401.6 million at December 31, 2004.

Intangible Assets

We account for certain economic benefits purchased as a result of our acquisitions, including customer relations, distribution agreements and trademarks, as intangible assets and amortize them over a useful life determined by the expected cash flows produced by such intangibles and their respective tax benefits. Useful lives vary between five and 19 years, depending on the specific intangible asset.

Insurance Programs

We use commercial insurance for auto, workers compensation, casualty and health claims as a risk reduction strategy to minimize catastrophic losses. Our strategy involves large deductibles where we must pay all costs up to the deductible amount. We estimate our reserve based on historical incident rates and costs.

Income Taxes

We record our deferred tax assets at amounts that are expected to be realized. We evaluate future taxable income and potential tax planning strategies in assessing the potential need for a valuation allowance. Should we determine that we would not be able to realize all or part of our deferred tax assets in the future, an adjustment to the deferred tax asset would be charged to income in the period such determination was made. We review tax issues and positions taken on tax returns and determine the need and amount of contingency reserves necessary to cover any probable audit adjustments.

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Accounts Receivable Securitization Facility

Our Receivables Facility, through an SPE, sells, without recourse, to a third-party conduit all the eligible receivables while maintaining a subordinated interest, in the form of over-collateralization, in a portion of the receivables.

We account for the Receivables Facility in accordance with SFAS No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities. At the time the receivables are sold, the balances are removed from our balance sheet. The Receivables Facility represents off-balance sheet financing, since the conduit s ownership interest in the accounts receivable of the SPE results in the removal of accounts receivable from our consolidated balance sheets, rather than resulting in the addition of a liability to the conduit.

We believe that the terms of the agreements governing this Receivables Facility not only provide a very favorable borrowing rate but also qualify our trade receivable sales transactions for sale treatment under generally accepted accounting principles, which requires us to remove the accounts receivable from our consolidated balance sheets. Absent this sale treatment, our consolidated balance sheet would reflect additional accounts receivable and debt. Our consolidated statements of income would not be impacted, except that other expenses would be classified as interest expense.

Results of Operations

The following table sets forth the percentage relationship to net sales of certain items in our consolidated statements of income for the periods presented.

	Year Ended December 31,			Three Months Ended March 31,	
	2005	**2004**	**2003**	**2006**	**2005**
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%
Gross profit	19.0	19.0	18.6	20.0	18.7
Selling, general and administrative expenses	13.9	14.6	15.3	13.4	14.4
Depreciation and amortization	0.4	0.5	0.7	0.5	0.4
Income from operations	4.7	3.9	2.6	6.1	3.9
Interest expense	0.7	1.1	1.3	0.5	0.9
Loss on debt extinguishment	0.3				1.0
Other expenses	0.3	0.2	0.1	0.4	0.3
Income before income taxes	3.4	2.6	1.2	5.2	1.7
Provision for income taxes	1.1	0.9	0.3	1.7	0.6
Net income	2.3%	1.7%	0.9%	3.5%	1.1%

First Quarter of 2006 versus First Quarter of 2005

Net Sales. Sales increases attributed to growth in our markets served and from the two acquisitions completed in 2005, along with positive impact from our cost improvement initiatives, contributed to improved financial results for the first three months of 2006. Net sales in the first quarter of 2006 totaled $1,265.5 million versus $990.9 million in the comparable period for 2005, an increase of $274.6 or 27.7% over the same period last year. First quarter 2006 sales from our acquisitions, both of which were completed in the third quarter of 2005, were $106.6 million. Favorable exchange rates accounted for approximately 1% of the higher sales. The remainder of the 2006 sales increase was the result of a combination of market and share growth, higher commodity prices, hurricane rebuilding activity, and an additional work day.

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Gross Profit. Gross profit for the first quarter of 2006 was $253.1 million versus $185.2 million for the comparable period in 2005, and gross margin percentage of net sales was 20% in 2006 versus 18.7% in 2005. The increase was attributable primarily to the combination of continued margin improvement initiatives and the higher margins from the acquisitions completed in the second half of 2005.

Selling, General and Administrative (SG&A) Expenses. SG&A expenses in the first quarter of 2006 totaled $169.9 million versus $142.7 million in last year s comparable quarter. As a percentage of net sales, SG&A expenses were 13.4% in the first quarter of 2006 compared to 14.4% in the first quarter in 2005, reflecting the positive impact of cost containment initiatives and the leverage of higher sales volume.

SG&A for payroll expenses for the first quarter of 2006 of $119.0 million increased by $21.2 million compared to the same quarter in 2005, of which $10.9 million resulted from the 2005 acquisitions. Of the remaining $10.3 million increase in payroll expenses, $6.8 million was from increased salaries and variable commissions and incentive compensation costs resulting from increased sales and related gross margins, $.9 million was from increased employee benefit costs, and $.9 million was from increased stock option expense ($.1 million attributable to the implementation of SFAS 123R).

The remaining SG&A expenses for the first quarter of 2006 of $50.9 million increased by approximately $6.0 million compared to same quarter in 2005, primarily from increases of $5.6 million resulting from the 2005 acquisitions and $4.0 million in bad debt expense offset primarily by a $2.6 million receipt of an insurance claim related to the reimbursement of litigation expenses associated with a legal matter settled in the fourth quarter of 2005 and $.7 million an adjustment in taxes not related to income.

Depreciation and Amortization. Depreciation and amortization for the first quarter of 2006 was $6.3 million versus $3.9 million in last year s comparable quarter. Of the $2.3 million increase, $2.5 million is related to the two acquisitions in 2005 of which $1.9 million is due to the amortization expense of the intangible assets acquired and $0.6 million due to the depreciation of the fixed assets acquired.

Interest Expense. Interest expense totaled $6.4 million for the first quarter of 2006 versus $9.1 million in last year s comparable quarter, a decrease of 30%. This decrease was due primarily to lower interest on debt in 2006 resulting from the redemption of the higher interest rate 2008 Notes, which were replaced with lower interest rates on both the 2017 Notes and the Debentures.

Loss on Debt Extinguishment. On March 1, 2005, we redeemed $123.8 million in aggregate principal amount of our 2008 Notes and incurred a pretax loss of $10.1 million resulting from the payment of the call premium and the write-off of the unamortized original issue discount and debt issue costs.

Other Expenses. Other expense during the first quarter of 2006 increased to $5.1 million versus $2.0 million in 2005, reflecting costs associated with the Receivables Facility resulting from an increase in the average of the accounts receivable sold for the first quarter of 2006 to $382.6 million versus $263.8 million in last year s comparable quarter and higher discount rates.

Income Taxes. Income tax expense totaled $21 million in the first quarter of 2006 and the effective tax rate was 32.1% compared to 34.7% in the same quarter in 2005. The current quarter s effective tax rate differed from the statutory rate primarily as a result of the domestic tax benefit from foreign operations, and the domestic production activity deduction. The decrease in the effective tax rate in 2006 as compared to 2005 is primarily due to the benefit of foreign tax credits.

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Net Income. For the first quarter of 2006, net income increased by $33.1 million to $44.5 million, or $0.86 per diluted share, compared with $11.3 million and $0.23 per diluted share for the first quarter of 2005. The increase in net income was primarily attributable to increased sales, decreases in the SG&A expenses as a percent of net sales, decreases in interest expense, the 2005 loss on debt extinguishment, a 2.6% reduction in the effective tax rate offset by increases in depreciation and amortization and other expense.

2005 Compared to 2004

Net Sales. Sales in 2005 increased 18.2% to $4,421 million, compared with $3,741 million in 2004, primarily as a result of strong growth in our markets served, acquisitions and market share gains. Sales from our 2005 acquisitions, both of which were purchased in the third quarter, were $104.4 million or approximately 2.8% over 2004 sales. Sales in 2005 also benefited by approximately 4.0% over 2004 from price increases which kept pace with rising cost of sales, approximately 0.9% from favorable currency exchange rates, and the remaining 10.5% from higher sales volume, of which approximately 1.0% was hurricane related. Sales volume in 2005 grew faster than that of our end markets served.

Gross Profit. Gross profit increased 18.1% in 2005 to $841 million, compared with $712 million in 2004, driven primarily by higher sales volume including acquisitions completed in 2005. Gross margin percentage was 19.0% in both years. Price increases in 2005 matched increases in cost of sales. Gross margin impact from sales mix was slightly less favorable in 2005 compared with 2004. However, acquisitions contributed positively to gross margin in 2005, resulting in equivalent gross margin percentages for both years.

Selling, General and Administrative Expenses. SG&A expenses include costs associated with personnel, shipping and handling, travel, advertising, facilities, utilities and bad debts. SG&A expenses increased by $68.3 million, or 12.5%, to $612.8 million in 2005. However, as a percentage of net sales, SG&A expenses decreased to 13.9% of sales, compared with 14.6% in 2004, reflecting cost-containment initiatives and sales rising faster than expenses. Total payroll expense in 2005 increased approximately $43.0 million over 2004, due principally to increases in salaries and non-cash compensation expense for equity awards in the amount of $20.3 million, variable incentive compensation costs of $13.5 million, healthcare and benefits costs of $4.9 million and expenses for contracted labor of $4.3 million. Approximately $12.1 million of the 2005 increase in salaries and related compensation expense was attributed to acquisitions made in 2005. Bad debt expense increased to $8.6 million in 2005, compared with $5.8 million for 2004, reflecting increases in accounts receivable and charges in accordance with our policy. Shipping and handling expense, included in SG&A expenses, was $44.8 million in 2005, compared with $36.6 million in 2004. The $8.2 million increase in 2005 shipping and handling expense included a $1.4 million increase due to acquisitions with the remaining $6.8 million or 18.7% of the increase over prior year driven by higher sales volume and transportation costs.

Depreciation and Amortization. Depreciation and amortization increased $0.5 million to $18.6 million in 2005, compared with $18.1 million in 2004. Depreciation and amortization related to acquisitions completed in 2005 was $2.7 million. Depreciation and amortization from operations excluding acquisition declined by $2.2 million from 2004 amounts as certain assets became fully depreciated.

Income from Operations. Income from operations increased by $59.8 million, or 40%, to $209.3 million in 2005, compared with $149.4 million in 2004. The increase in operating income resulted from higher sales, an increase in gross profit and control over SG&A expenses.

Interest Expense. Interest expense totaled $30.2 million in 2005, compared with $40.8 million in 2004. The decrease was due primarily to redemptions of the 2008 Notes, which occurred in 2005 and to comparatively lower interest rates on the original notes and our Debentures.

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Loss on Debt Extinguishment. Loss on debt extinguishment was $14.9 million in 2005 resulting from charges associated with the redemption of $324 million in aggregate principal amount of 2008 Notes. Loss on debt extinguishment in 2004 was $2.6 million, reflecting redemptions of $55.0 million in aggregate principal amount of 2008 Notes.

Other Expenses. Other expenses increased in 2005 to $13.3 million, compared to $6.6 million in 2004, as a result of higher interest rates and increased borrowing under our Receivables Facility in 2005.

Income Taxes. Our effective income tax rate decreased to 31.4% in 2005, compared with 34.7% in 2004, as a result of tax planning initiatives, which included U.S. tax benefits from foreign operations and U.S. tax credits.

Net Income. Net income and diluted earnings per share on a consolidated basis totaled $103.5 million and $2.10 per share, respectively, in 2005, compared with $64.9 million and $1.47 per share, respectively, in 2004.

2004 Compared to 2003

Net Sales. Net sales for 2004 increased by approximately $454 million, or 13.8%, compared with the prior year. Approximately 11% of the increase in sales was attributable to strong demand from our end markets served. The remaining increase was split between approximately 2% from improved pricing which compensated for rising costs of commodity products and approximately 1% from the strength of the Canadian dollar.

Gross Profit. Gross profit in 2004 increased 16.7% to $712.1 million or 19.0% of sales from $610.1 million, or 18.6% of sales in 2003. Gross profit percentage improved by 40 basis points due primarily to improved performance with supplier volume rebate programs and improved sales mix, as stock and special order sales that have higher margins increased faster than direct ship sales with lesser margins. Price increases implemented in 2004 largely covered rising cost of sales.

