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

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD from ______ to ______

For the quarterly period ended SEPTEMBER 30, 2000

Commission file number 001-14989

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

DELAWARE	25-1723342
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
COMMERCE COURT FOUR STATION SQUARE, SUITE 700 PITTSBURGH, PENNSYLVANIA 15219	(412) 454-2200
(Address of principal executive offices)	(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for at least the past 90 days. Yes X No .

As of October 31, 2000, WESCO International, Inc. had 40,026,188 shares and 4,653,131 shares of common stock and Class B common stock outstanding, respectively.

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
QUARTERLY REPORT ON FORM 10-Q

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WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

Dollars in thousands, except share data	SEPTEMBER 30 2000	DECEMBER 31 1999
	(UNAUDITED)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 18,064	$ 8,819
Trade accounts receivable, net of allowance for doubtful accounts of $7,668 and $7,023 in 2000 and 1999, respectively	255,149	188,307
Other accounts receivable	26,510	31,829
Inventories	434,712	397,669
Income taxes receivable	3,109	10,667
Prepaid expenses and other current assets	4,600	4,930
Deferred income taxes	11,943	11,580
Total current assets	754,087	653,801
Property, buildings and equipment, net	121,081	116,638
Goodwill and other intangibles, net of accumulated amortization of $26,369 and $18,956 in 2000 and 1999, respectively	260,073	249,240
Other assets	8,186	9,114
Total assets	$1,143,427	$1,028,793
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 461,116	$ 406,963
Accrued payroll and benefit costs	20,993	18,171
Current portion of long-term debt	2,160	3,831
Other current liabilities	38,463	25,820
Total current liabilities	522,732	454,785
Long-term debt	457,634	422,539
Other noncurrent liabilities	7,645	7,504
Deferred income taxes	26,949	26,660
Total liabilities	1,014,960	911,488
Commitments and contingencies		
STOCKHOLDERS' EQUITY:		
Preferred stock, $.01 par value; 20,000,000 shares authorized, no shares issued	--	--
Common stock, $.01 par value; 210,000,000 shares authorized, 43,925,391 and 43,291,319 shares issued in 2000 and 1999, respectively	440	433
Class B nonvoting convertible common stock, $.01 par value; 20,000,000 shares authorized, 4,653,131 issued in 2000 and 1999	46	46
Additional capital	568,840	565,897
Retained earnings (deficit)	(406,992)	(443,582)
Treasury stock, at cost; 3,874,403 and 637,259 shares in 2000 and 1999, respectively	(32,635)	(4,790)
Accumulated other comprehensive income (loss)	(1,232)	(699)
Total stockholders' equity	128,467	117,305
Total liabilities and stockholders' equity	$1,143,427	$1,028,793

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

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

In thousands, except share data	THREE MONTHS ENDED SEPTEMBER 30 2000	THREE MONTHS ENDED SEPTEMBER 30 1999	NINE MONTHS ENDED SEPTEMBER 30 2000	NINE MONTHS ENDED SEPTEMBER 30 1999
Net sales	$ 974,671	$ 903,216	$ 2,887,342	$ 2,544,782
Cost of goods sold	797,382	746,860	2,374,444	2,092,632
Gross profit	177,289	156,356	512,898	452,150
Selling, general and administrative expenses	128,591	113,034	383,238	338,659
Depreciation and amortization	6,344	5,082	17,855	14,810
Income from operations	42,354	38,240	111,805	98,681
Interest expense, net	11,046	10,683	32,665	37,474
Other expense	6,994	4,692	18,243	14,239
Income before income taxes and extraordinary item	24,314	22,865	60,897	46,968
Provision for income taxes	9,711	9,108	24,308	18,746
Income before extraordinary item	14,603	13,757	36,589	28,222
Extraordinary item, net of tax benefits of $6,711 (Note 4)	--	--	--	(10,507)
Net income	$ 14,603	$ 13,757	$ 36,589	$ 17,715
Basic earnings per share:				
Income before extraordinary item	$ 0.32	$ 0.29	$ 0.80	$ 0.68
Extraordinary item	--	--	--	(0.25)
Net income	$ 0.32	$ 0.29	$ 0.80	$ 0.43
Diluted earnings per share:				
Income before extraordinary item	$ 0.31	$ 0.27	$ 0.76	$ 0.62
Extraordinary item	--	--	--	(0.23)
Net income	$ 0.31	$ 0.27	$ 0.76	$ 0.39

