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

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): April 23, 2015

WESCO International, Inc.

(Exact name of registrant as specified in its charter)

Commission File Number: **001-14989**

Delaware

(State or other jurisdiction of
incorporation or organization)

**225 West Station Square Drive
Suite 700**

Pittsburgh, Pennsylvania
(Address of principal executive offices)

25-1723342

(IRS Employer
Identification No.)

15219

(Zip Code)

(412) 454-2200

(Registrant's telephone number, including area code)

Not applicable.

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Item 2.02 Results of Operations and Financial Condition.

The information in this Item 2.02 is being furnished and shall not be deemed “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information in this Item 2.02 shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

On April 23, 2015, WESCO International, Inc. (the “Company”) issued a press release announcing its financial results for the first quarter of 2015. A copy of the press release is attached hereto as Exhibit 99.1.

Item 7.01 Regulation FD Disclosure.

The information in this Item 7.01 is being furnished and shall not be deemed “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information in this Item 7.01 shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

A slide presentation to be used by senior management of the Company in connection with its discussions with investors regarding the Company's financial results for the first quarter of 2015 is included in Exhibit 99.2 to this report and is being furnished in accordance with Regulation FD of the Securities and Exchange Commission.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits.**

The following are furnished as exhibits to this report.

99.1 Press Release dated April 23, 2015

99.2 Slide presentation for investors

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

		WESCO International, Inc.

		(Registrant)
April 23, 2015	By:	/s/ Kenneth S. Parks
_____		_____
(Date)		Kenneth S. Parks
		Senior Vice President and Chief Financial Officer



NEWS RELEASE

WESCO International, Inc. / Suite 700, 225 West Station Square Drive / Pittsburgh, PA 15219

WESCO International, Inc. Reports First Quarter 2015 Results

First quarter highlights:

- Sales of \$1.8 billion, up 3.2% organically
- Operating profit of \$87.2 million
- Earnings per diluted share of \$0.90
- Free cash flow of \$85.1 million or 181% of net income; financial leverage improved to 2.9x

PITTSBURGH, April 23, 2015/PRNewswire/ -- WESCO International, Inc. (NYSE: WCC), a leading provider of electrical, industrial, and communications MRO and OEM products, construction materials, and advanced supply chain management and logistics services, announces its 2015 first quarter results.

The following are results for the three months ended March 31, 2015 compared to the three months ended March 31, 2014:

- Net sales were \$1,816.3 million for the first quarter of 2015, compared to \$1,810.8 million for the first quarter of 2014, an increase of 0.3%. Organic sales increased 3.2%, acquisitions positively impacted sales by 1.2%, and foreign exchange rates and number of workdays negatively impacted sales by 2.5% and 1.6%, respectively.
- Gross profit was \$367.7 million, or 20.2% of sales, for the first quarter of 2015, compared to \$374.8 million, or 20.7% of sales, for the first quarter of 2014.
- Selling, general and administrative ("SG&A") expenses were \$264.6 million, or 14.6% of sales, for the first quarter of 2015, compared to \$265.5 million, or 14.7% of sales, for the first quarter of 2014.
- Operating profit was \$87.2 million for the current quarter, compared to \$93.0 million for the first quarter of 2014. Operating profit as a percentage of sales was 4.8% in 2015, compared to 5.1% in 2014.
- Interest expense for the first quarter of 2015 was \$20.9 million, compared to \$20.7 million for the first quarter of 2014. Non-cash interest expense, which includes convertible debt interest, interest related to uncertain tax positions, amortization of deferred financing fees and accrued interest, for the first quarter of 2015 and 2014 was \$5.4 million and \$4.1 million, respectively.
- The effective tax rate for the current quarter was 29.4%, compared to 28.2% for the prior year first quarter.
- Net income attributable to WESCO International, Inc. of \$47.0 million for the current quarter was down 9.4% from \$51.9 million for the prior year quarter.
- Earnings per diluted share for the first quarter of 2015 was \$0.90 per share, based on 52.2 million diluted shares, compared to \$0.97 per share in the first quarter of 2014, based on 53.4 million diluted shares.
- Free cash flow for the first quarter of 2015 was \$85.1 million, or 181% of net income, compared to \$41.7 million, or 80% of net income for the first quarter of 2014.

Mr. John J. Engel, WESCO's Chairman and Chief Executive Officer, stated, "We had a challenging start to the year where reduced demand in the industrial market, winter weather impacts, and foreign exchange headwinds weighed heavily on our results in the first quarter. While organic sales per workday grew 3%, sales momentum decelerated through the quarter. Gross margin was down versus prior year but was flat sequentially. Effective cost controls partially mitigated the impact on operating profit and as a result EPS was down versus prior year. Free cash flow generation was particularly strong in the quarter enabling us to further improve our financial

leverage and repurchase approximately 300,000 shares of stock. Our capital structure is in good shape and our acquisition pipeline remains robust with opportunities to strengthen our electrical core and further expand our portfolio of products and services this year. Based upon our first quarter results, we are revising our full year outlook to (3)% to 3% sales growth and \$5.00 to \$5.40 earnings per diluted share from our previous outlook of 0% to 3% sales growth and \$5.20 to \$5.60 earnings per diluted share.”