Selling, General and Administrative Expenses. SG&A expenses include costs associated with personnel, shipping and handling, travel and entertainment, advertising, utilities and bad debts. SG&A expenses increased by $43.1 million, or 8.6%, to $544.5 million. Total payroll expense increased approximately $40.9 million over last year principally from increased variable incentive compensation costs of $19.7 million, increased healthcare and benefits costs of $10.1 million, and expense related to equity awards, which increased by $2.3 million compared to 2003. Bad debt expense decreased to $5.8 million for 2004, compared to $10.2 million for 2003, primarily due to efficient collection efforts and an improved economic environment. Shipping and handling expense included in SG&A was $36.6 million in 2004 compared with $36.2 million in 2003. As a percentage of net sales, SG&A expenses decreased to 14.6%, compared with 15.3% in 2003, reflecting LEAN initiatives and the leverage of higher sales volume.

Depreciation and Amortization. Depreciation and amortization decreased $4.4 million to $18.1 million in 2004 versus $22.6 million in 2003. Amortization decreased by $1.6 million due to less amortization associated with a non-compete agreement that was fully amortized in 2003. Amortization of capitalized software decreased $1.1 million as assets became fully amortized. Depreciation decreased $1.1 million principally due to less depreciation expense on computer hardware as the applicable assets became fully depreciated.

Income from Operations. Income from operations increased $63.4 million to $149.4 million in 2004, compared with $86.0 million in 2003. The increase in operating income was principally attributable to the increase in gross profit partially offset by the increase in SG&A expenses.

Interest and Other Expenses. Interest expense totaled $40.8 million for 2004, a decrease of $1.5 million from 2003. The decline was primarily due to a lower average amount of

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indebtedness outstanding during the current period as compared to 2003, as we continued to improve our liquidity by reducing debt. Loss on debt extinguishments of $2.6 million related to losses on the repurchase of 2008 Notes versus $0.2 million last year. Other expenses, which reflects costs associated with the accounts receivable securitization, totaled $6.6 million and $4.5 million in 2004 and 2003, respectively, as a result of an increase in the average receivable balance and higher interest rates.

Income Taxes. Income tax expense totaled $34.6 million in 2004, an increase of $25.5 million from 2003. The effective tax rates for 2004 and 2003 were 34.7% and 23.2%, respectively. In 2004, we recapitalized our Canadian operations to reflect the proportionate debt structure of the Canadian and U.S. operations and to improve efficiency in cash flow movement of funds for business purposes. The 2003 tax provision included a benefit of $2.6 million as a result of the favorable conclusion of an IRS examination. Additionally, foreign tax credits contributed to the reduction in the effective rate during 2003.

Net Income. Net income and diluted earnings per share totaled $64.9 million and $1.47 per share, respectively, in 2004, compared with $30.0 million and $0.65 per share, respectively, in 2003.

Liquidity and Capital Resources

Total assets of $1.7 billion remained unchanged at March 31, 2006 and December 31, 2005. During the first quarter of 2006, total liabilities decreased $22.7 million to $1.1 billion. This decrease was due primarily to a decrease in accrued payroll and benefit costs of $16.4 million primarily from the payment in 2006 of the 2005 management incentive compensation and a decrease of $29.0 million in debt related to repayments related to the revolving credit facility and an increase of $10.0 million in other current liabilities.

Our liquidity needs arise from working capital requirements, capital expenditures, acquisitions and debt service obligations. In addition, an acquisition agreement contains contingent consideration for the final acquisition payment which management has estimated will be $5 million paid between 2006 and 2008.

We finance our operating and investing needs, as follows:

Revolving Credit Facility

The revolving credit facility matures in June 2010 and provides for an aggregate borrowing limit of up to $275 million. During the three months ended March 31, 2006, borrowings were $137.9 million and repayments were $166.9 million, with no outstanding balance at March 31, 2006, and, consequently, we were not subject to any covenants in the agreement governing the revolving credit facility.

Mortgage Financing Facility

In February 2003, we finalized a $51 million mortgage financing facility, $47.9 million of which was outstanding as of March 31, 2006. Borrowings under the mortgage financing are collateralized by 75 domestic properties and are subject to a 22-year amortization schedule with a balloon payment due at the end of the 10-year term. Interest rates on borrowings under this facility are fixed at 6.5%.

Bruckner Note Payable

Pursuant to the Bruckner purchase agreement and in accordance with the terms of a promissory note, the remaining payment of $20 million is due in June 2006.

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7.50% Senior Subordinated Notes due 2017

At March 31, 2006, $150 million in aggregate principal amount of the 2017 Notes were outstanding. The 2017 Notes were issued by WESCO Distribution under an indenture dated as of September 27, 2005 with J.P. Morgan Trust Company, National Association, as trustee, and are unconditionally guaranteed on an unsecured basis by WESCO International. The 2017 Notes accrue interest at the rate of 7.50% per annum and are payable in cash semi-annually in arrears on each April 15 and October 15, commencing April 15, 2006.

2.625% Convertible Senior Debentures due 2025

At March 31, 2006, $150 million in aggregate principle amount of the Debentures was outstanding. The Debentures were issued by WESCO International under an indenture dated as of September 27, 2005 with J.P. Morgan Trust Company, National Association, as Trustee, and are unconditionally guaranteed on an unsecured senior subordinated basis by WESCO Distribution. The Debentures accrue interest at the rate of 2.625% per annum and are payable in cash semi-annually in arrears on each April 15 and October 15, commencing April 15, 2006. Beginning with the six-month interest period commencing October 15, 2010, we also will pay contingent interest in cash during any six-month interest period in which the trading price of the Debentures for each of the five trading days ending on the second trading day immediately preceding the first day of the applicable six-month interest period equals or exceeds 120% of the principal amount of the Debentures. During any interest period when contingent interest shall be payable, the contingent interest payable per $1,000 principal amount of Debentures will equal 0.25% of the average trading price of $1,000 principal amount of the Debentures during the five trading days immediately preceding the first day of the applicable six-month interest period. As defined in SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities* the contingent interest feature of the Debentures is an embedded derivate that is not considered clearly and closely related to the host contract. The contingent interest component had a nominal value at issuance and at March 31, 2006.

The Debentures are convertible into cash and, in certain circumstances, shares of WESCO International, Inc. s common stock, $0.01 par value, at any time on or after October 15, 2023, or prior to October 15, 2023 in certain circumstances. The Convertible Debentures will be convertible based on an initial conversion rate of 23.8872 shares of common stock per $1,000 principal amount of the Debentures (equivalent to an initial conversion price of approximately $41.86 per share). The conversion rate and the conversion price may be adjusted under certain circumstances.

At any time on or after October 15, 2010, we may redeem all or a part of the Debentures at a redemption price equal to 100% of the principal amount of the Debentures plus accrued and unpaid interest (including contingent interest and additional interest, if any) to, but not including, the redemption date. Holders of Debentures may require us to repurchase all or a portion of their Debentures on October 15, 2010, October 15, 2015 and October 15, 2020 at a cash repurchase price equal to 100% of the principal amount of the Debentures, plus accrued and unpaid interest (including contingent interest and additional interest, if any) to, but not including, the repurchase date. If we undergo certain fundamental changes prior to maturity, holders of Debentures will have the right, at their option, to require us to repurchase for cash some or all of their Debentures at a repurchase price equal to 100% of the principal amount of the Debentures being repurchased, plus accrued and unpaid interest (including contingent interest and additional interest, if any) to, but not including, the repurchase date.

Cash Flow

Operating Activities-2006. Cash provided by operating activities for the first three months of 2006 totaled $32.5 million primarily as the result of net income of $44.5 million, adjusted for, among other items, depreciation and amortization of $6.3 million, stock-based compensation of $2.6 million and the reclassification of $8.1 million related to the excess tax benefit from stock-based compensation expense. Cash provided by operating activities in the first three months of 2006 included $13.3 million from prepaid expenses and other current assets including $7.8 million from foreign income taxes receivable; $3.4 million in accounts payable related to increased sales and inventory and $10.9 million from other current and noncurrent liabilities, including $4.3 million increase in accrued interest payable in April 2006 related to the 2017 Notes and Debentures, $1.9 million increase in bank overdrafts and $6.1 million increase in accrued income taxes. Cash used by operating activities in the first three months of 2006 included: $2.0 million reduction in the receivables facility; $17.3 million increase in trade and other receivables resulting from higher sales volume; $6.9 million increase in inventories to accommodate increased sales demand and $16.4 million reduction in accrued payroll and benefit costs primarily from $27.9 million of incentive compensation payments related to 2005 which was offset by $10.9 million increased accrued payroll and benefits costs; $17.3 million in trade and other receivables from $30.8 million increase in trade receivables related to increased sales and $14.0 million supplier volume rebates received in excess of the balance associated with the first quarter of 2006 and $6.9 million increase in inventories to accommodate increased sales demand.

Operating Activities-2005. Cash provided by operating activities for the first three months of 2005 totaled $102.6 million as the result of net income of $11.4 million, adjusted for, among other items, $1.9 million related to the loss on debt extinguishment, $3.9 million of depreciation and amortization and $1.7 million of stock-based compensation. Cash provided by operating activities in the first three months of 2005 included: $90.5 million related to the receivables facility; $2.0 million related to inventories; $3.2 million related to prepaid and other current assets; $33.5 million related to accounts payable from increased inventory purchases related to increased sales and $2.8 million related to other current and noncurrent liabilities. Cash used in the first three months of 2005 for operating activities was for $31.9 million in trade and accounts receivable and $16.1 million for accrued payroll and benefit costs related to incentive compensation payments.

Investing Activities. Net cash used in investing activities for the first quarter of 2006 and 2005 was $5.2 million and $3.7 million, respectively, of which capital expenditures were $4.2 million and $2.7 million, respectively, and expenditures of $1 million in 2006 and 2005 were made pursuant to the terms of an acquisition purchase agreement.

Financing Activities. Net cash used by financing activities for the first quarter of 2006 and 2005 was $19.1 million and $114.4 million, respectively. During the first quarter of 2006, borrowings and repayments of debt included borrowings of $137.9 and repayments of $166.9 related to our revolving credit facility and repayments of $0.3 million related to our mortgage financing facility. During the first quarter of 2005, borrowings and repayments of debt included borrowings of $109 million and repayments of $108.2 million related to our revolving credit facility and the redemption of $123.8 million in aggregate principal amount of 2008 Notes.

Contractual Cash Obligations and Other Commercial Commitments

The following summarizes our contractual obligations, including interest, at December 31, 2005 and the effect such obligations are expected to have on liquidity and cash flow in future periods. There were not any material changes in our contractual obligations and other commercial commitments in the fiscal quarter ended March 31, 2006.

	2006	2007 to 2008	2009 to 2010	2010 - After	Total
			(In millions)		
Contractual cash obligations (including interest)					
Revolving credit facility	$ 29.0	$	$	$	$ 29.0
Mortgage financing facility	4.3	8.6	8.6	46.8	68.3
Non-cancelable operating and capital leases	28.9	41.9	20.4	11.7	102.9
Bruckner note	21.6				21.6
Fastec note		3.6			3.6
Acquisition agreements	2.7	4.4	0.1	0.1	7.3
7.50% Senior Subordinated Notes due 2017	11.3	22.5	22.5	228.7	285.0
2.625% Convertible Senior Debentures due 2025	3.9	7.9	7.9	209.1	228.8
Total contractual cash obligations	$ 101.7	$ 88.9	$ 59.5	$ 496.4	$ 746.5

Purchase orders for inventory requirements and service contracts are not included in the table above. Generally, our purchase orders and contracts contain clauses allowing for cancellation. We do not have significant agreements to purchase material or goods that would specify minimum order quantities.

Management believes that cash generated from operations, together with amounts available under our revolving credit facility and the Receivables Facility, will be sufficient to meet our working capital, capital expenditures estimated to be $16.0 million in 2006 and other cash requirements for the foreseeable future. There can be no assurance, however, that this will be or will continue to be the case.