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

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

In thousands	NINE MONTHS ENDED SEPTEMBER 30 2000	1999
OPERATING ACTIVITIES:		
Net income	$ 36,589	$ 17,715
Adjustments to reconcile net income to net cash provided by operating activities:		
Extraordinary item, net of tax benefit	--	10,507
Depreciation and amortization	17,855	14,810
Accretion of original issue and amortization of purchase discounts	861	4,154
Amortization of debt issuance costs and interest rate caps	455	929
Gain on sale of property, buildings and equipment	(298)	(240)
Deferred income taxes	(74)	5,006
Changes in assets and liabilities, excluding the effects of acquisitions:		
Sale of trade accounts receivable	40,000	60,000
Trade and other receivables	(94,055)	(78,328)
Inventories	(32,758)	(34,403)
Other current and noncurrent assets	8,806	9,236
Accounts payable	50,763	69,129
Accrued payroll and benefit costs	2,589	(8,516)
Other current and noncurrent liabilities	7,847	10,705
Net cash provided by operating activities	38,580	80,704
INVESTING ACTIVITIES:		
Capital expenditures	(14,845)	(16,299)
Proceeds from the sale of property, buildings and equipment	687	323
Receipts from affiliate	224	8,667
Acquisitions, net of cash acquired	(17,414)	(58,611)
Net cash used by investing activities	(31,348)	(65,920)
FINANCING ACTIVITIES:		
Proceeds from issuance of long-term debt	547,331	559,616
Repayments of long-term debt	(518,975)	(736,023)
Debt issuance costs	--	(2,103)
Repurchase of common stock	(27,686)	--
Proceeds from issuance of common stock, net of offering costs, and exercise of stock options	1,343	187,445
Net cash provided by financing activities	2,013	8,935
Net change in cash and cash equivalents	9,245	23,719
Cash and cash equivalents at the beginning of period	8,819	8,093
Cash and cash equivalents at the end of period	$ 18,064	$ 31,812

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

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

1. ORGANIZATION

WESCO International, Inc. and its subsidiaries (collectively, "WESCO"), headquartered in Pittsburgh, Pennsylvania, is a full-line distributor of electrical supplies and equipment and is a provider of integrated supply procurement services. WESCO is engaged principally in one line of business - the sale of electrical products and maintenance, repair and operating supplies. WESCO currently operates over 340 branch locations and five distribution centers in the United States, Canada, Mexico, Puerto Rico, Guam, the United Kingdom, the Balkans and Singapore.

2. ACCOUNTING POLICIES

Basis of Presentation

The unaudited condensed consolidated financial statements include the accounts of WESCO and all of its subsidiaries and have been prepared in accordance with Rule 10-01 of the Securities and Exchange Commission. The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in WESCO's 1999 Annual Report on Form 10-K filed with the Securities and Exchange Commission.

The unaudited condensed consolidated balance sheet as of September 30, 2000, the unaudited condensed consolidated statements of operations for the three months and nine months ended September 30, 2000 and 1999, and the unaudited condensed consolidated statements of cash flows for the nine months ended September 30, 2000 and 1999, in the opinion of management, have been prepared on the same basis as the audited consolidated financial statements and include all adjustments necessary for the fair presentation of the results of the interim periods. All adjustments reflected in the condensed consolidated financial statements are of a normal recurring nature. Results for the interim periods presented are not necessarily indicative of the results to be expected for the full year.

Recent Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement, as amended, is required to be adopted by WESCO as of January 1, 2001, although early adoption is permitted. This statement requires the recognition of the fair value of any derivative financial instrument on the balance sheet. Changes in fair value of the derivative and, in certain instances, changes in the fair value of an underlying hedged asset or liability, are recognized through either income or as a component of other comprehensive income. Management does not expect this statement will have a material impact on the results of operations or financial position of WESCO.

In December 1999, the staff of the SEC issued Staff Accounting Bulletin (SAB) 101, "Revenue Recognition in Financial Statements." SAB 101 outlines the basic criteria that must be met to recognize revenue, and provides guidelines for disclosure related to revenue recognition policies. This guidance is required to be implemented in the fourth quarter of 2000. The Company is currently completing its review of this guidance in order to determine the impact of its provisions, if any, on the consolidated financial statements.