Mr. Engel continued, “We expect reduced demand in commodity-driven industrial end markets and foreign exchange headwinds to continue throughout this year. As a result, we are taking additional actions to accelerate our One WESCO sales initiatives and simplify and streamline our business. These additional mitigating actions include consolidating a series of branches and reducing structural costs while adding to our salesforce to address underserved territories and customer accounts. Our One WESCO strategy continues to drive our long term value proposition, particularly for customers looking to reduce their supply chain costs.”

Webcast and Teleconference Access

WESCO will conduct a webcast and teleconference to discuss the first quarter earnings as described in this News Release on Thursday, April 23, 2015, at 11:00 a.m. E.T. The call will be broadcast live over the Internet and can be accessed from the Company's Website at <http://www.wesco.com>. The call will be archived on this Internet site for seven days.

WESCO International, Inc. (NYSE: WCC), a publicly traded Fortune 500 holding company headquartered in Pittsburgh, Pennsylvania, is a leading provider of electrical, industrial, and communications maintenance, repair and operating (“MRO”) and original equipment manufacturers (“OEM”) product, construction materials, and advanced supply chain management and logistic services. 2014 annual sales were approximately \$7.9 billion. The Company employs approximately 9,400 people, maintains relationships with over 25,000 suppliers, and serves over 75,000 active customers worldwide. Customers include commercial and industrial businesses, contractors, government agencies, institutions, telecommunications providers and utilities. WESCO operates nine fully automated distribution centers and approximately 485 full-service branches in North America and international markets, providing a local presence for customers and a global network to serve multi-location businesses and multi-national corporations.

The matters discussed herein may contain forward-looking statements that are subject to certain risks and uncertainties that could cause actual results to differ materially from expectations. Certain of these risks are set forth in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, as well as the Company's other reports filed with the Securities and Exchange Commission.

Contact: Kenneth S. Parks, Senior Vice President and Chief Financial Officer
WESCO International, Inc. (412) 454-2392, Fax: (412) 222-7566
<http://www.wesco.com>

WESCO INTERNATIONAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(dollar amounts in millions, except per share amounts)

(Unaudited)

	Three Months Ended			
	March 31, 2015		March 31, 2014	
Net sales	\$ 1,816.3		\$ 1,810.8	
Cost of goods sold (excluding depreciation and amortization below)	1,448.6	79.8%	1,436.0	79.3%
Selling, general and administrative expenses	264.6	14.6%	265.5	14.7%
Depreciation and amortization	15.9		16.3	
Income from operations	87.2	4.8%	93.0	5.1%
Interest expense, net	20.9		20.7	
Income before income taxes	66.3	3.7%	72.3	4.0%
Provision for income taxes	19.5		20.4	
Net income	46.8	2.6%	51.9	2.9%
Net loss attributable to noncontrolling interests	(0.2)		—	
Net income attributable to WESCO International, Inc.	\$ 47.0	2.6%	\$ 51.9	2.9%
Earnings per diluted common share	\$ 0.90		\$ 0.97	
Weighted-average common shares outstanding and common share equivalents used in computing earnings per diluted share (in millions)	52.2		53.4	

WESCO INTERNATIONAL, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(dollar amounts in millions)

(Unaudited)

	March 31, 2015	December 31, 2014
Assets		
Current Assets		
Cash and cash equivalents	\$ 154.4	\$ 128.3
Trade accounts receivable, net	1,082.2	1,117.4
Inventories, net	814.4	819.5
Current deferred income taxes	36.5	35.9
Other current assets	226.0	249.2
Total current assets	2,313.5	2,350.3
Other assets	2,298.9	2,404.0
Total assets	\$ 4,612.4	\$ 4,754.3
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 771.9	\$ 765.1
Current debt and short-term borrowings	51.9	49.1
Other current liabilities	215.3	249.6
Total current liabilities	1,039.1	1,063.8
Long-term debt	1,336.9	1,366.4
Other noncurrent liabilities	399.1	396.0
Total liabilities	2,775.1	2,826.2
Stockholders' Equity		
Total stockholders' equity	1,837.3	1,928.1
Total liabilities and stockholders' equity	\$ 4,612.4	\$ 4,754.3

WESCO INTERNATIONAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(dollar amounts in millions)

(Unaudited)