Off-Balance Sheet Arrangements

We maintain a Receivables Facility, that had a total purchase commitment of $400 million as of March 31, 2006. The Receivables Facility has a term of three years and is subject to renewal in May 2008. Under the Receivables Facility, we sell, on a continuous basis, an undivided interest in all domestic accounts receivable to WESCO Receivables Corporation, a wholly owned SPE. The SPE sells, without recourse, to a third-party conduit all the eligible receivables while maintaining a subordinated interest, in the form of over-collateralization, in a portion of the receivables. We have 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, $395 million in funding was outstanding under the Receivables Facility.

Inflation

The rate of inflation affects different commodities and the cost of products purchased and ultimately the pricing of our different products and product classes. Overall, price changes from suppliers have historically been consistent with inflation and have not had a material impact on the results of operations. In recent years, prices of certain commodities have increased much faster than inflation. In most cases, we have been able to pass through a majority of these increases to customers.

Seasonality

Our operating results are not significantly affected by seasonal factors. Sales during the first quarter are generally less than 2% below the sales of the remaining three quarters due to a reduced level of activity during the winter months of January and February. Sales increase beginning in March with slight fluctuations per month through December.

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Impact of Recently Issued Accounting Standards

In May 2005, the Financial Accounting Standards Board (FASB) issued SFAS No. 154, *Accounting Changes and Error Corrections*, which changes the requirements for the accounting and reporting of a change in accounting principle. SFAS No. 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 No. 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 No. 154 is effective for us for accounting changes and correction of errors made on or after January 1, 2006. The adoption of SFAS No. 154 is not expected to have a material impact on our financial position or results of operations.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

Foreign Currency Risks

Approximately 90% of our sales are denominated in U.S. dollars and are primarily from customers in the United States. As a result, currency fluctuations are currently not material to our operating results. We do have foreign subsidiaries located in North America, Europe and Asia and may establish additional foreign subsidiaries in the future. Accordingly, we may derive a more significant portion of our sales from international operations, and a portion of these sales may be denominated in foreign currencies. As a result, our future operating results could become subject to fluctuations in the exchange rates of those currencies in relation to the U.S. dollar. Furthermore, to the extent that we engage in international sales denominated in U.S. dollars, an increase in the value of the U.S. dollar relative to foreign currencies could make our products less competitive in international markets. We have monitored and will continue to monitor our exposure to currency fluctuations.

Interest Rate Risk

At various times, we have refinanced our fixed rate debt to better leverage the impact of interest rate fluctuations. The majority of our debt portfolio is comprised of fixed rate debt in order to mitigate the impact of fluctuations in interest rates. Our variable rate borrowings at December 31, 2005 and 2004 of $29.0 million and $49.4 million, respectively, represented approximately 7% and 12% of total indebtedness at December 31, 2005 and 2004, respectively.

Fixed Rate Borrowings: In 2005 we reduced our borrowing rate on a major portion of our fixed-rate debt, redeeming $323.5 million in aggregate, principal outstanding on our 2008 Notes at 9.125%, and issuing $150 million of our original notes at 7.50% and $150 million of our Debentures at 2.625%. As these borrowings were issued at fixed rates, interest expense would not be impacted by interest rate fluctuations, although market value would be. Historically, we have used interest swap agreements to mitigate the risk of changes in fair value due to interest rate fluctuations. At December 31, 2005, interest rates were within 100 basis points of the coupon rate of the original notes and the Debentures. Fair value exceeded carrying value of these debt instruments (see Note 8 to WESCO International s audited consolidated financial statements appearing elsewhere in this prospectus). Interest expense on our other fixed rate debt also was not impacted due to changes in market interest rates, and fair value approximated carrying value for this debt as well.

Floating Rate Borrowings: We borrow under our revolving credit facility for general corporate purposes, including working capital requirements and capital expenditures. During 2005, our average daily borrowing under the facility was $11.9 million. Borrowings under our facility bear interest at the applicable LIBOR or base rate, as defined, and therefore we are subject to fluctuations in interest rates.

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BUSINESS

The Company

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

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

Industry Overview

The electrical distribution industry serves customers in a number of markets including the industrial, electrical contractors, utility, government and institutional markets. Electrical distributors provide logistical and technical services for customers along with a wide range of products typically required for the construction and maintenance of electrical supply networks, including wire, lighting, distribution and control equipment and a wide variety of electrical supplies. Many customers demand that distributors provide a broader and more complex package of services as they seek to outsource non-core functions and achieve cost savings in purchasing, inventory and supply chain management.

Electrical Distribution. According to *Electrical Wholesaling Magazine*, the U.S. electrical wholesale distribution industry had forecasted sales of approximately $74 billion in 2005. According to published sources*, our industry has grown at an approximate 5% compounded annual rate over the past 20 years. This expansion has been driven by general economic growth, increased price levels for key commodities, increased use of electrical products in businesses and industries, new products and technologies and customers who are seeking to more efficiently purchase a broad range of products and services from a single point of contact, thereby eliminating the costs and expenses of purchasing directly from manufacturers or multiple sources. The U.S. electrical distribution industry is highly fragmented. In 2004, the latest year for which market share data is available, the four national distributors, including us, accounted for approximately 18% of estimated total industry sales.

Integrated Supply. The market for integrated supply services has grown rapidly in recent years. Growth has been driven primarily by the desire of large industrial companies to reduce operating expenses by implementing comprehensive third-party programs, which outsource cost-

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

intensive procurement, stocking and administrative functions associated with the purchase and consumption of MRO supplies. For some of our customers, we believe these costs can account for up to 35% of the total costs for MRO products and services. We believe that significant opportunities exist for further expansion of integrated supply services, as the total potential in the United States for purchases of industrial MRO supply and services through all channels is currently estimated to be approximately $380 billion.

Business Strategy

We believe we are the leading provider of electrical products and MRO supplies and services to companies in North America and selected international markets. Our goal is to grow earnings at a faster rate than sales by continuing to focus on margin enhancement and continuous productivity improvement. Our growth strategy utilizes our existing strengths and focuses on developing new initiatives and programs to position us to grow at a faster rate than the industry.

Enhance Our Leadership Position in Electrical Distribution. We will continue to capitalize on our extensive market presence and brand equity in the WESCO name to grow our market position in electrical distribution. As a result of our geographical coverage, effective information systems and value-added products and services, we believe we have become a leader in serving several important and growing markets including:

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

We are focusing our sales and marketing efforts in three primary areas:

- expanding our product and service offerings to existing customers in industries we currently serve;
- targeting new customers in industries we currently serve; and
- targeting markets that provide significant growth opportunities, such as multi-site retail construction, education and healthcare facilities, OEM and regional and national contractors.

Continue to Grow Our Premier Position in National Accounts. From 2002 through 2005, revenue from our national accounts program increased at a compound annual growth rate of 10%. We plan to continue to invest in the expansion of this program. Through our national accounts program, we coordinate electrical MRO procurement and purchasing activities across multiple locations, primarily for large industrial and commercial companies and for electric utilities. We have well-established relationships with more than 290 companies, providing us with a recurring base of revenue through multi-year agreements with these companies. Our objective is to continue to increase revenue from our national account customers by:

- offering existing national account customers new products and services and serving additional customer locations;
- extending certain established national account relationships to include our integrated supply services; and
- expanding our customer base by leveraging our existing industry expertise in markets served to enter into new markets.

Focus on Large Construction Projects. We intend to increase our customer base, where we have targeted new construction accounts, with a focus on large commercial, industrial and institutional projects. We seek to secure new major project contracts through:

- active national marketing of our demonstrated project management capabilities;
- further development of relationships with leading regional and national contractors and engineering firms; and
- close coordination with multi-location contractor customers on their major project requirements.

Extend Our Leadership Position in Integrated Supply Services. We believe we are the largest provider of integrated supply services for MRO goods and services in the United States. We provide a full complement of outsourcing solutions, focusing on improving the supply chain management process for our customers indirect purchases. Our integrated supply programs replace the traditional multi-vendor, resource-intensive procurement process with a single, outsourced, fully automated process capable of managing all MRO and related service requirements. Our solutions range from timely product delivery to assuming full responsibility for the entire procurement function. Our customers include some of the largest industrial companies in the United States. We plan to expand our leadership position as the largest integrated supply services provider in the United States by building upon established relationships within our large customer base and premier supplier network, to meet customer s continued interest in outsourcing.

Gain Share in Fragmented Local Markets. Significant opportunities exist to gain market share in highly fragmented local markets. We intend to increase our market share in key geographic markets through a combination of increased sales and marketing efforts at existing branches, acquisitions that expand our product and customer base and new branch openings. To promote this growth, we have a compensation system for branch managers that encourage them to increase sales and optimize business activities in their local markets, including managing the sales force, configuring inventories, targeting potential customers for marketing efforts and tailoring local service options.

Expand our LEAN Initiative. LEAN is a company-wide, strategic initiative to drive continuous improvement across the entire enterprise, including sales, operations and administrative processes. The basic principles behind LEAN are to rapidly identify and implement improvements through simplification, elimination of waste and reducing errors throughout a defined process. We have been highly successful in applying LEAN in a distribution environment and have developed and deployed numerous initiatives through the Kaizen approach. The initiatives are primarily centered around our branch operations and target nine key areas: sales, pricing, warehouse operations, transportation, purchasing, inventory, accounts receivable, accounts payable and administrative processes. In 2006, our objective is to continue to implement the initiatives across our branch locations and headquarters operations, consistent with our long-term strategy of continuously refining and improving our processes to achieve both sales and operational excellence.

Pursue Strategic Acquisitions. Since 1995, we have completed and successfully integrated 27 acquisitions. Our most recent acquisitions were completed in July and September 2005. We believe that the highly fragmented nature of the electrical and industrial MRO distribution industry will continue to provide us with acquisition opportunities. We expect that any future acquisitions will be financed with internally generated funds, additional debt and/or the issuance of equity securities. However, our ability to make acquisitions will be subject to our compliance with certain conditions under the terms of our revolving credit facility. See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources, for a further description of the revolving credit facility.

Expand Product and Service Offerings. We have developed a service capability to assist customers in improving their internal productivity and overall cost position. This service, which we call Cost Reduction Solutions, is based on applying LEAN principles and practices in our customers work environment. To date, we have worked with manufacturers, assemblers and contractors to enhance supply chain operations and logistics. Our work on productivity projects, in cooperation with our customers, significantly increases the breadth of products that can be supplied and creates fee-for-service opportunities in kitting, assembly and warehouse operations. Additionally, we have demonstrated our ability to introduce new products and services to meet existing customer demands and capitalize on new market opportunities. For example, we developed the platform to sell integrated lighting control and power distribution equipment in a single package for multi-site specialty retailers, restaurant chains and department stores. These are strong growth markets where our national accounts strategies and logistics infrastructure provide significant benefits for our customers.

Capitalize on Our Information System Capabilities. We intend to utilize our sophisticated information technology capabilities to drive increased sales performance and market share. Our information systems support targeted direct mail marketing campaigns, sales promotions, sales productivity and profitability assessments and coordination with suppliers and overall supply chain programs that improve customer profitability and enhance our working capital productivity. Our information systems provide us with detailed, actionable information across all facets of our broad network, allowing us to quickly and effectively identify and act on profitability and efficiency-related initiatives.

Expand Our International Operations. Our international sales, the majority of which are in Canada, accounted for approximately 13% and 14% of total sales in 2005 and the three months ended March 31, 2006, respectively. We believe that there is significant additional demand for our products and services outside the United States and Canada. Many of our multinational domestic customers are seeking distribution, integrated supply and project management solutions globally. We follow our established customers and pursue business that we believe utilizes and extends our existing capabilities. We believe this strategy of working through well-developed customer and supplier relationships significantly reduces risk and provides the opportunity to establish profitable incremental business. We currently have seven locations in Mexico. Additionally, our locations in Aberdeen, Scotland and London, England support our sales efforts in Europe and the former Soviet Union. We also have operations in Nigeria to serve West Africa, an office in Singapore to support our operations in Asia and an office in United Arab Emirates to serve the Middle East.