3. INITIAL PUBLIC OFFERING

On May 17, 1999, WESCO completed its initial public offering of 11,183,750 shares of common stock ("Offering") at $18.00 per share. In connection with the Offering, certain employee rights to require WESCO to repurchase outstanding redeemable common stock were terminated and approximately $31.5 million of convertible notes were converted into 1,747,228 shares of common stock. Proceeds from the Offering (after deducting Offering costs of $14.5 million) totaling $186.8 million and borrowings of approximately $65 million were used to redeem all of the 11 1/8% senior discount notes ($62.8 million) and to repay the existing revolving credit and term loan facilities ($188.8 million).

In connection with the Offering, the Board of Directors approved a 57.8 to one stock split effected in the form of a stock dividend of WESCO's common stock. The Board of Directors also reclassified the Class A common stock into common stock, increased the authorized common stock to 210,000,000 shares and the authorized Class B common stock to 20,000,000 shares and authorized 20,000,000 shares of $.01 par value preferred stock, all effective May 11, 1999. In this report, all share and per share data have been restated to reflect the stock split.

4. EXTRAORDINARY ITEM

In the second quarter of 1999, WESCO: (i) entered into a new $400 million revolving credit facility and retired its existing term loans and revolving facility; (ii) terminated its existing accounts receivable securitization program and entered into a new accounts receivable securitization program; and (iii) retired all of its outstanding 11 1/8% senior discount notes. In conjunction with these transactions, approximately $8.9 million of deferred financing charges were written off and redemption costs of $8.3 million were incurred to redeem the 11 1/8% senior discount notes. These transactions resulted in an extraordinary loss of $10.5 million, net of income tax benefits of $6.7 million.

5. ACQUISITIONS

On February 29, 2000, WESCO acquired substantially all the assets and assumed substantially all liabilities and obligations relating to the operations of Control Corporation of America ("CCA"), a privately-owned company headquartered in Richmond, Virginia. CCA, an electrical distributor specializing in industrial automation solutions, had net sales of approximately $50 million in 1999. The CCA acquisition is being accounted for under the purchase method of accounting. Pro forma results of this acquisition, assuming it had occurred at the beginning of the periods presented, would not be materially different from the actual results reported.

6. EARNINGS PER SHARE

The following tables set forth the details of basic and diluted earnings per share before extraordinary item:

	THREE MONTHS ENDED SEPTEMBER 30	
Dollars in thousands, except per share amounts	2000	1999
Income before extraordinary item	$ 14,603	$ 13,757
Weighted average common shares outstanding used in computing basic earnings per share	44,938,713	47,737,465
Common shares issuable upon exercise of dilutive stock options	2,414,878	3,958,098
Weighted average common shares outstanding and common share equivalents used in computing diluted earnings per share	47,353,591	51,695,563
Earnings per share before extraordinary item:		
Basic	$ 0.32	$ 0.29
Diluted	0.31	0.27

Dollars in thousands, except per share amounts	NINE MONTHS ENDED SEPTEMBER 30 2000	1999
Income before extraordinary item	$ 36,589	$ 28,222
Interest on convertible debt	--	595
Earnings used in diluted earnings per share before extraordinary item	$ 36,589	$ 28,817
Weighted average common shares outstanding used in computing basic earnings per share	45,543,223	41,461,797
Common shares issuable upon exercise of dilutive stock options	2,478,928	3,946,624
Assumed conversion of convertible debt	--	1,169,393
Weighted average common shares outstanding and common share equivalents used in computing diluted earnings per share	48,022,151	46,577,814
Earnings per share before extraordinary item:		
Basic	$ 0.80	$ 0.68
Diluted	0.76	0.62

7. COMPREHENSIVE INCOME

The following tables set forth comprehensive income and its components:

In thousands	THREE MONTHS ENDED SEPTEMBER 30 2000	1999
Net income	$ 14,603	$ 13,757
Foreign currency translation adjustment	(149)	98
Comprehensive income	$ 14,454	$ 13,855

In thousands	NINE MONTHS ENDED SEPTEMBER 30 2000	1999
Net income	$ 36,589	$ 17,715
Foreign currency translation adjustment	(533)	615
Comprehensive income	$ 36,056	$ 18,330

8. CASH FLOW STATEMENT

Supplemental cash flow information with respect to acquisitions was as follows:

In thousands	NINE MONTHS ENDED SEPTEMBER 30 2000	1999
Details of acquisitions:		
Fair value of assets acquired	29,537	37,511
Deferred acquisition payment	3,353	30,000
Liabilities assumed	(7,726)	(6,600)
Deferred acquisition payable	(7,750)	(2,300)
Cash paid for acquisitions	17,414	58,611

The consolidated statement of cash flows for the nine months ended September 30, 1999 reflects a reclass of certain amounts in order to conform to the full year presentation in the Company's 1999 Annual Report on Form 10-K.

