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 MARCH 31, 1999

Commission file number 001-14989

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

DELAWARE	25-1723345
(State or other jurisdiction of of incorporation or organization)	(IRS Employer Identification No.)

COMMERCE COURT FOUR STATION SQUARE, SUITE 700 PITTSBURGH, PENNSYLVANIA 15219	(412) 454-2254
(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 April 30, 1999, WESCO International, Inc. had 30,121,372 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 par values	DECEMBER 31 1998	MARCH 31 1999
		(unaudited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 8,093	$ 27,951
Trade accounts receivable, net of allowance for doubtful accounts of $8,082 and $6,805 in 1998 and 1999, respectively	181,511	182,755
Other accounts receivable	22,265	22,010
Inventories	343,764	349,111
Income taxes receivable	7,329	7,417
Prepaid expenses and other current assets	2,892	4,993
Deferred income taxes	16,217	14,449
Total current assets	582,071	608,686
Property, buildings and equipment, net	107,596	112,425
Goodwill and other intangibles, net of accumulated amortization of $10,163 and $11,955 in 1998 and 1999, respectively	234,049	247,172
Other assets	26,806	26,642
Total assets	$ 950,522	$ 994,925
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 378,590	$ 397,107
Accrued payroll and benefit costs	19,614	19,895
Current portion of long-term debt	16,592	12,185
Other current liabilities	51,671	74,890
Total current liabilities	466,467	504,077
Long-term debt	579,238	582,632
Other noncurrent liabilities	7,040	7,190
Deferred income taxes	18,832	18,873
Total liabilities	1,071,577	1,112,772
Commitments and contingencies		
Redeemable Class A common stock, $.01 par value; 4,901,902 issued and outstanding in 1998 and 1999 (redemption value of redeemable common stock and vested options of $130,267 and $169,901 in 1998 and 1999, respectively)	21,506	21,506
STOCKHOLDERS' EQUITY:		
Class A common stock, $.01 par value; 210,000,000 shares authorized, 25,209,817 and 25,219,470 shares issued and outstanding in 1998 and 1999, respectively	252	252
Class B nonvoting convertible common stock, $.01 par value; 20,000,000 shares authorized, 4,653,131 issued and outstanding in 1998 and 1999	46	46
Additional capital	326,783	326,815
Retained earnings (deficit)	(468,220)	(465,303)
Accumulated other comprehensive income (loss)	(1,422)	(1,163)
Total stockholders' equity	(142,561)	(139,353)
Total liabilities and stockholders' equity	$ 950,522	$ 994,925

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 MARCH 31 1998	1999
Sales, net	$693,448	$777,415
Cost of goods sold	566,754	638,622
Gross profit	126,694	138,793
Selling, general and administrative expenses	103,564	110,380
Depreciation and amortization	2,956	4,499
Income from operations	20,174	23,914
Interest expense, net	6,202	14,459
Other expenses	--	4,614
Income before income taxes	13,972	4,841
Provision for income taxes	5,449	1,924
Net income	$ 8,523	$ 2,917
Earnings per common share:		
Basic	$ 0.14	$ 0.08
Diluted	$ 0.13	$ 0.08

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	THREE MONTHS ENDED MARCH 31 1998	1999
OPERATING ACTIVITIES:		
Net income	$ 8,523	$ 2,917
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,956	4,499
Accretion of original issue and amortization of purchase discounts	1,299	2,408
Amortization of debt issuance costs and interest rate caps	121	460
(Gain) loss on sale of property, buildings and equipment	10	(21)
Deferred income taxes	(2,099)	1,761
Changes in assets and liabilities, excluding the effects of acquisitions:		
Sale of trade accounts receivable	--	20,000
Trade and other receivables	(4,181)	(18,187)
Inventories	6,302	(2,045)
Prepaid expenses and other current assets	467	(2,156)
Other assets	(2)	(160)
Accounts payable	3,581	29,441
Accrued payroll and benefit costs	(12,129)	221
Other current and noncurrent liabilities	8,332	9,661
Net cash provided by operating activities	13,180	48,799
INVESTING ACTIVITIES:		
Capital expenditures	(3,668)	(6,247)
Proceeds from the sale of property, buildings and equipment	7	21
Advances to affiliates	--	(1,877)
Acquisitions, net of cash acquired	(43,951)	(3,932)
Net cash used by investing activities	(47,612)	(12,035)
FINANCING ACTIVITIES:		
Proceeds from issuance of long-term debt	225,906	125,294
Repayments of long-term debt	(182,186)	(142,232)
Debt issuance costs	(204)	--
Proceeds from issuance of common stock and exercise of stock options	1,701	32
Net cash provided (used) by financing activities	45,217	(16,906)
Net change in cash and cash equivalents	10,785	19,858
Cash and cash equivalents at the beginning of period	7,620	8,093
Cash and cash equivalents at the end of period	$ 18,405	$ 27,951

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 currently operates branch locations in the United States, Canada, Mexico, Puerto Rico, Guam, Singapore and the United Kingdom.

Subsequent to the completion in June 1998 of a leveraged recapitalization, WESCO was substantially owned by an investor group led by affiliates of The Cypress Group L.L.C. ("Cypress") with WESCO's management retaining the remaining interest.

On May 11,1999, WESCO announced the pricing of its initial public offering of 11,183,750 shares of common stock at $18.00 per share. The net proceeds of approximately $187 million will be used to repay existing indebtedness (see Note 11).

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 1998 Annual Report on Form 10-K filed with the Securities and Exchange Commission.

The unaudited condensed consolidated balance sheet as of March 31, 1999, and the unaudited condensed consolidated statements of operations and cash flows for the three months ended March 31, 1998 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 Pronouncement

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement is effective for fiscal years beginning after June 15, 1999, 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 operation or financial position of WESCO.