Competitive Strengths

We believe the following strengths are central to the successful execution of our business strategy:

Market Leadership. Our ability to manage large construction projects, complex multi-site plant maintenance programs, procurement projects that require special sourcing, technical advice, logistical support and locally based service has enabled us to establish leadership positions in our principal markets. We have utilized these skills to generate significant revenues in industries with intensive use of electrical and MRO products, including electrical contracting, utilities, OEM, process manufacturing and other commercial, institutional and governmental entities. We also have extended our position within these industries to expand our customer base.

Value-added Services. We are a leader in providing a wide range of services and procurement solutions that draw on our product knowledge, supply and logistics expertise and systems capabilities, enabling our customers with large operations and multiple locations to reduce supply chain costs and improve efficiency. Our expansive geographical coverage is essential to our ability to provide these services. We have more than 370 branches to complement our national sales and marketing activities with local customer service, product information and technical support, order fulfillment and a variety of other on-site services. These programs include:

National Accounts we coordinate product supply and materials management activities for MRO supplies, project needs and direct material for national and regional customers with multiple locations who seek purchasing leverage through a single electrical products provider. Regional and national contractors and top engineering and construction firms that specialize in major projects such as airport expansions, power plants and oil and gas facilities are also a focus group for our national accounts program; and

Integrated Supply we design and implement programs that enable our customers to significantly reduce the number of MRO suppliers they use through services that include highly automated, proprietary electronic procurement and inventory replenishment systems and on-site materials management and logistics services.

Broad Product Offering. We provide our customers with a broad product selection consisting of more than 1,000,000 electrical, industrial, data communications, MRO and utility products sourced from more than 24,000 suppliers. Our broad product offering and stable source of supply enables us to meet virtually all of a customer s electrical product and MRO requirements.

Extensive Distribution Network. We are a full-line distributor of electrical supplies and equipment with operations in the United States, Canada, Mexico, Guam, the United Kingdom, Nigeria, United Arab Emirates and Singapore. We operate more than 370 branch locations and eight distribution centers (six in the United States and two in Canada). This extensive network, which would be extremely difficult and expensive to duplicate, allows us to:

- maintain local sourcing of customer service, technical support and sales coverage;
- tailor branch products and services to local customer needs;
- offer multi-site distribution capabilities to large customers and national accounts; and
- provide same-day deliveries.

Low Cost Operator. Our competitive position has been enhanced by our low cost position, which is based on:

- extensive use of automation and technology;
- centralization of functions such as purchasing, accounting and information systems;
- strategically located distribution centers;
- purchasing economies of scale; and
- incentive programs that increase productivity and encourage entrepreneurship.

As a result of these factors, we believe that our operating costs as a percentage of sales is one of the lowest in our industry. Our selling, general and administrative expenses as a percentage of revenues for the three months ended March 31, 2006 decreased to 13.4% from 13.9% for 2005, significantly below our peer group 2004 average of approximately 20%, according to the National Association of Electrical Distributors. Our low cost position enables us to generate a significant amount of net cash flow, as the amount of capital investment required to maintain our business is relatively low. Consequently, more of the cash we generate is available for debt reduction, continued investment in the growth of the business and strategic acquisitions.

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Products and Services

Products

Our network of branches and distribution centers stock more than 200,000 unique product SKUs. Each branch tailors its inventory to meet the needs of the customers in its local market, stocking an average of approximately 2,500 SKUs. Our business allows our customers to access more than 1,000,000 products.

Representative products and services that we offer include:

Electrical Supplies. Wiring devices, fuses, terminals, connectors, boxes, enclosures, fittings, lugs, terminations, tape, and splicing and marking equipment;

Industrial Supplies. Tools and testers, safety and security, fall protection, personal protection, consumables, janitorial and other MRO supplies;

Power Distribution. Circuit breakers, transformers, switchboards, panel boards, metering products and busway products;

Lighting. Lamps, fixtures, ballasts and lighting control products;

Wire and Conduit. Wire, cable, raceway, metallic and non-metallic conduit;

Control, Automation and Motors. Motor control devices, drives, surge and power protection, relays, timers, pushbuttons and operator interfaces; and

Data Communications. Cables, cable management and connecting hardware.

We purchase products from a diverse group of more than 24,000 suppliers. In 2005, our ten largest suppliers accounted for approximately 34% of our purchases. The largest of these was Eaton Corporation, through its Eaton Electrical division, accounting for approximately 12% of total purchases. No other supplier accounted for more than 5% of total purchases.

Our supplier relationships are important to us, providing access to a wide range of products, technical training and sales and marketing support. We have preferred supplier agreements with more than 200 of our suppliers and purchase over 60% of our stock inventory pursuant to these agreements. Consistent with industry practice, most of our agreements with suppliers, including both distribution agreements and preferred supplier agreements, are terminable by either party on 60 days notice or less.

Services

In conjunction with product sales, we offer customers a wide range of services and procurement solutions that draw on our product and supply management expertise and systems capabilities. These services include national accounts programs, integrated supply programs and major project programs. We are responding to the needs of our customers, particularly those in processing and manufacturing industries. To more efficiently manage the MRO process on behalf of our customers, we offer a range of supply management services, including:

outsourcing of the entire MRO purchasing process;

providing technical support for manufacturing process improvements using state-of-the-art automated solutions;

implementing inventory optimization programs;

participating in joint cost savings teams;

assigning our employees as on-site support personnel;

- recommending energy-efficient product upgrades; and

- offering safety and product training for customer employees.

National Accounts Programs. The typical national account customer is a Fortune 500 industrial company, a large utility or other major customer, in each case with multiple locations. Our national accounts programs are designed to provide customers with total supply chain cost reductions by coordinating purchasing activity for MRO supplies and direct materials across multiple locations. Comprehensive implementation plans establish jointly managed teams at the local and national level to prioritize activities, identify key performance measures and track progress against objectives. We involve our preferred suppliers early in the implementation process, where they can contribute expertise and product knowledge to accelerate program implementation and the achievement of cost savings and process improvements.

Integrated Supply Programs. Our integrated supply programs offer customers a variety of services to support their objectives for improved supply chain management. We integrate our personnel, product and distribution expertise, electronic technologies and service capabilities with the customer s own internal resources to meet particular service requirements. Each integrated supply program is uniquely configured to deliver a significant reduction in the number of MRO suppliers, reduce total procurement costs, improve operating controls and lower administrative expenses. Our solutions range from just-in-time fulfillment to assuming full responsibility for the entire procurement function for all indirect purchases. We believe that customers will increasingly seek to utilize us as an integrator, responsible for selecting and managing the supply of a wide range of MRO and OEM products.

Markets and Customers

We have a large base of approximately 100,000 customers diversified across our principal markets. No customer accounted for more than 4% of our total sales in 2005.

Industrial Customers. Sales to industrial customers, which include numerous manufacturing and process industries and OEMs accounted for approximately 41% of our sales in 2005.

MRO products are needed to maintain and upgrade the electrical and communications networks at industrial sites. Expenditures are greatest in the heavy process industries, such as food processing, metals, pulp and paper and petrochemical. Typically, electrical MRO is the first or second ranked product category by purchase value for total MRO requirements for an industrial site. Other MRO product categories include, among others, lubricants, pipe, valves and fittings, fasteners, cutting tools and power transmission products.

OEM customers incorporate electrical components and assemblies into their own products. OEMs typically require a reliable, high-volume supply of a narrow range of electrical items. Customers in this market are particularly service and price sensitive due to the volume and the critical nature of the product used, and they also expect value-added services such as design and technical support, just-in-time supply and electronic commerce.

Electrical Contractors. Sales to electrical contractors accounted for approximately 36% of our sales in 2005. These customers range from large contractors for major industrial and commercial projects, which represent the customer types we principally serve, to small residential contractors, which represent a small portion of our sales. Electrical products purchased by electrical subcontractors typically account for approximately 40% to 50% of their installed project cost, so therefore, accurate cost estimates and competitive material costs are critical to a contractor s success in obtaining profitable projects.

Utilities. Sales to utilities accounted for approximately 17% of our sales in 2005. This market includes large investor-owned utilities, rural electric cooperatives and municipal power authorities. We provide our utility customers with transmission and distribution products and an extensive range of supplies to meet their MRO and capital projects needs. Full materials management and procurement outsourcing arrangements are also important in this market as cost pressures and deregulation cause utility customers to streamline purchasing and inventory control practices.

Commercial, Institutional and Governmental (CIG) Customers. Sales to CIG customers accounted for approximately 6% of our sales in 2005. This fragmented market includes schools, hospitals, property management firms, retailers and government agencies of all types. We have a platform to sell integrated lighting control and distribution equipment in a single package for multi-site specialty retailers, restaurant chains and department stores.

Distribution Network

Branch Network. We have more than 370 branches, of which approximately 310 are located in the United States, about 50 are located in Canada and the remainder located in Mexico, Puerto Rico, Guam, the United Kingdom, Nigeria, United Arab Emirates and Singapore. In addition to consolidations in connection with acquisitions, we occasionally open, close or consolidate existing branch locations to improve market coverage and operating efficiency.

Distribution Centers. To support our branch network, we have eight distribution centers located in the United States and Canada, with facilities located near Pittsburgh, Pennsylvania, serving the Northeast and Midwest United States; near Reno, Nevada, serving the Western United States; near Memphis, Tennessee, serving the Southeast and Central United States; in Columbia, South Carolina, serving the Southeast United States; near Dayton, Ohio, serving the Midwest United States; in Little Rock, Arkansas, serving the Northeast, Central and Western United States; near Montreal, Quebec, serving Eastern and Central Canada; and near Vancouver, British Columbia, serving Western Canada.

Our distribution centers add value for our branches, suppliers and customers through the combination of a broad and deep selection of inventory, online ordering, same-day shipment and central order handling and fulfillment. Our distribution center network reduces the lead-time and improves the reliability of our supply chain, giving us a distinct competitive advantage in customer service. Additionally, the distribution centers reduce the time and cost of supply chain activities through automated replenishment and warehouse management systems and economies of scale in purchasing, inventory management, administration and transportation.

Sales Organization

Sales Force. Our general sales force is based at the local branches and comprises of approximately 2,100 of our employees, almost half of whom are outside sales representatives with the remainder being inside sales personnel. Outside sales representatives are paid under a compensation structure that is primarily weighted toward commissions. They are responsible for making direct customer calls, performing on-site technical support, generating new customer relations and developing existing territories. The inside sales force is a key point of contact for responding to routine customer inquiries such as price and availability requests and for entering and tracking orders.

National Accounts. Our national accounts sales force comprises an experienced group of sales executives who negotiate and administer contracts, coordinate branch participation and identify sales and service opportunities. National accounts managers efforts target specific customer industries, including automotive, pulp and paper, petrochemical, steel, mining and food processing.

We also have a sales management group, comprising our most experienced construction management personnel, which focus on serving the complex needs of North America s largest engineering and construction firms and the top regional and national electrical contractors. These contractors typically specialize in large, complex projects such as building industrial sites, water treatment plants, airport expansions, healthcare facilities, correctional institutions, sports stadiums and convention centers.

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Data Communications. Sales of premise cable, connectors, hardware, network electronics and outside plant products are generated by our general sales force with support from a group of outside and inside data communications sales representatives. They are supported by customer service representatives and additional resources in product management, purchasing, inventory control and sales management.

E-Commerce. Our primary e-business strategy is to serve existing customers by tailoring our catalog and Internet-based procurement applications to their internal systems or through their preferred technology and trading exchange partnerships. We continue to expand our e-commerce capabilities, meeting our customers requirements as they develop and implement their e-procurement business strategies. We have strengthened our business and technology relationships with the trading exchanges chosen by our customers as their e-procurement partners. We continue to enhance and enrich our customized electronic catalogs provided to our customers for use with their internal business systems. We believe that we lead our industry in rapid e-implementation to customers procurement systems and integrated procurement functionality using punch-out technology, a direct system-to-system link with our customers.