Noncash financing activities not reflected in the consolidated statement of cash flows for the nine months ended September 30, 1999, consisted of $21.5 million related to the termination of the redemption feature for redeemable Class A common stock and the conversion of $31.5 million of convertible notes into WESCO common stock.

9. OTHER FINANCIAL INFORMATION

In June 1998, WESCO Distribution, Inc. issued $300 million of 9 1/8% senior subordinated notes. The senior subordinated notes are fully and unconditionally guaranteed by WESCO International, Inc. on a subordinated basis to all existing and future senior indebtedness of WESCO International, Inc. Summarized financial information for WESCO Distribution, Inc. is as follows:

BALANCE SHEET DATA

In thousands	SEPTEMBER 30 2000	DECEMBER 31 1999
Current assets	754,087	$ 653,801
Noncurrent assets	389,340	374,992
Current liabilities	522,732	454,785
Long-term debt	457,634	422,539
Other noncurrent liabilities	34,594	34,164
Total liabilities and stockholders' equity	1,143,427	1,028,793

STATEMENT OF OPERATIONS DATA

In thousands	THREE MONTHS ENDED SEPTEMBER 30 2000	1999
Net sales	974,671	903,216
Gross profit	177,289	156,356
Income from operations	42,354	38,240
Net income	14,603	13,757

In thousands	NINE MONTHS ENDED SEPTEMBER 30 2000	1999
Net sales	2,887,342	2,544,782
Gross profit	512,898	452,150
Income from operations	111,805	98,681
Net income	36,589	20,117

Prior to the June 1998 issuance of the senior discount notes and subsequent to the offering in May 1999, WESCO Distribution, Inc. financial information was identical to that of WESCO's presented herein.

10. SUBSEQUENT EVENT

In October 2000, WESCO acquired a significant portion of the assets and assumed a significant portion of the liabilities of KVA Supply Company, an electrical distributor with locations in Colorado and California. This transaction will be accounted for under the purchase method of accounting. The acquired business had net sales of approximately $30 million in 1999.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the information in the unaudited condensed consolidated financial statements and notes thereto included herein and WESCO International Inc.'s Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included in its 1999 Annual Report on Form 10-K.

GENERAL

WESCO is a full-line distributor of electrical supplies and equipment and is a provider of integrated supply procurement services. WESCO currently operates more than 340 branch locations and five distribution centers in the United States, Canada, Mexico, Puerto Rico, Guam, the United Kingdom, the Balkans and Singapore. WESCO serves over 130,000 customers worldwide, offering over 1,000,000 products from over 23,000 suppliers. WESCO's 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 90% of WESCO's net sales are generated from operations in the U.S., 8% from Canada and the remainder from other countries.

RECENT DEVELOPMENTS

Recent developments affecting the results of operations and financial position of WESCO include the following:

In October 2000, WESCO acquired a significant portion of the assets and assumed a significant portion of the liabilities of KVA Supply Company, an electrical distributor with locations in Colorado and California. This transaction will be accounted for under the purchase method of accounting. The acquired business had net sales of approximately $30 million in 1999.

In May 2000, WESCO's board of directors authorized an additional $25 million to be added to its existing $25 million share repurchase program which was authorized in November 1999. As of October 31, 2000, WESCO has purchased $32.7 million of common stock pursuant to this program. Approximately $27.7 million was spent during the nine-month period ended September 30, 2000.

During the first quarter, WESCO acquired substantially all the assets and assumed substantially all liabilities and obligations relating to the operations of Control Corporation of America ("CCA"), a privately-owned company headquartered in Richmond, Virginia. CCA, an electrical distributor specializing in industrial automation solutions, had net sales of approximately $50 million in 1999. The CCA acquisition is being accounted for under the purchase method of accounting.