	Three Months Ended	
	March 31, 2015	March 31, 2014
Operating Activities:		
Net income	\$ 46.8	\$ 51.9
Add back (deduct):		
Depreciation and amortization	15.9	16.4
Deferred income taxes	7.9	7.9
Change in trade receivables, net	9.7	(55.3)
Change in inventories, net	(13.2)	(17.4)
Change in accounts payable	20.6	43.6
Other	2.4	(0.4)
Net cash provided by operating activities	90.1	46.7
Investing Activities:		
Capital expenditures	(5.0)	(5.0)
Acquisition payments	—	(91.2)
Other	0.8	—
Net cash used in investing activities	(4.2)	(96.2)
Financing Activities:		
Debt borrowings (repayments), net	(19.4)	19.7
Equity activity, net	(27.7)	(0.3)
Other	(6.7)	4.2
Net cash provided by (used in) financing activities	(53.8)	23.6
Effect of exchange rate changes on cash and cash equivalents	(6.0)	(1.4)
Net change in cash and cash equivalents	26.1	(27.3)
Cash and cash equivalents at the beginning of the period	128.3	123.7
Cash and cash equivalents at the end of the period	\$ 154.4	\$ 96.4

NON-GAAP FINANCIAL MEASURES

This earnings release includes certain non-GAAP financial measures. These financial measures include normalized organic sales growth, gross profit, financial leverage and free cash flow. The Company believes that these non-GAAP measures are useful to investors in order to provide a better understanding of the Company's organic growth trends, capital structure position and liquidity on a comparable basis. Management does not use these non-GAAP financial measures for any purpose other than the reasons stated above.

WESCO INTERNATIONAL, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(dollar amounts in millions, except sales growth data)

(Unaudited)

Normalized Organic Sales Growth:	Three Months Ended	
	March 31, 2015	March 31, 2014
Change in net sales	0.3 %	0.2 %
Impact from acquisitions	1.2 %	0.5 %
Impact from foreign exchange rates	(2.5)%	(1.9)%
Impact from number of workdays	(1.6)%	— %
Normalized organic sales growth	3.2 %	1.6 %

Note: Normalized organic sales growth is provided by the Company as an additional financial measure to provide a better understanding of the Company's sales growth trends. Normalized organic sales growth is calculated by deducting the percentage impact from acquisitions, foreign exchange rates and number of workdays from the overall percentage change in consolidated net sales.

Gross Profit:	Three Months Ended	
	March 31, 2015	March 31, 2014
Net Sales	\$ 1,816.3	\$ 1,810.8
Cost of goods sold (excluding depreciation and amortization)	1,448.6	1,436.0
Gross profit	\$ 367.7	\$ 374.8
Gross margin	20.2%	20.7%

Note: Gross profit is provided by the Company as an additional financial measure. Gross profit is calculated by deducting cost of goods sold, excluding depreciation and amortization, from net sales. This amount represents a commonly used financial measure within the distribution industry. Gross margin is calculated by dividing gross profit by net sales.

WESCO INTERNATIONAL, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(dollar amounts in millions)

(Unaudited)

	Twelve Months Ended	
	March 31, 2015	December 31, 2014
Financial Leverage:		
Income from operations	\$ 460.4	\$ 466.2
Depreciation and amortization	67.6	68.0
EBITDA	\$ 528.0	\$ 534.2
	March 31, 2015	December 31, 2014
Current debt and short-term borrowings	\$ 51.9	\$ 49.1
Long-term debt	1,336.9	1,366.4
Debt discount related to convertible debentures and term loan ⁽¹⁾	168.5	170.4
Total debt including debt discount	1,557.3	1,585.9
Financial leverage ratio	2.9	3.0

⁽¹⁾ The convertible debentures and term loan are presented in the condensed consolidated balance sheets in long-term debt, net of the unamortized discount.

Note: Financial leverage is a non-GAAP financial measure provided by the Company to illustrate its capital structure position. Financial leverage ratio is calculated by dividing total debt, including debt discount, by EBITDA. EBITDA is defined as the trailing twelve months earnings before interest, taxes, depreciation and amortization.

	Three Months Ended	
	March 31, 2015	March 31, 2014
Free Cash Flow:		
Cash flow provided by operations	\$ 90.1	\$ 46.7
Less: Capital expenditures	(5.0)	(5.0)
Free cash flow	\$ 85.1	\$ 41.7
Percent of net income attributable to		
WESCO International, Inc.	181.1%	80.3%

Note: Free cash flow is provided by the Company as an additional liquidity measure. Capital expenditures are deducted from operating cash flow to determine free cash flow. Free cash flow is available to fund the Company's financing needs.