We continue to enhance WESCO Express, a direct ship fulfillment operation responsible for supporting smaller customers and select national account locations. Customers can order from more than 83,000 electrical and data communications products stocked in our warehouses through a centralized customer service center or over the Internet at www.WESCOdirect.com. We also use a proactive sales approach utilizing catalogs, direct mail, e-mail and personal phone selling to provide a high level of customer service. Our 2005-2006 WESCO s Buyers Guide® was produced and released in 2005.

International Operations

To serve the Canadian market, we operate a network of approximately 50 branches in nine provinces. Branch operations are supported by two distribution centers located near Montreal and Vancouver. With sales of approximately US$500 million, Canada represented approximately 11% of our total sales in 2005. The Canadian market for electrical distribution is considerably smaller than the U.S. market, with roughly US$4.3 billion in total sales in 2005, according to the Canadian Distribution Council.

We also have seven locations in Mexico headquartered in Tlalnepantla, which serve all of metropolitan Mexico City and the Federal District and the states of Chihuahua, Hidalgo, Mexico, Morelos and Nuevo Leon.

We sell to other international customers through domestic export sales offices located within North America and sales offices in international locations. Our operations in Aberdeen, Scotland and London, England support sales efforts in Europe, oil and gas customers on a global basis, engineering procurement companies and the former Soviet Union. We have an operation in Nigeria to serve West Africa, an office in United Arab Emirates to serve the Middle East and an office in Singapore to support our sales to Asia and global oil and gas customers. All of the international locations have been established to primarily serve our growing list of customers with global operations referenced under National Accounts above.

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The following table sets forth information about us 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

Management Information Systems

We have implemented data processing systems to provide support for a full range of business functions, such as customer service, inventory and logistics management, accounting and administrative support. Our branch information system, known as WESNET, is the primary data processing vehicle for all branch operations (other than our Bruckner Integrated Supply Division and certain acquired branches). The WESNET system provides all of the basic day-to-day order management and order fulfillment functions. The WESNET application and server reside locally within each branch and provide us with a flexible and cost-effective approach to facilitate expansion and organizational growth. The distributed systems are connected to a centralized data processing center via a wide area network that provides a tightly coupled, yet flexible system.

The centralized corporate information system and data warehouse provide a platform with capability that we believe exceeds many of the most advanced enterprise resource planning packages available on the market. Our centralized servers contain near real-time transactional data from each branch system, as well as multiple years of historical transaction data. The centralized server and data warehouse technology provide a cost-effective mechanism to better monitor, manage and enhance operational processes. These systems have become the principal technology supporting inventory management, purchasing management, automated stock replenishment, margin analysis, and financial and operating analytics.

The data warehouse is also utilized to perform extensive operational analysis and provide detailed insight for all major business processes. By providing this technology, employees at all levels have the ability to analyze their area of responsibility and drive improvements through the organization. The system contains a variety of analytic tools, including activity-based costing capability for analyzing profitability by customer, sales representative, product type and shipment type. Many other tools permit analysis of sales and margins, supplier sales planning, item analysis, market analysis, product insight and many other operational reporting and trending applications.

The centralized platform facilitates the processing of customer orders, shipping notices, suppliers purchase orders and funds transfer via EDI. We have long supported standard EDI with many trading partners. Over the years we have added capability to support several other integration vehicles beyond standard EDI to better support our customers   needs. The evolving integration capability allows us to seamlessly connect our information systems platform with those of our customers and suppliers. Our e-commerce purchasing and order fulfillment platform is a user-friendly platform that will be integrated with our legacy systems.

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Our integrated supply services are supported by state-of-the-art proprietary procurement and inventory management systems. These systems provide a fully integrated, flexible supply chain platform that currently handles over 95% of our integrated supply customers transactions electronically. Our configuration options for a customer range from online linkages to the customer s business and purchasing systems, to total replacement of a customer s procurement and inventory management system for MRO supplies.

Competition

We believe that we are the largest distributor in the estimated $74 billion* U.S. electrical distribution industry and the largest provider of integrated supply services for MRO goods and services in the United States. We operate in a highly competitive and fragmented industry. We compete directly with national, regional and local providers of electrical and other industrial MRO supplies. In 2004, the latest year for which industry-published market share data is available, the four national distributors, including us, accounted for approximately 18% of estimated total industry sales. Competition is primarily focused on the local service area, and is generally based on product line breadth, product availability, service capabilities and price. Another source of competition is buying groups formed by smaller distributors to increase purchasing power and provide some cooperative marketing capability. While increased buying power may improve the competitive position of buying groups locally, we believe these groups have not been able to compete effectively with us for national account customers due to the difficulty in coordinating a diverse ownership group. Although certain Internet-based procurement service companies, auction businesses and trade exchanges remain in the marketplace, the impact on our business from these potential competitors has been minimal to date.

Employees

As of March 31, 2006, we had approximately 6,125 employees worldwide, of which approximately 5,400 were located in the United States and approximately 725 in Canada and our other international locations. Less than 5% of our employees are represented by unions. We believe our labor relations are generally good.

Intellectual Property

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

Environmental Matters

Our facilities and operations are subject to federal, state and local laws and regulations relating to environmental protection and human health and safety. Some of these laws and regulations may impose strict, joint and several liabilities on certain persons for the cost of investigation or remediation of contaminated properties. These persons may include former, current or future owners or operators of properties and persons who arranged for the disposal of hazardous substances. Our owned and leased real property may give rise to such

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

investigation, remediation and monitoring liabilities under environmental laws. In addition, anyone disposing of certain products we distribute, such as ballasts, fluorescent lighting and batteries, must comply with environmental laws that regulate certain materials in these products.

We believe that we are in compliance, in all material respects, with applicable environmental laws. As a result, we do not anticipate making significant capital expenditures for environmental control matters either in the current year or in the near future.

Seasonality

Our operating results are not significantly affected by seasonal factors. Sales during the first quarter are generally less than 2% below the sales of the remaining three quarters due to a reduced level of activity during the winter months of January and February. Sales increase beginning in March, with slight fluctuations per month through December. As a result, our reported sales and earnings in the first quarter are generally lower than in subsequent quarters.

Website Access

Our Internet address is *www.wesco.com*. Information contained on our website is not part of, and should not be construed as being incorporated by reference into, this prospectus. We make available free of charge under the Investors heading on our website our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), as well as proxy and information statements, as soon as reasonably practicable after such documents are electronically filed or furnished, as applicable, with the Securities and Exchange Commission (the SEC). You also may read and copy any materials we file with the SEC at the SEC s Public Reference Room at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site at *www.sec.gov* that contains reports, proxy and information statements and other information regarding issuers like us who file electronically with the SEC.

In addition, our Charters for our Executive Committee, Nominating and Governance Committee, Audit Committee and Compensation Committee, as well as our Independence Standards and Governance Guidelines and our Code of Ethics and Business Conduct for our directors, officers and employees, are all available on our website in the Corporate Governance link under the Investors heading.

PROPERTIES

We have approximately 370 branches, of which approximately 310 are located in the United States, approximately 50 are located in Canada and the remainder are located in Mexico, Puerto Rico, Guam, the United Kingdom, Nigeria, United Arab Emirates and Singapore. Approximately 25% of our branches are owned facilities, and the remainder are leased.

The following table summarizes our distribution centers:

Location	Square Feet	Leased/Owned
Warrandale, PA	194,000	Owned
Sparks, NV	131,000	Leased
Byhalia, MS	148,000	Owned
Little Rock, AR	100,000	Leased
Dorval, QE	90,000	Leased
Columbia, SC	70,000	Leased
Burnaby, BC	65,000	Owned
Kettering, OH	48,000	Leased

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We also lease our 69,000-square-foot headquarters in Pittsburgh, Pennsylvania. We do not regard the real property associated with any single branch location as material to our operations. We believe our facilities are in good operating condition and are adequate for their respective uses.

LEGAL PROCEEDINGS

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

We are a defendant in a lawsuit in a state court in Florida in which a former supplier alleges that we failed to fulfill our commercial obligations to purchase product and seeks monetary damages in excess of $17 million. We believe that we have 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.

Information relating to legal proceedings is included in Note 14 to WESCO International s audited consolidated financial statements and Note 8 to WESCO International s unaudited condensed consolidated financial statements, each included elsewhere in this prospectus.

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MANAGEMENT

The executive officers and directors of WESCO International and WESCO Distribution and their respective ages and positions as of April 30, 2006 are set forth below.

Name	Age	Position
Roy W. Haley	59	Chairman and Chief Executive Officer
Sandra Beach Lin	48	Director
George L. Miles, Jr.	64	Director
Steven A. Raymund	50	Director
James L. Singleton	50	Director
Robert J. Tarr, Jr.	62	Director
Lynn M. Utter	43	Director
William J. Vareschi	63	Director
Kenneth L. Way	66	Director
John J. Engel	44	Senior Vice President and Chief Operating Officer
Stephen A. Van Oss	51	Senior Vice President, Chief Financial and Administrative Officer
William M. Goodwin	60	Vice President, Operations
Robert B. Rosenbaum	48	Vice President, Operations
Donald H. Thimjon	62	Vice President, Operations
Ronald P. Van, Jr.	45	Vice President, Operations
Daniel A. Brailer	49	Treasurer and Director of Investor Relations
Marcy Smorey-Giger	34	Corporate Counsel and Secretary

Set forth below is certain biographical information for the executive officers and directors listed above.

Roy W. Haley has been Chief Executive Officer of the Company since February 1994, and Chairman of the Board since 1998. From 1988 to 1993, Mr. Haley was an executive at American General Corporation, a diversified financial services company, where he served as Chief Operating Officer, as President and as a Director. Mr. Haley is also a Director of United Stationers, Inc. and Cambrex Corporation, and is Chairman of the Pittsburgh Branch of the Federal Reserve Bank of Cleveland.

Sandra Beach Lin, a director, joined Avery Dennison Corporation in 2005 as Group Vice President, Specialty Materials & Converting Worldwide. She previously served as President, Alcoa Closure Systems International, joining Alcoa in 2002 after 20 years of business experience in the specialty chemicals, medical products, and automotive components industries.

George L. Miles, Jr., a director, has been President and Chief Executive Officer of WQED Multimedia since September 1994. Mr. Miles is also a Director of Equitable Resources, Westwood One, ATS-Chester, Inc., Citizens Financial Group and Harley-Davidson, Inc.

Steven A. Raymund, a director, has been the Chief Executive Officer of Tech Data Corporation, a NASDAQ listed company and leading distributor of information technology products, since 1986, and in 1991 was appointed Chairman of the Board of Directors. Mr. Raymund also is a member of the Board of Advisors of the Moffitt Cancer Center in Tampa, Florida and sits on the Board for the Alliance for Excellent Education, which is based in Washington, D.C.

James L. Singleton, a director, is Co-Chairman of The Cypress Group, L.L.C. and was a founding partner of that firm in April 1994. Prior to that time, he was a Managing Director in the

Merchant Banking Group at Lehman Brothers. Mr. Singleton is also a Director of ClubCorp Inc., Danka Business Systems PLC, Scotsman Holdings, Inc., and The Meow Mix Company.

Robert J. Tarr, Jr., a director, is a professional director and private investor. He is also a special partner of Chartwell Investments, LLP, a private equity firm. He was the Chairman, Chief Executive Officer and President of HomeRuns.com, Inc. from February 2000 to September 2001. Prior to joining HomeRuns.com, he worked for more than 20 years in senior executive roles for Harcourt General, Inc., including six years as President, Chief Executive Officer, Chief Operating Officer, and he currently is a Director of Harcourt General, Inc. (formerly General Cinema Corporation) and The Neiman Marcus Group, Inc.

Lynn M. Utter, a director, joined Coors Brewing Company in 1997 and is currently its Chief Strategy Officer. Prior to her current position, she served in several operational capacities, including Group Vice President of Container, Quality and Technology, Vice President of Container Operations and Vice President of Logistics, Coors Transportation Operations and Transload. Ms. Utter is Chairperson of the University of Texas McComb School of Business Administration Dean s Advisory Council and serves as a Trustee for Mile High United Way.