RESULTS OF OPERATIONS

Third Quarter of 2000 versus Third Quarter of 1999

The following table sets forth the percentage relationship to net sales of certain items in WESCO's condensed consolidated statements of operations for the periods presented:

	THREE MONTHS ENDED SEPTEMBER 30	
	2000	1999
Net sales	100.0%	100.0%
Gross profit	18.2	17.3
Selling, general and administrative expenses	13.2	12.5
Depreciation and amortization	0.7	0.6
Income from operations	4.3	4.2
Interest expense	1.1	1.2
Other expense	0.7	0.5
Income before income taxes	2.5	2.5
Provision for income taxes	1.0	1.0
Net income	1.5%	1.5%

Net Sales. Net sales in the third quarter of 2000 increased $71.5 million, or 7.9%, to $974.7 million compared with $903.2 million in the prior-year quarter, primarily due to sales growth attributable to the Company's core business and, to a lesser extent, sales of acquired companies. Core business net sales increased approximately 6% over the prior year quarter.

Gross Profit. Gross profit for the third quarter of 2000 increased $20.9 million to $177.3 million from $156.4 million in the third quarter of 1999. Gross profit margin increased to 18.2% in the current-year quarter from 17.3% in the third quarter of 1999. This increase was principally due to a higher billing margin as well as benefits related to the higher sales volumes in the current year such as supplier purchase rebates, offset, in part, by continued increased inbound transportation costs.

Selling, General and Administrative Expenses. Selling, general and administrative ("SG&A") expenses increased $15.6 million, or 13.8%, to $128.6 million. Excluding SG&A expenses associated with companies acquired during the current year, SG&A expenses increased 11.1%. The increase was due to increased payroll related costs in the quarter to quarter comparison principally due to a $5.5 million reduction in incentive-based compensation expenses and a $4.3 million reduction in certain discretionary benefits in the third quarter of 1999. As a percentage of sales, SG&A expenses increased to 13.2% compared with 12.5% in the prior year quarter reflecting the aforementioned compensation expense reduction in the prior year quarter.

Depreciation and Amortization. Depreciation and amortization increased $1.3 million to $6.3 million reflecting higher amortization of goodwill from acquisitions and increases in property, buildings and equipment over the prior year.

Interest and Other Expense. Interest expense totaled $11.0 million for the third quarter of 2000, an increase of $0.4 million from the same period in 1999. Other expense totaled $7.0 million and $4.7 million in the third quarter of 2000 and 1999, respectively, reflecting costs associated with the accounts receivable securitization. The $2.3 million increase was due to an increase in the amount of securitized accounts receivable.

Income Taxes. Income tax expense totaled $9.7 million in the third quarter of 2000 and the effective tax rate was 39.9%. In the third quarter of 1999, income tax expense totaled $9.1 million and the effective tax rate was 39.8%. The effective tax rates differ from the federal statutory rate primarily due to state income taxes and nondeductible expenses.

Net Income. For the third quarter of 2000, net income totaled $14.6 million, or $0.31 per diluted share, compared with $13.8 million and $0.27 per diluted share, respectively, in the third quarter of 1999. The increases in the comparison are primarily due to increased operating income partially offset by increased interest expense, increased other expense, and increased income tax expense.

Nine Months Ended September 30, 2000 versus Nine Months Ended September 30, 1999

The following table sets forth the percentage relationship to net sales of certain items in WESCO's condensed consolidated statements of operations for the periods presented:

	NINE MONTHS ENDED SEPTEMBER 30 2000	NINE MONTHS ENDED SEPTEMBER 30 1999
Net sales	100.0%	100.0%
Gross profit	17.8	17.8
Selling, general and administrative expenses	13.3	13.3
Depreciation and amortization	0.6	0.6
Income from operations	3.9	3.9
Interest expense	1.1	1.5
Other expense	0.7	0.6
Income before income taxes and extraordinary item	2.1	1.8
Provision for income taxes	0.8	0.7
Income before extraordinary item	1.3	1.1
Extraordinary item	--	(0.4)
Net income	1.3%	0.7%

Net Sales. Net sales in the first nine months of 2000 increased $342.6 million, or 13.5%, to $2.89 billion primarily due to sales growth attributable to the Company's core business and, to a lesser extent, net sales of acquired businesses. Core business sales increased approximately 11% over the prior year period.

Gross Profit. Gross profit for the first nine months of 2000 increased $60.7 million or 13.4% to $512.9 million from $452.2 million in 1999. Gross profit margin remained flat at 17.8%. Billing margins were also even with the prior year.