Q1 2015 Earnings

Webcast Presentation
April 23, 2015



Safe Harbor Statement

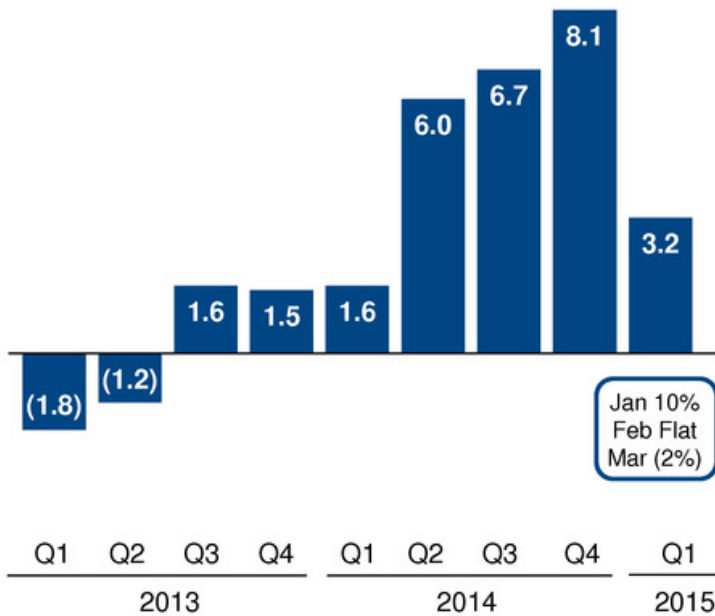


Note: All statements made herein that are not historical facts should be considered as “forward-looking statements” within the meaning of the Private Securities Litigation Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. Such risks, uncertainties and other factors include, but are not limited to: adverse economic conditions; increase in competition; debt levels, terms, financial market conditions or interest rate fluctuations; risks related to acquisitions, including the integration of acquired businesses; disruptions in operations or information technology systems; expansion of business activities; litigation, contingencies or claims; product, labor or other cost fluctuations; exchange rate fluctuations; and other factors described in detail in the Form 10-K for WESCO International, Inc. for the year ended December 31, 2014 and any subsequent filings with the Securities & Exchange Commission. Any numerical or other representations in this presentation do not represent guidance by management and should not be construed as such. The following presentation includes a discussion of certain non-GAAP financial measures. Information required by Regulation G with respect to such non-GAAP financial measures can be found in the appendix and obtained via WESCO’s website, www.wesco.com.

Q1 2015 Highlights



Organic Growth (%)



- U.S. and Canada sales each up 4% organic workday adjusted
- Oil and gas sales down approximately 10%
- April sales tracking March
- Cost controls partially mitigated margin decline; additional cost reduction actions launched
- Strong free cash flow improved financial leverage
- Approximately 300,000 shares repurchased
- Robust acquisition pipeline

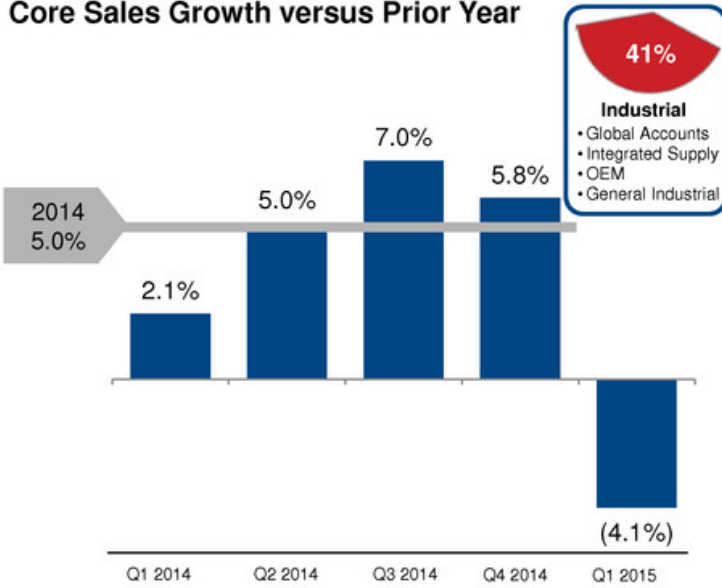
Note: Workday adjusted; see appendix for non-GAAP reconciliations.

...A challenging start to the year, driven by industrial and foreign exchange

Industrial End Market



Core Sales Growth versus Prior Year



Note: Excludes acquisitions during the first year of ownership. Workday adjusted.

Q1 2015 Sales

- Down 5.7% versus prior year, and down 4.1% workday adjusted
- Down 8.0% sequentially
- Weather, logistics, U.S. dollar and oil prices are weighing on manufacturing sector
- Channel inventory levels appear to be largely in balance with demand.
- Bidding activity levels remain robust and industrial market leading indicators are generally positive.
- Customer trends include higher expectations for supply chain process improvements, cost reductions, and supplier consolidation.



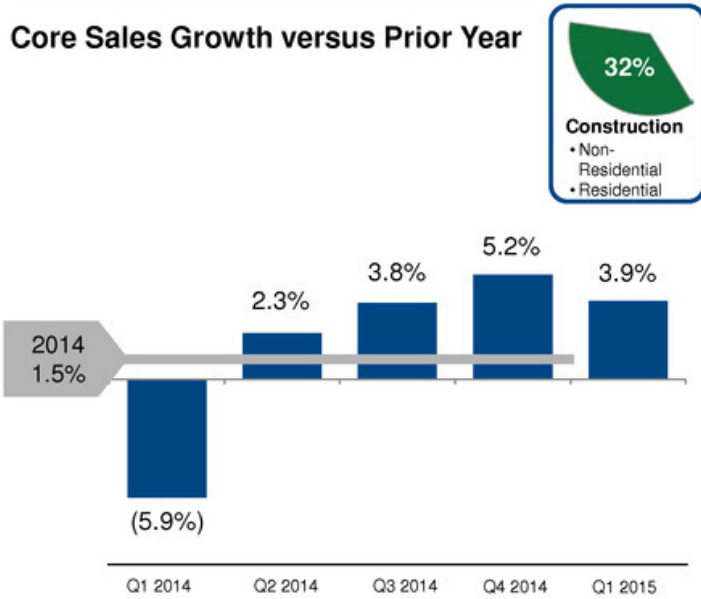
Industrial

Awarded contract to supply electrical gear, lighting, and MRO materials for the upgrade and expansion of a large food processing plant. Opportunities exist for additional plant expansions at this global accounts customer.