William J. Vareschi, a director, retired as Chief Executive Officer of Central Parking Corporation in May 2003. Before joining Central Parking Corp., his prior business career of more than 35 years of service was spent with the General Electric Company, which he joined in 1965. He held numerous financial management positions within GE, including Chief Financial Officer for GE Plastics Europe (in the Netherlands), GE Lighting (Cleveland, Ohio), and GE Aircraft Engines (Cincinnati, Ohio). Mr. Vareschi was elected to the Board of WMS Industries Inc. on December 9, 2004.

Kenneth L. Way, a director, served as Chairman of Lear Corporation from 1988 to 2003, and was affiliated with Lear Corporation and its predecessor companies for 36 years in engineering, manufacturing and general management capacities. Mr. Way retired in January 2003. Mr. Way is also a Director of Comerica, Inc., CMS Energy Corporation, Cooper Standard Automotive, United Way and Karmanos Cancer Institute, and is on the Board of Trustees for Henry Ford Health Systems.

John J. Engel has been Senior Vice President and Chief Operating Officer since July 2004. Mr. Engel served from 2003 to 2004 as Senior Vice President and General Manager of Gateway, Inc. From 1999 to 2002, Mr. Engel served as an Executive Vice President and Senior Vice President of Perkin Elmer, Inc. In addition Mr. Engel was a Vice President and General Manager of Allied Signal from 1994 to 1999 and held various management positions in General Electric from 1985 to 1994.

Stephen A. Van Oss has been Senior Vice President and Chief Financial and Administrative Officer since July 2004 and, from 2000 to July 2004 served as the Vice President and Chief Financial Officer. Mr. Van Oss also served as our Director, Information Technology from 1997 to 2000 and as our Director, Acquisition Management in 1997. From 1995 to 1996, Mr. Van Oss served as Chief Operating Officer and Chief Financial Officer of Paper Back Recycling of America, Inc. He also held various management positions with Reliance Electric Corporation. Mr. Van Oss is also a director of Williams Scotsman International, Inc. and a member of its audit committee.

William M. Goodwin has been Vice President, Operations since March 1994. From 1987 to 1994, Mr. Goodwin served as a branch, district and region manager in various locations and also served as Managing Director of WESCOSA, a former Westinghouse-affiliated manufacturing and distribution business in Saudi Arabia.

Robert B. Rosenbaum has been Vice President, Operations since September 1998. From 1982 until 1998, Mr. Rosenbaum was the President of the Bruckner Supply Company, Inc., an integrated supply company that we acquired in September 1998.

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Donald H. Thimjon has been Vice President, Operations since March 1994. Mr. Thimjon served as Vice President, Utility Group for us from 1991 to 1994 and as Regional Manager from 1980 to 1991.

Ronald P. Van, Jr. has been Vice President, Operations since October 1998. Mr. Van was a Vice President and Controller of EESCO, an electrical distributor that we acquired in 1996.

Daniel A. Brailer has been Treasurer and Director of Investor Relations since March 1999. From 1982 to 1999, Mr. Brailer held various positions at Mellon Financial Corporation, most recently as Senior Vice President.

Marcy Smorey-Giger has been Corporate Counsel and Secretary since May 2004. From 2002 to 2004, Ms. Smorey-Giger served as Corporate Attorney and Manager, Compliance Programs. From 1999 to 2002, Ms. Smorey-Giger served as Compliance and Legal Affairs Manager.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth compensation information for WESCO International s Chief Executive Officer and for WESCO International s four other most highly compensated executive officers for 2005 (the Named Executive Officers).

Name and Principal Position(s)	Fiscal Year	Annual Compensation Salary ($)	Annual Compensation Bonus ($)(1)	Long Term Compensation Securities Underlying Equity Awards (#s)(2)	All Other Compensation ($) (3)(4)(5)(6)(7)(8)	Total Compensation
Roy W. Haley	2005	700,000	1,600,000	200,000	136,632	2,436,632
Chairman and Chief	2004	685,833	1,470,000	200,000	70,678	2,226,511
Executive Officer	2003	615,000	300,000	300,000	35,072	950,072
John J. Engel	2005	450,000	530,000	75,000	102,778	1,082,778
Senior Vice President	2004	209,711	200,000	200,000	215,560	625,271
and Chief Operating Officer	2003					
Stephen A. Van Oss	2005	408,333	430,000	75,000	65,156	903,489
Senior Vice President	2004	325,000	387,000	70,000	38,051	750,051
and Chief Financial and Administrative Officer	2003	300,000	130,000	70,000	25,710	455,710
William M. Goodwin	2005	261,667	225,000	25,000	59,338	546,005
Vice President,	2004	242,000	280,500	30,000	38,308	560,808
Operations	2003	235,833	118,000	38,000	23,548	377,381
Donald H. Thimjon	2005	245,333	225,000	25,000	54,071	524,404
Vice President,	2003	242,000	280,500	35,000	35,852	558,352
Operations	2002	235,833	76,200	38,000	23,874	335,907

(1) Bonus amounts reflect compensation earned in the indicated fiscal year, but approved and paid in the following year. Bonus amounts reflect awards under documented performance objectives and plans, and are inclusive of a special one-year Value Acceleration Program payment approved by the Board for performance substantially above established goals.

(2) All equity awards granted to the Named Executive Officers in 2005, 2004 and 2003 were granted under WESCO International s 1999 Long-Term Incentive Plan (LTIP), as amended and approved by the Board and stockholders. SARs granted in 2005 have an exercise price of $31.65 per share. SARs granted in 2004 have an exercise price of $24.02 per share. Mr. Engel, after joining WESCO International in 2004 was granted stock options at an exercise price of $16.82 per share. Stock options granted in 2003 have an exercise price of $5.90 per share. Awards granted under the LTIP are subject to certain time and performance based vesting requirements.

(3) Includes contributions under the WESCO Distribution, Inc. Retirement Savings Plan in the amounts of (a) $2,583, $4,200, $2,800, $5,250, and $6,150 for Messrs. Haley, Engel, Van Oss, Goodwin, and Thimjon, respectively, in 2005

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(b) $6,000, $3,938, $2,600, $4,925, and $6,000 for Messrs. Haley, Engel, Van Oss, Goodwin, and Thimjon, respectively, in 2004, (c) $6,000, $-0-, $2,400, $4,500, and $6,000 for Messrs. Haley, Engel, Van Oss, Goodwin, and Thimjon, respectively, in 2003. An award under WESCO International s Retirement Savings Plan in the form of a discretionary contribution was made to all employees in 2005 for 2004 performance, specifically, in the amounts of $10,000, $5,729, $10,000, $14,000, and $14,000 for Messrs. Haley, Engel, Van Oss, Goodwin and Thimjon, respectively.

(4) Includes contributions under the WESCO Distribution, Inc. Deferred Compensation Plan in the amounts of (a) $62,517 $15,300, $21,060, $11,015, and $8,775 for Messrs. Haley, Engel, Van Oss, Goodwin, and Thimjon, respectively, in 2005 (b) $22,700, $-0-, $10,613, $5,779, and $3,341 for Messrs. Haley, Engel, Van Oss, Goodwin, and Thimjon, respectively, in 2004, (c) $14,750, $-0-, $10,500, $5,036 and $2,666 for Messrs. Haley, Engel, Van Oss, Goodwin, and Thimjon, respectively, in 2003. An award under WESCO International s Retirement Savings Plan in the form of a discretionary contribution was made in 2005 to the Deferred Compensation Plan in the amounts of $39,115, $-0-, $12,646, $11,183, and $8,257 for Messrs. Haley, Engel, Van Oss, Goodwin, and Thimjon, respectively.

(5) Includes an annual automobile allowance paid by WESCO International in the amount of $12,000 for each of Messrs. Haley, Van Oss, Goodwin, and Thimjon in each of 2005, 2004, and 2003. Includes automobile allowance in the amount of $12,000 in 2005 and $5,500 in 2004, the year Mr. Engel became employed with WESCO International.

(6) Includes the dollar value of insurance premiums paid by WESCO International for each executive officer s term life insurance in the amounts of (a) $2,322, $540, $1,242, $3,713 and $3,366 for Messrs. Haley, Engel, Van Oss, Goodwin, and Thimjon, respectively, in 2005, (b) $2,419, $225, $1,294, $2,208, and $3,152 for Messrs. Haley, Engel, Van Oss, Goodwin, and Thimjon, respectively, in 2004, (c) $2,322, $-0-, $810, $2,012, and $3,208 for Messrs. Haley, Engel, Van Oss, Goodwin, and Thimjon, respectively, in 2003.

(7) Includes non-cash awards in the amounts of (a) $8,095, $-0-; $5,408, $2,177, and $1,523 for Messrs. Haley, Engel, Van Oss, Goodwin, and Thimjon, respectively, in 2005, (b) $7,809, $1,675, $5,094, $2,177 and $840 for Messrs. Haley, Engel, Van Oss, Goodwin, and Thimjon, respectively, in 2004.

(8) Includes relocation allowance paid by WESCO International for Mr. Engel in the amounts of $65,009 and $204,222 in 2005 and 2004 respectively.

SARs Grants in Last Fiscal Year

Name	Number of Securities Underlying SARs Granted	% of Total SARs Granted to Employees in Fiscal Year	Exercise Price ($/Sh)	Expiration Date	Potential Realizable Value at Assumed Rates of Stock Price Appreciation for SAR Term(1)	
					5%	10%

Roy W. Haley	200,000	22.00%	31.65	7/1/2015	3,980,000	10,088,000
John J. Engel	75,000	8.25%	31.65	7/1/2015	1,492,500	3,783,000
Stephen A. Van Oss	75,000	8.25%	31.65	7/1/2015	1,492,500	3,783,000
William M. Goodwin	25,000	2.75%	31.65	7/1/2015	497,500	1,261,000
Donald H. Thimjon	25,000	2.75%	31.65	7/1/2015	497,500	1,261,000

Note: During 2003, WESCO International adopted the measurement provisions of SFAS No. 123, Accounting for Stock-Based Compensation and began expensing equity awards. WESCO International recognized $8.6 million of compensation expense related to all awards in the year ended December 31, 2005.

(1) Amounts represent hypothetical gains that could be achieved for the respective SARs if exercised at the end of the SARs term. These gains are based on assumed rates of stock price appreciation of 5% and 10% compounded annually from the date the respective SARs were granted to their expiration date. These assumptions are not intended to forecast future appreciation of our stock price. The potential realizable value computation does not take into account federal or state income tax consequences of SARs exercises or sales of appreciated stock.

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Aggregated Option/ SARs Exercises in Last Fiscal Year and Fiscal Year-End Option/ SARs Values

The table below sets forth information for each Named Executive Officer with regard to the aggregate (stock options and SARs) held at December 31, 2005.

			Number of Securities Underlying Unexercised Option/SARs Awards at FY-End		Value of Unexercised In-the-Money Option/SARs Awards at FY-End ($)(1)	
Name	Shares Acquired on Exercise (#)	Value Realized (#)	Exercisable (#)	Unexercisable (#)	Exercisable ($)	Unexercisable 10%
Roy W. Haley	N/A	N/A	808,542	958,458	29,942,502	25,899,658
John J. Engel	N/A	N/A	33,334	241,666	863,684	5,149,316
Stephen A. Van Oss	25,000	668,250	130,963	271,009	4,217,782	6,962,181
William M. Goodwin	10,525	261,651	84,283	175,352	2,634,489	4,853,667
Donald H. Thimjon	54,808	1,494,674	11,667	178,685	218,290	5,193,027

(1) Based on the closing market price per share of $42.73 as reported on the NYSE on December 31, 2005.

During December 2003, in a privately negotiated transaction with 19 employees, including Messrs. Haley, Goodwin, and Thimjon, WESCO International 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, effective for accounting purposes, as of December 31, 2003. The transaction was settled, and the aggregate cash payment of $20.1 million was made on January 6, 2004.