Selling, General and Administrative Expenses. SG&A expenses increased $44.6 million, or 13.2%, to $383.2 million. Excluding SG&A expenses associated with companies acquired during 1999 and 2000, SG&A expenses increased 9.6%. The increase was principally due to increased payroll-related costs due, in part, to reductions in certain incentive-based compensation expenses and a reduction in certain discretionary benefits in the prior year. The remainder of the increase was associated with certain expenses that are variable in nature and increase when sales increase. As a percentage of net sales, SG&A expenses remained constant with the prior year at 13.3%.

Depreciation and Amortization. Depreciation and amortization increased $3.0 million to $17.9 million reflecting higher amortization of goodwill from acquisitions and increases in property, buildings and equipment over the prior year.

Interest and Other Expense. Interest expense totaled $32.7 million for the first nine months of 2000, a decrease of $4.8 million from the same period in 1999. The decrease was primarily due to the lower level of borrowings since WESCO completed its initial public offering in the second quarter of 1999, as well as the increased level of securitized accounts receivable. Other expense totaled $18.2 million and $14.2 million for the first nine months of 2000 and 1999, respectively, reflecting costs associated with the accounts receivable securitization. The $4.0 million increase was principally due to the increased level of securitized accounts receivable noted above.

Income Taxes. Income tax expense totaled $24.3 million and $18.7 million in the first nine months of 2000 and 1999, respectively. The effective tax rate for both 2000 and 1999 was 39.9%. The effective tax rate differs from the federal statutory rate primarily due to state income taxes and nondeductible expenses.

Income Before Extraordinary Item and Net Income. For the first nine months of 2000, income before extraordinary item totaled $36.6 million, or $0.76 per diluted share, compared with $28.2 million, or $0.62 per diluted share, in the first nine months of 1999. The increases are due primarily to increased operating income and decreased interest costs, net of taxes.

Net income and diluted earnings per share totaled $36.6 million and $0.76, respectively, for the first nine months of 2000, compared with $17.7 million, or $0.39 per diluted share, for the first nine months of 1999. Net income in 1999 includes an extraordinary loss of $10.5 million, or $0.23 per diluted share.

LIQUIDITY AND CAPITAL RESOURCES

Total assets were $1.14 billion and $1.03 billion at September 30, 2000 and December 31, 1999, respectively. In addition, stockholders' equity was $128.5 million at September 30, 2000 compared to $117.3 million at December 31, 1999. Debt was $459.8 million at September 30, 2000 as compared to $426.4 million at December 31, 1999, an increase of $33.4 million.

On May 17, 1999, WESCO completed its initial public offering of 11,183,750 shares of common stock ("Offering") at $18.00 per share. In connection with the Offering, certain employee rights to require WESCO to repurchase outstanding redeemable common stock were terminated and approximately $31.5 million of convertible notes were converted into 1,747,228 shares of common stock. Proceeds from the Offering (after deducting Offering costs of $14.5 million) totaled $186.8.

An analysis of cash flows for the first nine months of 2000 and 1999 follows:

Operating Activities. Cash provided by operating activities totaled $38.6 million in the first nine months of 2000, compared to $80.7 million in the prior year. In connection with WESCO's asset securitization program, cash provided by operations in 2000 and 1999 included proceeds of $40.0 million and $60.0 million, respectively, from the sale of accounts receivable. Excluding these transactions, cash used in operating activities was $1.4 million in 2000 compared to cash provided of $20.7 million in 1999. On this basis, the $22.1 million decrease in operating cash flow was primarily due to a net increase in the change in certain components of working capital compared to 1999. This increase was due principally to the increased sales volume in the current year.

Investing Activities. Net cash used in investing activities was $31.3 million in the first nine months of 2000, compared to $65.9 million in 1999. Cash used for investing activities was lower in 2000 primarily due to a $41.2 million decrease in cash paid for acquisitions, certain cash receipts from an affiliate in 1999 and, to a lesser extent, lower capital expenditures in 2000. WESCO's capital expenditures for the nine months of 2000 were for computer equipment and software and branch and distribution center facility improvements. The decrease was primarily due to lower expenditures in the current year for computer equipment and distribution facility improvements and a 1999 land purchase.

Financing Activities. Cash provided by financing activities totaled $2.0 million for the first nine months of 2000 primarily reflecting WESCO's ongoing common stock purchase program being offset by increased borrowings. In the first nine months of 1999, cash provided by financing activities totaled $8.9 million, principally related to the Company's initial public offering, partially offset by debt repayments.