Construction End Market



Core Sales Growth versus Prior Year



Note: Excludes acquisitions during the first year of ownership. Workday adjusted.

- Q1 2015 Sales
 - Up 2.3% versus prior year, and up 3.9% workday adjusted
 - Down 14.3% sequentially
- U.S. and Canada construction sales each up approximately 8% organic workday adjusted
- Backlog increased 5% sequentially in the quarter and was flat versus prior year.
- Non-residential construction market leading indicators are generally positive despite expected cutbacks in oil and gas spending.
- Non-residential construction market still well below its prior peak in 2008.

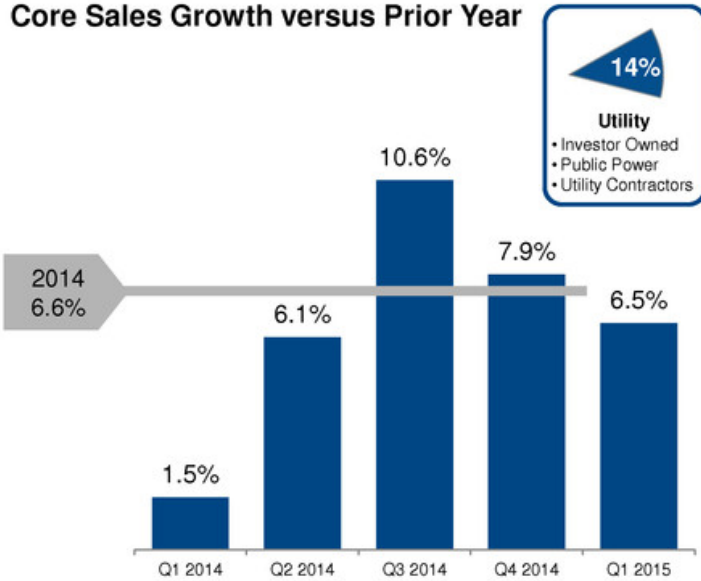


Awarded a contract to provide upgraded electrical gear and controls for several municipal water treatment facilities in Canada.

Utility End Market



Core Sales Growth versus Prior Year



Note: Excludes acquisitions during the first year of ownership. Workday adjusted.

- Q1 2015 Sales
 - Up 4.9% versus prior year, and up 6.5% workday adjusted
 - Down 5.0% sequentially
- Sixteenth consecutive quarter of year-over-year sales growth.
- Scope expansion and value creation with IOU, public power, and generation customers providing utility sales growth.
- Housing market expected to be positive catalyst for future distribution grid spending.
- Increased capital spending is underway and planned for certain investor owned utilities.
- Continued interest for Integrated Supply solution offerings.



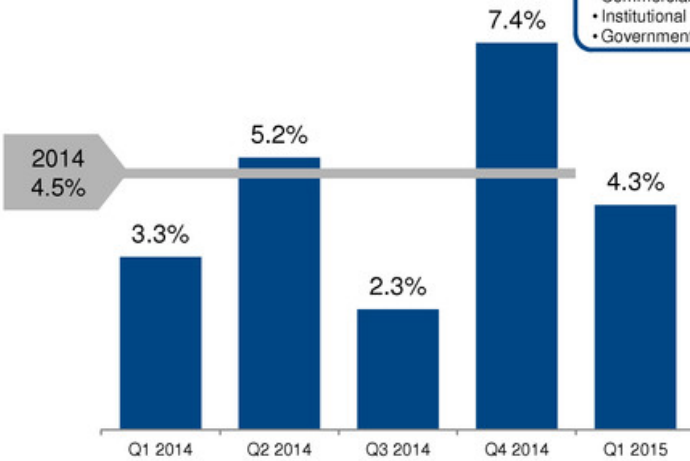
Utility

Awarded a multi-year contract to provide supply chain management, logistics, and inventory handling services for a high-voltage transmission project with an Investor Owned Utility customer.

CIG End Market



Core Sales Growth versus Prior Year



Note: Excludes acquisitions during the first year of ownership. Workday adjusted.

- Q1 2015 Sales
 - Up 2.7% versus prior year, and up 4.3% workday adjusted
 - Down 3.4% sequentially
- Bidding levels remain active in commercial, institutional, and government markets.
- Focus remains on energy efficiency (lighting, automation, metering) and security.
- Opportunities exist to support data center construction and retrofits and cloud technology projects.