Employment Agreements

Employment Agreement with the Chief Executive Officer. WESCO International is a party to an employment agreement with Mr. Haley providing for a rolling employment term of three years. Pursuant to this agreement, Mr. Haley is entitled to an annual base salary of at least $500,000, the actual amount of which may be adjusted by the Board from time to time, and an annual incentive bonus equal to a percentage of his annual base salary ranging from 0% to 200%. The actual amount of Mr. Haley s annual incentive bonus will be determined based upon WESCO International s financial performance as compared to the annual performance objectives established for the relevant fiscal year. If Mr. Haley s employment is terminated by WESCO International without cause, by Mr. Haley for good reason or as a result of Mr. Haley s death or disability, Mr. Haley is entitled to continued payments of his average annual base salary and his average annual incentive bonus, reduced by any disability payments for the three-year period, or in the case of a termination due to Mr. Haley s death or disability, the two-year period, following such termination, and continued welfare benefit coverage for the two-year period following such termination. In addition, in the event of any such qualifying termination, all outstanding options held by Mr. Haley will become fully vested.

The agreement further provides that, in the event of the termination of Mr. Haley s employment by WESCO International without cause or by Mr. Haley for good reason, in either such case, within the two-year period following a change in control of WESCO International, in addition to the termination benefits described above, Mr. Haley is entitled to receive continued welfare benefit coverage and payments in lieu of additional contributions to WESCO International s Retirement Savings Plan and Deferred Compensation Plan for the three-year period following such change in control. WESCO International has agreed to provide Mr. Haley with an excise tax gross up with respect to any excise taxes Mr. Haley may be obligated to pay pursuant to Section 4999 of the United States Internal Revenue Code of 1986 on any excess parachute payments. In addition, following a change in control, Mr. Haley is entitled to a minimum annual bonus equal to 50% of his base salary, and the definition of good reason is modified to include certain additional events. The agreement also contains customary covenants regarding nondisclosure of confidential information and non-competition and nonsolicitation restrictions.

Employment Agreement with the Chief Operating Officer. WESCO International is a party to an employment agreement with Mr. Engel providing for an employment term of two years, subject to automatic renewals for an additional year as of each annual anniversary of the agreement. The agreement provides that Mr. Engel is entitled to an annual base salary of at least $450,000, subject to adjustment by the Board, and incentive compensation under WESCO International s incentive compensation and other bonus plans for senior executives in amounts ranging from 0% to 100% his annual base salary, based upon WESCO International s achievement of earnings, sales growth and return on investment or other performance criteria established by the Compensation Committee.

If Mr. Engel s employment is terminated by reason of his death, WESCO International will pay the amount of his accrued but unpaid base salary through his date of death, any accrued but unpaid incentive compensation, any other reimbursable amounts and any payments required to be made under WESCO International s employee benefit plans or programs. If Mr. Engel s employment is terminated by reason of disability, he will continue to receive his base salary and all welfare benefits through the date of disability, offset by the amount of any disability income payments provided under WESCO International s disability insurance. If Mr. Engel s employment is terminated by WESCO International without cause or by him for good reason, he is entitled to his accrued but unpaid base salary through the date of termination, a cash amount equal to his pro rata incentive compensation for the fiscal year in which the termination occurs, monthly cash payments equal to 1.5 times his monthly base salary as of the date of termination for the greater of (i) the remainder of the employment agreement s term, or (ii) eighteen months following the date of termination, and continued welfare benefit coverage for the two years. In such event, all stock options, except those that will remain unvested due to specified operational or financial performance criteria not being satisfactorily achieved, will become fully vested, and WESCO International will pay the full cost of his COBRA continuation coverage. If Mr. Engel s employment is so terminated within one year following a change in control of WESCO International, the cash amount equal to 1.5 times his monthly base salary will be paid in monthly installments for 24 months. WESCO International has agreed to provide Mr. Engel with a partial excise tax gross up with respect to any excise taxes Mr. Engel may be obligated to pay. The agreement also contains customary covenants regarding nondisclosure of confidential information and non-competition and non-solicitation restrictions. Additionally, under the terms of the agreement, WESCO International paid approximately $204,222 and $65,009 in relocation expenses on behalf of Mr. Engel in 2004 and 2005, respectively.

Employment Agreement with the Chief Financial Officer. WESCO International is party to an employment agreement with Mr. Van Oss providing for an employment term of two years, subject to automatic renewals for an additional year as of each annual anniversary of the agreement. The agreement provides that Mr. Van Oss is entitled to an annual base salary of at least $450,000, subject to adjustment by the Board, and incentive compensation under WESCO International s incentive compensation and other bonus plans for senior executives in amounts ranging from 0% to 100% his annual base salary, based upon WESCO International s achievement of earnings, sales growth and return on investment or other performance criteria established by the Compensation Committee.

If Mr. Van Oss employment is terminated by reason of his death, WESCO International will pay the amount of his accrued but unpaid base salary through his date of death, any accrued but unpaid incentive compensation, any other reimbursable amounts and any payments required to be made under WESCO International s employee benefit plans or programs. If Mr. Van Oss employment is terminated by reason of disability, he will continue to receive his base salary and all welfare benefits through the date of disability, offset by the amount of any disability income

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payments provided under WESCO International s disability insurance. If Mr. Van Oss employment is terminated by WESCO International without cause or by him for good reason, he is entitled to his accrued but unpaid base salary through the date of termination, a cash amount equal to his pro rata incentive compensation for the fiscal year in which the termination occurs, monthly cash payments equal to 1.5 times his monthly base salary as of the date of termination for the greater of (i) the remainder of the employment agreement s term, or (ii) eighteen months following the date of termination, and continued welfare benefit coverage for the two years. In such event, all stock options, except those that will remain unvested due to specified operational or financial performance criteria not being satisfactorily achieved, will become fully vested, and WESCO International will pay the full cost of his COBRA continuation coverage. If Mr. Van Oss employment is so terminated within one year following a change in control of WESCO International, the cash amount equal to 1.5 times his monthly base salary will be paid in monthly installments for 24 months. WESCO International has agreed to provide Mr. Van Oss with a partial excise tax gross up with respect to any excise taxes Mr. Van Oss may be obligated to pay. The agreement also contains customary covenants regarding nondisclosure of confidential information and non-competition and non-solicitation restrictions.

Compensation Committee Interlocks

None of WESCO International s executive officers serve as an executive officer of, or as a member of the compensation committee of any public company entity that has an executive officer, Director or other designee serving as a member of WESCO International s Board.

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SECURITY OWNERSHIP

The following table sets forth the beneficial ownership of WESCO International s Common Stock as of April 28, 2006, by each person or group known by WESCO International to beneficially own more than five percent of its outstanding Common Stock, each Director, each of the Named Executive Officers, and all Directors and executive officers as a group. Unless otherwise indicated, the holders of all shares shown in the table have sole voting and investment power with respect to such shares. In determining the number and percentage of shares beneficially owned by each person, shares that may be acquired by such person pursuant to options or convertible stock exercisable or convertible within 60 days of April 28, 2006 are deemed outstanding for purposes of determining the total number of outstanding shares for such person and are not deemed outstanding for such purpose for all other stockholders.

Name	Shares Beneficially Owned(1)	Percent Owned Beneficially
FMR Corporation 82 Devonshire Street Boston, Massachusetts 02109	7,106,159(2)	14.7%
Putnam, LLC d/b/a Putnam Investments One Post Office Square Boston, Massachusetts 02109	2,631,966(3)	5.4%
Roy W. Haley	1,569,387	3.2%
Stephen A. Van Oss	211,234	*
William M. Goodwin	84,252	*
John J. Engel	83,334	*
Donald H. Thimjon	69,359	*
Robert J. Tarr, Jr.	15,000	*
James L. Singleton	10,000	*
Kenneth L. Way	5,453	*
Sandra Beach Lin	350	*
George L. Miles, Jr.		*
William J. Vareschi		
Lynn M. Utter		
Steven A. Raymund		
All 17 executive officers and Directors as a group	2,114,967	4.2%

* Indicates ownership of less than 1% of the Common Stock.

(1) The beneficial ownership of Directors set forth in the following table does not reflect shares of common stock payable to any such Director following the Director s termination of Board service with respect to portions of annual fees deferred under WESCO International s Deferred Compensation Plan for Non-Employee Directors or in settlement of any options or SARs granted to any such Director under that plan to the extent that those options or SARs may not be exercised or settled within 60 days of April 28, 2006.

(2) Based on a Schedule 13G/A filed under the Securities Exchange Act of 1934 by FMR Corporation and its affiliates on February 14, 2006.

(3)

Based on a schedule 13G/A filed under the Securities Exchange Act of 1934 by Putnam, LLC d/b/a Putnam Investments and its affiliates on February 10, 2006.

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THE EXCHANGE OFFER

Purpose and Effect

We issued the original notes on September 27, 2005 in a private placement to a limited number of qualified institutional buyers, as defined under the Securities Act. The original notes were issued under an indenture dated September 27, 2005. In connection with the issuance of the original notes, we and WESCO International entered into an exchange and registration rights agreement. The exchange and registration rights agreement requires that we offer to you the opportunity to exchange your original notes for a like principal amount of exchange notes. The exchange notes will be issued without a restrictive legend, and, except as set forth below, we believe that the exchange notes may be reoffered and resold by you without registration under the Securities Act. After we complete the exchange offer, our obligations with respect to the registration of the original notes will terminate, except as provided in the last paragraph of this Purpose and Effect section. Copies of the indenture and the exchange and registration rights agreement have been filed as exhibits to the registration statement of which this prospectus is a part.

Based on an interpretation by the staff of the SEC set forth in no-action letters issued to third parties unrelated to us, if you are not our affiliate within the meaning of Rule 405 under the Securities Act or a broker-dealer referred to in the next paragraph, we believe that exchange notes to be issued to you in the exchange offer may be offered for resale, resold and otherwise transferred by you, without compliance with the registration and prospectus delivery provisions of the Securities Act. This interpretation, however, is based on your representations to us that:

- the exchange notes to be issued to you in the exchange offer are acquired in the ordinary course of your business;
- you are not engaging in and do not intend to engage in a distribution of the exchange notes to be issued to you in the exchange offer;
- you have no arrangement or understanding with any person to participate in the distribution of the exchange notes to be issued to you in the exchange offer; and
- you are not an affiliate of ours, as defined under Rule 405 of the Securities Act.

We have not applied to the SEC for no-action relief with respect to this exchange offer, and we cannot assure you that the staff of the SEC would make a similar determination with respect to this exchange offer.

If you tender your original notes in the exchange offer for the purpose of participating in a distribution of the exchange notes to be issued to you in the exchange offer, you cannot rely on this interpretation by the staff of the SEC. Under those circumstances, you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction. Each broker-dealer that receives exchange notes in the exchange offer for its own account in exchange for original notes that were acquired by the broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resales of those exchange notes. See Plan of Distribution.

If (i) because of any change in law or applicable interpretations by the SEC s staff, we are not permitted to effect the exchange offer; (ii) any original notes validly tendered pursuant to the exchange offer are not exchanged for exchange notes prior to 300 days after the issue date of the original notes; (iii) any initial purchaser of original notes so requests with respect to the original notes not eligible to be exchanged for exchange notes in the exchange offer and held by it following the consummation of the exchange offer; (iv) any applicable law or interpretations do not permit any holder of original notes to participate in the exchange offer, (v) any holder of original notes that participates in the exchange offer does not receive freely transferable exchange notes in exchange for tendered original notes, or (vi) we so elect, we will register your original notes in a shelf registration statement on an appropriate form pursuant to Rule 415 under the Securities Act. If we are obligated to file a shelf registration statement, we will be required to keep the shelf registration statement effective until the earlier of (i) two years from the issue date of the original notes or such shorter period that will terminate when all the securities covered by the shelf registration statement have been sold pursuant to the shelf registration statement and (ii) the date on which the securities covered by the shelf registration statement become eligible for resale without volume restrictions pursuant to Rule 144 under the Securities Act. Other than as set forth in this paragraph, you will not have the right to require us to register your original notes under the Securities Act following the consummation of the exchange offer. See Procedures for Tendering below.