WESCO's liquidity needs arise from seasonal working capital requirements, capital expenditures, debt service obligations and acquisitions. In addition, certain of the Company's acquisition agreements contain earn-out provisions usually based on future earnings targets. The most significant of these agreements relates to the Bruckner acquisition where there is an earn-out potential of $100 million during the next four years.

In addition to cash generated from operations and amounts available under the credit facilities, WESCO uses a receivables facility to provide liquidity and may sell trade accounts receivables, on a revolving basis. In the third quarter of 2000, the Company increased the amount of securitized accounts receivable by $25 million to the current limit of $375 million.

In May 2000, WESCO's board of directors authorized an additional $25 million to be added to its existing $25 million share repurchase program which was authorized in November 1999. As of October 31, 2000, WESCO has purchased $32.7 million of common stock pursuant to this program, since its inception.

Management believes that cash generated from operations, together with amounts available under the credit agreement and the receivables facility, will be sufficient to meet WESCO's working capital, capital expenditures and other cash requirements for the foreseeable future. There can be no assurance, however, that this will be the case. Financing of acquisitions can be funded under the existing credit agreement and may, depending on the number and size of acquisitions, require the issuance of additional debt and equity securities.

INFLATION

The rate of inflation, as measured by changes in the consumer price index, did not have a material effect on the sales or operating results of the Company during the periods presented. However, inflation in the future could affect the Company's operating costs. Price changes from suppliers have historically been consistent with inflation and have not had a material impact on the Company's results of operations.

SEASONALITY

WESCO's operating results are affected by certain seasonal factors. Sales are typically at their lowest during the first quarter due to a reduced level of activity during the early part of the year due to the cold and unpredictable weather. Sales increase during the warmer months beginning in March and continuing through November due to favorable conditions for construction and the tendency of companies to schedule maintenance and capital improvement spending during the middle and latter part of the year. Sales drop again slightly in December as the weather cools and also as a result of reduced level of activity during the holiday season. As a result, WESCO reports sales and earnings in the first and fourth quarters that are generally lower than that of the remaining quarters.

FORWARD-LOOKING STATEMENTS

From time to time in this report and in other written reports and oral statements, references are made to expectations regarding the future performance of WESCO. When used in this context, the words "anticipates," "plans," "believes," "estimates," "intends," "expects," "projects" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words. Such statements including, but not limited to, WESCO's statements regarding its business strategy, growth strategy, productivity and profitability enhancement, 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, certain of which are beyond WESCO's control. WESCO's actual results could differ materially from those expressed in any forward-looking statement made by or on behalf of WESCO. In light of these risks and uncertainties there can be no assurance that the forward-looking information will in fact prove to be accurate. Factors that might cause actual results to differ from such forward-looking statements include, but are not limited to, an increase in competition, the amount of outstanding indebtedness, the availability of appropriate acquisition opportunities, availability of key products, functionality of information systems, Year 2000 readiness, international operating environments and other risks that are described in WESCO's Annual Report on Form 10-K for the year ended December 31, 1999 which are incorporated by reference herein. WESCO has undertaken no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

The Company's revolving credit agreement borrowings bear rates of interest that fluctuate with various indices, at WESCO's option, such as LIBOR, Prime Rate or the Federal Funds Rate. Additionally other expense related to WESCO's accounts receivable securitization can fluctuate as the costs are based on commercial paper rates. While management does not consider this risk to be material, increases in the aforementioned indices can negatively impact WESCO's results.

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) EXHIBITS

The following exhibits are incorporated by reference or filed herewith.

27 Financial Data Schedule

A copy of this exhibit may be retrieved electronically at the Securities and Exchange Commission's home page at www.sec.gov. Exhibits will also be furnished without charge by writing to Stephen A. Van Oss, Vice President, Chief Financial Officer, Commerce Court, Four Station Square, Suite 700, Pittsburgh, Pennsylvania 15219. Requests may also be directed to (412) 454-2200.

(b) REPORTS ON FORM 8-K

None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on November 14, 2000 on its behalf by the undersigned thereunto duly authorized.

WESCO International, Inc. and Subsidiaries

By: /s/ Stephen A. Van Oss

Stephen A. Van Oss
Vice President, Chief Financial Officer

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM WESCO INTERNATIONAL, INC. AND SUBSIDIARIES' UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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