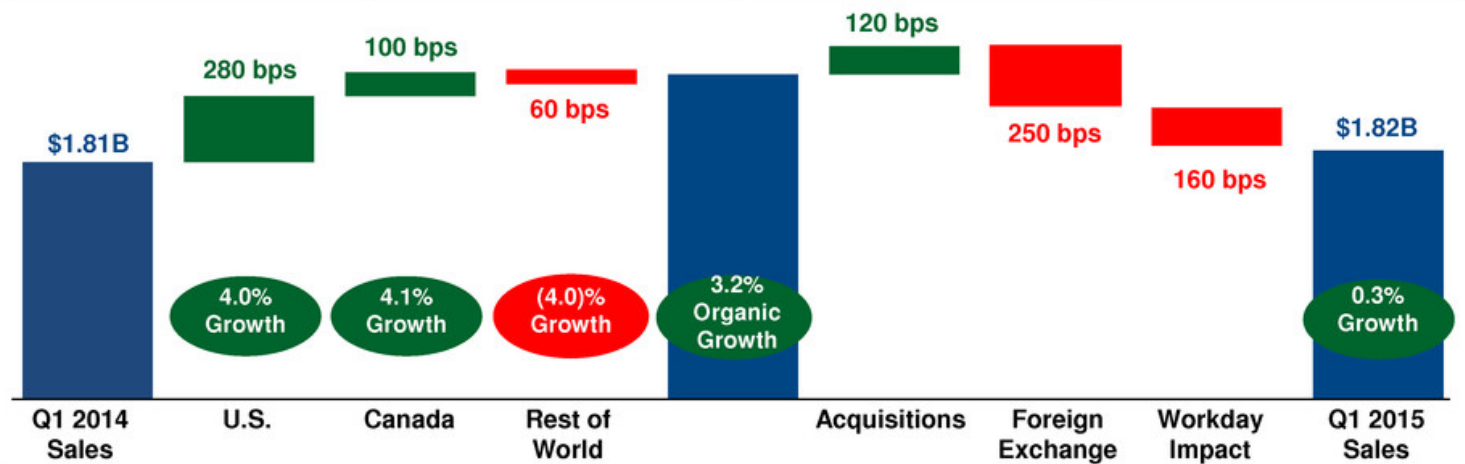
Government

Awarded a multi-year contract with a large national wireless carrier in Canada to provide data communication products for system conversion upgrade. Additional MRO products sales are expected as the project rolls out.

Q1 2015 Results



	Outlook	Actual	YOY
Sales	5% to 7% growth	\$1.82B	0.3% growth 3.2% organic workday adjusted
Gross Margin		20.2%	Down 50 bps (flat sequentially)
SG&A		14.6%	Down 10 bps
Operating Profit		\$87M	Down 6%
Operating Margin	5.0% to 5.2%	4.8%	Down 30 bps
Effective Tax Rate	29% to 30%	29.4%	Up 1.2%



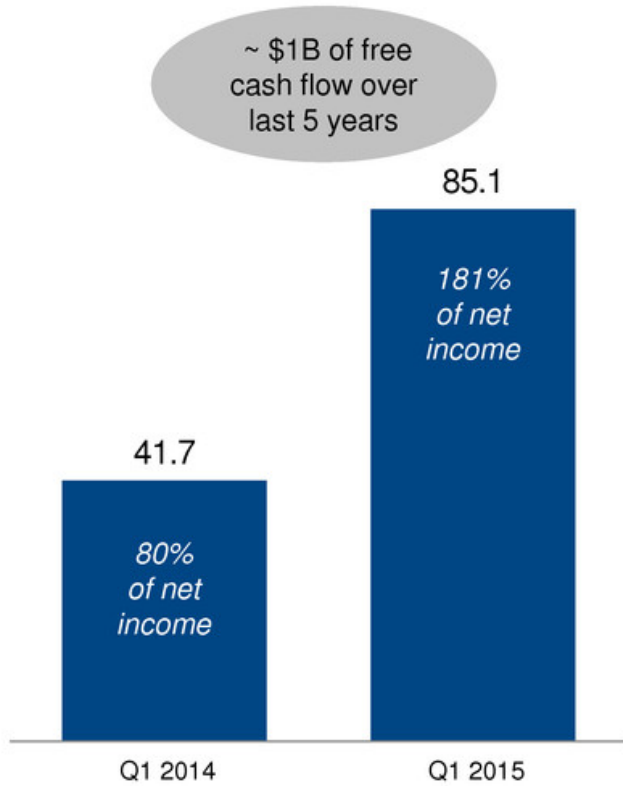


Q1 2014	\$0.97
Core Operations	~0.00
Foreign Exchange Impact	(0.07)
Share count	0.02
Tax rate	(0.02)
Q1 2015	\$0.90