We will, in the event a shelf registration statement is filed, among other things, provide to each holder of original notes for whom the shelf registration statement was filed a copy of the shelf registration statement, each amendment of the shelf registration statement and each amendment or supplement to the prospectus included in the shelf registration statement, notify each of those holders when the shelf registration statement has been filed with the SEC and when the shelf registration statement or any post-effective amendment to it has become effective and take certain other actions as are required to permit unrestricted resales of the original notes. A holder selling original notes pursuant to the shelf registration statement generally would be required to be named as a selling security holder in the related prospectus and to deliver a prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with such sales and will be bound by the provisions of the exchange and registration rights agreement which are applicable to that holder (including certain indemnification obligations).

We will pay additional cash interest on the original notes, subject to certain exceptions, if:

- the exchange offer is not consummated on or prior to 300 days after the date of the issuance of the original notes (other than in the event we file a shelf registration statement with respect to the original notes); or

- we file a shelf registration statement with respect to the original notes, and such shelf registration statement is declared effective within 270 days after the date of the issuance of the original notes (or in the case of a shelf registration statement required to be filed in response to a change in law or the applicable interpretations of the SEC s staff, if later, within 90 days after publication of the change in law or interpretation, but in no event before 270 days after the date of the issuance of the original notes) but shall thereafter cease to be effective (at any time that we are obligated to maintain the effectiveness of that shelf registration statement) without being succeeded within 90 days by an additional registration statement filed and declared effective

(each such event referred to in clauses (1) through (3) above, a Registration Default) from and including the date on which such Registration Default occurs to but excluding the date on which all Registration Defaults have been cured.

The additional interest to be paid in the event of a Registration Default during the period of one or more such registration defaults is an amount equal to $0.192 per week per $1,000 principal amount of the original notes whose transfer is restricted until the Registration Default is cured. The additional interest will be in addition to any other interest payable from time to time with respect to the original notes. All accrued additional interest shall be paid to holders in the same manner as interest payment on the original notes on semi-annual payment dates which correspond to interest payment dates for the original notes. Following the cure of all Registration Defaults, the accrual of additional interest will cease. Notwithstanding the foregoing, we and WESCO International may issue a notice that the shelf registration statement is unusable pending the announcement of a material development or event and may issue any notice suspending use of the shelf registration statement required under securities laws to be issued and, in the event that the aggregate number of days in any consecutive twelve-month period for which all such notices are issued and effective exceeds 45 days in the aggregate, we and WESCO International will be obligated to pay additional interest in an amount equal to $0.192 per week per $1,000 principal amount of the original notes whose transfer is restricted held by such holder. Upon the issuer declaring that the shelf registration statement is usable after the period of time described in the preceding sentence, the accrual of additional interest shall cease; provided, however, that if after any such cessation of the accrual of additional interest the shelf registration statement again ceases to be usable beyond the period permitted above, additional interest will again accrue pursuant to the foregoing provisions.

Original notes which you do not tender or we do not accept will, following the exchange offer, continue to be restricted securities. You may not offer or sell untendered original notes except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We will issue exchange notes in exchange for the original notes pursuant to the exchange offer only following the satisfaction of procedures and conditions described elsewhere in this prospectus. These procedures and conditions include timely receipt by the exchange agent of the original notes and a properly completed and duly executed letter of transmittal.

Because we anticipate that most holders of original notes will elect to exchange their original notes, we expect that the liquidity of the market for any original notes remaining after the completion of the exchange offer may be substantially limited. Any original note tendered and exchanged in the exchange offer will reduce the aggregate principal amount of the original notes outstanding. Following the exchange offer, untendered original notes generally will not have any further associated registration rights, and untendered original notes will continue to be subject to transfer restrictions. Accordingly, the liquidity of the market for any original notes could be adversely affected.

Consequences of Failure to Exchange

Original notes which you do not tender or we do not accept will, following the exchange offer, continue to be restricted securities. You may not offer or sell untendered original notes except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We will issue exchange notes in exchange for the original notes pursuant to the exchange offer only following the satisfaction of procedures and conditions described elsewhere in this prospectus. These procedures and conditions include timely receipt by the exchange agent of the original notes and a properly completed and duly executed letter of transmittal.

Because we anticipate that most holders of original notes will elect to exchange their original notes, we expect that the liquidity of the market for any original notes remaining after the completion of the exchange offer may be substantially limited. Any original note tendered and exchanged in the exchange offer will reduce the aggregate principal amount of the original notes outstanding. Following the exchange offer, untendered original notes generally will not have any further associated registration rights, and untendered original notes will continue to be subject to transfer restrictions. Accordingly, the liquidity of the market for any original notes could be adversely affected.

Terms of the Exchange Offer

Upon the terms and subject to the conditions set forth in this prospectus and in the accompanying letter of transmittal, we will accept any and all original notes validly tendered and not withdrawn prior to 5:00 p.m., New York City time, on the expiration date. We will issue $1,000 principal amount of exchange notes in exchange for each $1,000 principal amount of original notes accepted in the exchange offer. You may tender some or all of your original notes pursuant to the exchange offer. However, original notes may be tendered only in integral multiples of $1,000 principal amount.

The form and terms of the exchange notes are substantially the same as the form and terms of the original notes, except that the exchange notes to be issued in the exchange offer have been registered under the Securities Act and will not bear legends restricting their transfer. The exchange notes will be issued pursuant to, and entitled to the benefits of, the indenture. The indenture also governs the original notes. The exchange notes and the original notes are deemed one issue of notes under the indenture.

As of the date of this prospectus, $150.0 million in aggregate principal amount of original notes were outstanding. This prospectus, together with the accompanying letter of transmittal, is being sent to all registered holders and to others believed to have beneficial interests in the original notes. You do not have any appraisal or dissenters rights in connection with the exchange offer under the General Corporation Law of the State of Delaware or the governing indenture. We intend to conduct the exchange offer in accordance with the applicable requirements of the Exchange Act and the rules and regulations of the SEC promulgated under the Exchange Act.

We will be deemed to have accepted validly tendered outstanding original notes when, as, and if we have given oral or written notice of our acceptance to the exchange agent. The exchange agent will act as our agent for the tendering holders for the purpose of receiving the exchange notes from us. If we do not accept any tendered original notes because of an invalid tender, the occurrence of certain other events set forth in this prospectus or otherwise, we will return certificates for any unaccepted original notes, without expense, to the tendering holder promptly after the expiration date.

You will not be required to pay brokerage commissions or fees or, except as set forth below under Transfer Taxes, transfer taxes with respect to the exchange of your original notes in the exchange offer. We will pay all charges and expenses, other than certain applicable taxes, in connection with the exchange offer. See Fees and Expenses below.

Expiration Date; Amendments

The exchange offer will expire at 5:00 p.m., New York City time, on , 2006, unless we determine, in our sole discretion, to extend the exchange offer, in which case it will expire at the later date and time to which it is extended. We currently do not intend to extend the exchange offer, although we reserve the right to do so. The exchange offer will not remain in effect for more than 45 business days after the date on which notice of the exchange offer is mailed to you. If we extend the exchange offer, we will give oral or written notice of the extension to the exchange agent and give each registered holder notice by means of a press release or other public announcement of any extension prior to 9:00 a.m., New York City time, on the next business day after the scheduled expiration date.

We also reserve the right, in our sole discretion:

- to delay accepting any original notes or, if any of the conditions, other than those relating to necessary governmental approvals, set forth below under Conditions have not been satisfied or waived prior to the expiration date, to terminate the exchange offer by giving oral or written notice of such delay or termination to the exchange agent; provided, however, we will not delay payment subsequent to the expiration date other than in anticipation of receiving necessary governmental approvals; or

- to amend the terms of the exchange offer in any manner by complying with Rule 14e-l(d) under the Exchange Act to the extent that rule applies.

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We acknowledge and undertake to comply with the provisions of Rule 14e-l(c) under the Exchange Act, which requires us to pay the consideration offered, or return the original notes surrendered for exchange, promptly after the termination or withdrawal of the exchange offer. We will notify you promptly of any extension, termination or amendment.

If the exchange offer is amended in a manner determined by us to constitute a material change, we promptly will disclose such amendment by means of a prospectus supplement that will be distributed to the registered holders of the original notes, and we will extend the exchange offer for a period of five to ten business days, depending upon the significance of the amendment and the manner of disclosure to the holders, if the exchange offer would otherwise expire during such five- to ten-business day period.

Without limiting the manner in which we may choose to make a public announcement of any delay, extension, amendment or termination of the exchange offer, we will have no obligation to publish, advertise, or otherwise communicate any such public announcement, other than by making a timely release to an appropriate news agency.

Procedures for Tendering

Book-Entry Interests

The original notes were issued as global securities in fully registered form without interest coupons. Beneficial interests in the global securities, held by direct or indirect participants in DTC, are shown on, and transfers of these interests are effected only through, records maintained in book-entry form by DTC with respect to its participants.

If you hold your original notes in the form of book-entry interests and you wish to tender your original notes for exchange pursuant to the exchange offer, you must transmit to the exchange agent on or prior to the expiration date either:

a written or facsimile copy of a properly completed and duly executed letter of transmittal, including all other documents required by such letter of transmittal, to the exchange agent at the address set forth on the cover page of the letter of transmittal; or

a computer-generated message transmitted by means of DTC s Automated Tender Offer Program system and received by the exchange agent and forming a part of a confirmation of book-entry transfer, in which you acknowledge and agree to be bound by the terms of the letter of transmittal.

In addition, in order to deliver original notes held in the form of book-entry interests:

a timely confirmation of book-entry transfer of such original notes into the exchange agent s account at DTC pursuant to the procedure for book-entry transfers described below under Book-Entry Transfer must be received by the exchange agent prior to the expiration date; or

you must comply with the guaranteed delivery procedures described below.

The method of delivery of original notes and the letter of transmittal and all other required documents to the exchange agent is at your election and risk. Instead of delivery by mail, we recommend that you use an overnight or hand delivery service. In all cases, sufficient time should be allowed to assure delivery to the exchange agent before the expiration date. You should not send the letter of transmittal or original notes to us. You may request your broker, dealer, commercial bank, trust company, or nominee to effect the above transactions for you.

Certificated Original Notes

Only registered holders of certificated original notes may tender those original notes in the exchange offer. If your original notes are certificated notes and you wish to tender those original notes for exchange pursuant to the exchange offer, you must transmit to the exchange agent on or prior to the expiration date, a written or facsimile copy of a properly completed and duly executed letter of transmittal, including all other required documents, to the address set forth below under Exchange Agent. In addition, in order to validly tender your certificated original notes:

- the certificates representing your original notes must be received by the exchange agent prior to the expiration date; or

- you must comply with the guaranteed delivery procedures described below.

Procedures Applicable to All Holders

If you tender an original note and you do not withdraw the tender prior to the expiration date, you will have made an agreement with us in accordance with the terms and subject to the conditions set forth in this prospectus and in the accompanying letter of transmittal.

If your original notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your notes, you should contact the registered holder promptly and instruct the registered holder to tender on your behalf. If you wish to tender on your own behalf, you must, prior to completing and executing the letter of transmittal and delivering your original notes, either make appropriate arrangements to register ownership of the original notes in your name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time.

Signatures on a letter of transmittal or a notice of withdrawal must be guaranteed by an eligible institution unless:

- original notes tendered in the exchange offer are tendered either:
  - by a registered holder who has not completed the box entitled Special Registration Instructions or Special Delivery Instructions on the letter of transmittal or
  - for the account of an eligible institution; and
- the box entitled Special Registration Instructions on the letter of transmittal has not been completed.

If signatures on a letter of transmittal or a notice of withdrawal are required to be guaranteed, the guarantee must be by a financial institution, which includes most banks, savings and loan associations and brokerage houses, that is a participant in the Securities Transfer Agents Medallion Program, the New York Stock Exchange Medallion Program or the Stock Exchanges Medallion Program.

If the letter of transmittal is signed by a person other than you, your original notes must be endorsed or accompanied by a properly completed bond power and signed by you as your name appears on those original notes.

If the letter of transmittal or any original notes or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations, or others acting in a fiduciary or representative capacity, those persons should so indicate when signing. Unless we waive this requirement, in this instance you must submit with the letter of transmittal proper evidence satisfactory to us of their authority to act on your behalf.