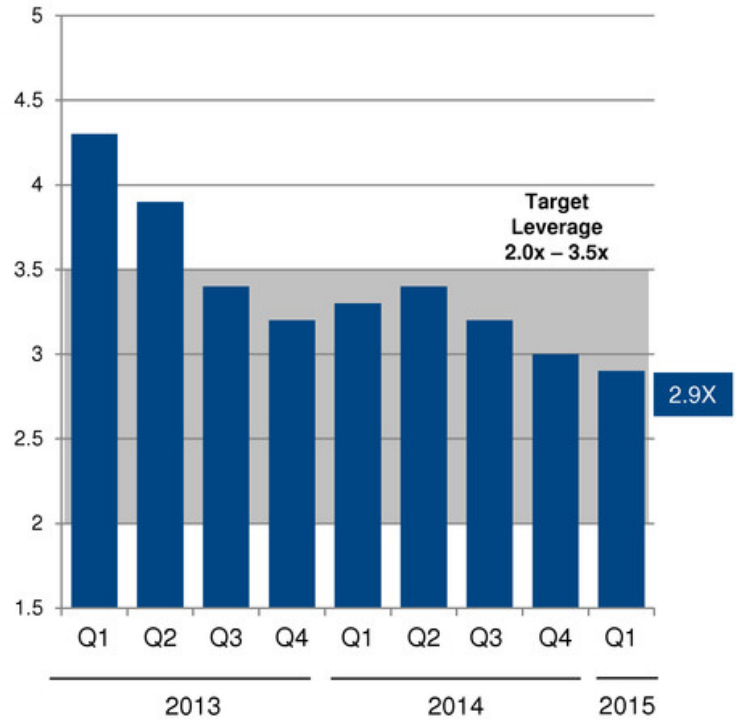
Cash Generation



Free Cash Flow
(\$ Millions)



Leverage
(Total Par Debt to TTM EBITDA)



See appendix for non-GAAP reconciliations.

2015 Outlook



	Q2	FY
Sales	(3)% growth to flat	(3)% to 3% growth
Operating Margin	5.3% to 5.5%	5.8% to 5.9%
Effective Tax Rate	29% to 30%	~ 29%
EPS		\$5.00 to \$5.40
Free Cash Flow		~ 80% of net income

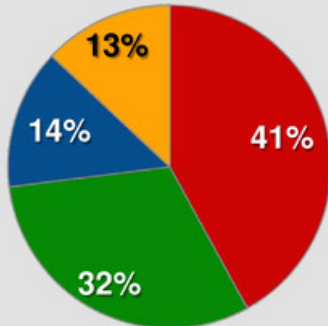
Notes: Excludes unannounced acquisitions.
Assumes a CAD/USD exchange rate of 0.79.



Appendix



Markets & Customers



Industrial

Global Accounts | Integrated Supply
OEM | General Industrial

Construction

Non-Residential | Contractors

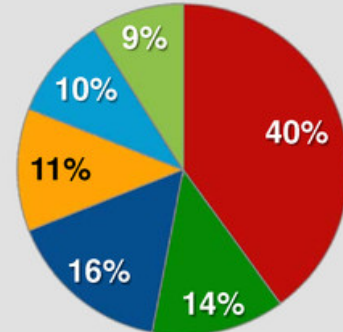
Utility

Investor Owned | Public Power
Utility Contractors

CIG

Commercial | Institutional | Government

Products & Services



General Supplies

Data & Broadband Communications

Wire, Cable & Conduit

Distribution Equipment

Lighting & Controls

Controls & Motors

Note: Markets & Customers and Products & Services percentages reported on a TTM consolidated basis.

Sales Growth



(%)

	2013					2014					2015
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1
Consolidated	12.6	13.2	16.6	14.3	14.2	0.2	5.9	7.6	6.1	5.0	0.3
Acquisition Impact	16.0	14.6	14.1	13.8	14.6	0.5	1.6	1.8	1.6	1.4	1.2
Core	(3.4)	(1.4)	2.5	0.5	(0.4)	(0.3)	4.3	5.8	4.5	3.6	(0.9)
FX Impact	0.0	(0.2)	(0.7)	(1.0)	(0.4)	(1.9)	(1.7)	(0.9)	(2.0)	(1.6)	(2.5)
Organic	(3.4)	(1.2)	3.2	1.5	0.0	1.6	6.0	6.7	6.5	5.2	1.6
WD Impact	(1.6)		1.6						(1.6)	(0.4)	(1.6)
Normalized Organic	(1.8)	(1.2)	1.6	1.5	0.0	1.6	6.0	6.7	8.1	5.6	3.2
Estimated Price Impact	1.0	0.0	0.0	0.0	0.2	0.5	0.5	0.5	0.5	0.5	0.0

Sales Growth – Geography



(%)

	U.S.	Canada	International	Total
Change in net sales	3.1	(5.4)	(11.2)	0.3
Impact from acquisitions	0.7	2.9	-	1.2
Impact from foreign exchange rates	-	(10.8)	(5.6)	(2.5)
Impact from number of workdays	(1.6)	(1.6)	(1.6)	(1.6)
Normalized organic sales growth	4.0	4.1	(4.0)	3.2

Sales Growth – End Markets



(\$ Millions)

	Q1 2015 vs. Q1 2014			Q1 2015 vs. Q4 2014		
	Q1 2015	Q1 2014	% Growth	Q1 2015	Q4 2014	% Growth
Industrial Core	757	804	(5.7)%	760	826	(8.0)%
Construction Core	540	527	2.3%	547	639	(14.3)%
Utility Core	262	250	4.9%	272	286	(5.0)%
CIG Core	242	236	2.7%	243	251	(3.4)%
Total Core Gross Sales	1,801	1,817	(0.8)%	1,822	2,002	(9.0)%
Total Gross Sales from Acquisitions	21	-	-	-	-	-
Total Gross Sales	1,822	1,817	0.3%	1,822	2,002	(9.0)%
Gross Sales Reductions/Discounts	(6)	(6)	-	(6)	(7)	-
Total Net Sales	1,816	1,811	0.3%	1,816	1,995	(9.0)%

Note: The prior period end market amounts noted above may contain reclassifications to conform to current period presentation.

Capital Structure



(\$ Millions)

	Outstanding at December 31, 2014	Outstanding at March 31, 2015	Debt Maturity Schedule
AR Revolver ^(V)	430	423	2016
Inventory Revolver ^(V)	8	11	2016
Senior Notes ^(F)	500	500	2021
2019 Term Loans ^(V)	252	226	2019
2029 Convertible Bonds ^(F)	345	345	2029 ⁽¹⁾
Other ^(V)	51	52	N/A
Total Par Debt	1,586	1,557	

Key Financial Metrics			
	Q1 2014	YE 2014	Q1 2015
Cash	96	128	154
Capital Expenditures	5	21	5
Free Cash Flow	42	231	85
Liquidity ⁽²⁾	524	638	625

V = Variable Rate Debt

1 = No put; first callable date September 2016.

F = Fixed Rate Debt

2 = Asset-backed credit facilities total availability plus invested cash.

Financial Leverage



(\$ Millions)

	Twelve Months Ended	
	<u>March 31, 2015</u>	
Financial leverage ratio:		
Income from operations	\$	460
Depreciation and amortization		68
EBITDA	\$	528
		<u>March 31, 2015</u>
Current debt and short-term borrowings	\$	52
Long-term debt		1,337
Debt discount related to convertible debentures ⁽¹⁾		168
Total debt including debt discount	\$	1,557
Financial leverage ratio		2.9X

⁽¹⁾The convertible debentures and term loan are presented in the condensed consolidated balance sheets in long-term debt net of the unamortized discount.

Convertible Debt and Non-Cash Interest



Convertible Debt At March 31, 2015

(\$ Millions)

<u>Maturity</u>	<u>Par Value of Debt</u>	<u>Debt Discount</u>	<u>Debt per Balance Sheet</u>
2029	344.9	(166.3)	178.6

Non-Cash Interest Expense

(\$ Millions)

	<u>2013</u>	<u>2014</u>	<u>Q1 2015</u>
Convertible Debt	4.3	4.1	1.7
Amortization of Deferred Financing Fees	4.9	4.4	1.8
FIN 48	0.6	1.0	0.3
Accrued Interest in Excess of Paid	0.4	0.0	1.6
Total	10.2	9.5	5.4

EPS Dilution



Weighted Average Quarterly Share Count

Stock Price	Incremental Shares from 2029 Convertible Debt (in millions) ³	Incremental Shares from Equity Awards (in millions)	Total Diluted Share Count (in millions) ⁴
\$50.00	5.05	0.55	50.00
\$60.00	6.20	0.64	51.24
Q1 2015 Average \$69.23	6.97	0.82	52.20
\$70.00	7.02	0.83	52.26
\$80.00	7.64	0.95	52.99
\$90.00	8.12	1.04	53.56
\$100.00	8.50	1.13	54.03

2029 Convertible Debt Details	
Conversion Price	\$28.8656
Conversion Rate	34.6433 ¹
Underlying Shares	11,948,087 ²

Footnotes: 2029 Convertible Debenture

- ¹ 1000/28.8656
- ² \$344.9 million/28.8656
- ³ $\frac{(\text{Underlying Shares} \times \text{Avg. Quarterly Stock Price}) \text{ minus } \$344.9 \text{ million}}{\text{Avg. Quarterly Stock Price}}$
- ⁴ Basic Share Count of 44.41 million shares

Work Days



	Q1	Q2	Q3	Q4	FY
2014	63	64	64	62	253
2015	62	64	64	63	253

Free Cash Flow Reconciliation



(\$ Millions)

	Q1 2014	Q1 2015
Cash flow provided by operations	46.7	90.1
Less: Capital expenditures	(5.0)	(5.0)
Free Cash Flow	41.7	85.1

Note: Free cash flow is provided by the Company as an additional liquidity measure. Capital expenditures are deducted from operating cash flow to determine free cash flow. Free cash flow is available to fund the Company's financing needs.