3. RECAPITALIZATION

On June 5, 1998, WESCO repurchased and retired 61,862,068 shares of common stock held by certain shareholders for net consideration of approximately $653.5 million ("Equity Consideration"). In addition, WESCO repaid approximately $379.1 million of then outstanding indebtedness, and sold 29,604,351 shares of common stock to an investor group led by affiliates of Cypress representing approximately 88.7% of WESCO for an aggregate cash consideration of $318.1 million ("Cash Equity Contribution") (collectively, "Recapitalization"). Existing management retained approximately 11.3% interest in WESCO after the Recapitalization. WESCO funded the Equity Consideration and the repayment of indebtedness from proceeds of the Cash Equity Contribution, issuance of approximately $351 million of senior subordinated and senior discount notes, a new $170 million credit facility and the sale of approximately $250 million of accounts receivable.

4. ACCOUNTS RECEIVABLE SECURITIZATION

WESCO and certain of its subsidiaries entered into an agreement with a financial institution and a multi-seller asset-backed commercial paper issuer ("Receivables Facility") whereby it sells on a continuous basis an undivided interest in all eligible accounts receivable while maintaining a subordinated interest in a portion of the receivables. As of December 31, 1998 and March 31, 1999, securitized accounts receivable totaled $360.1 million and $401.6 million, respectively, of which the subordinated retained interest was $84.1 million and $105.3 million, respectively. Accordingly, $276.0 million and $296.3 million of accounts receivable balances were removed from the consolidated balance sheet at December 31, 1998 and March 31, 1999. Net proceeds from the transactions totaled $274.2 million in 1998 and $20.0 million in the first quarter of 1999. Proceeds from securitized receivables were used primarily to complete the Recapitalization discussed in Note 3 and for general working capital needs. During the first quarter of 1999, WESCO incurred costs associated with the Receivables Facility of $4.6 million, primarily related to the discount and loss on the sale of such receivables, partially offset by related servicing revenue. This amount is recorded as other expenses in the condensed consolidated statement of operations.

5. ACQUISITIONS

On September 11, 1998, WESCO acquired substantially all the assets and assumed substantially all liabilities and obligations relating to the operations of Bruckner Supply Company, Inc. ("Bruckner"), a privately owned company headquartered in Port Washington, New York. Bruckner is a provider of integrated supply procurement and outsourcing activities for large industrial companies. Net sales totaled approximately $222 million in 1997.

The following unaudited pro forma information assumes that the Bruckner acquisition had occurred as of January 1, 1998. Adjustments to arrive at the pro forma information include, among others, those related to acquisition financing, amortization of goodwill and the related tax effects of such adjustments at an assumed rate of 39%.

In thousands	THREE MONTHS ENDED MARCH 31, 1998
Sales, net	$759,740
Net income	9,352
Basic earnings per share	0.15
Diluted earnings per share	0.13

The pro forma financial information does not purport to present what WESCO's results of operations would have been if the Bruckner acquisition had actually occurred as of January 1, 1998, or to project WESCO's results of operations for any future period.

6. EARNINGS PER SHARE

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

Dollars in thousands, except share data	THREE MONTHS ENDED MARCH 31 1998	1999
Net income	$8,523	$2,917
Interest on convertible debt	85	406
Net income used in diluted earnings per share	$8,608	$3,323
Weighted average common shares outstanding used in computing basic earnings per share	59,188,430	34,768,068
Common shares issuable upon exercise of dilutive stock options	8,059,565	3,809,153
Assumed conversion of convertible debt	721,203	2,579,975
Weighted average common shares outstanding and common share equivalents used in computing diluted earnings per share	67,969,198	41,157,196
Basic earnings per share	$0.14	$0.08
Diluted earnings per share	0.13	0.08

7. COMPREHENSIVE INCOME

The following table sets forth comprehensive income and its components:

In thousands	THREE MONTHS ENDED MARCH 31 1998	1999
Net income	$8,523	$2,917
Foreign currency translation adjustment	67	259
Comprehensive income	$8,590	$3,176

8. CASH FLOW STATEMENT

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

In thousands	THREE MONTHS ENDED MARCH 31 1998	1999
Details of acquisitions		
Fair value of assets acquired	$79,691	$6,994
Fair value of liabilities assumed	(20,970)	(3,062)
Notes issued to seller	(14,770)	--
Cash paid for acquisitions	$43,951	$3,932

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	DECEMBER 31 1998	MARCH 31 1999
Current assets	$582,071	$608,686
Noncurrent assets	368,451	386,239
Current liabilities	466,467	504,077
Long-term debt	527,167	528,974
Other noncurrent liabilities	25,872	26,063
Total liabilities and stockholder's equity	950,522	994,925

STATEMENT OF OPERATIONS DATA

In thousands	THREE MONTHS ENDED MARCH 31, 1999
Sales, net	$777,415
Gross profit	138,793
Income from operations	23,914
Net income	4,504

Prior to the June 5, 1998 issuance of the senior discount notes, the financial information of WESCO Distribution, Inc. was identical to that of WESCO presented herein.

10. SEGMENTS

In 1998, WESCO adopted SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," which established standards for disclosure of operating segments under the "management approach." For purposes of this standard, WESCO is engaged principally in one line of business-the sale of electrical products and maintenance, repair and operating supplies.

11. SUBSEQUENT EVENTS

Stock Split

On April 11, 1999, 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 preferred stock, all effective May 11, 1999. In this report, all per share amounts and number of shares have been restated to reflect the stock split.

Initial Public Offering

On May 11, 1999, WESCO announced the pricing of its initial public offering of 9,725,000 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 will be terminated and approximately $31 million of convertible notes will be converted into common stock. Net proceeds from the Offering, including the net proceeds from the exercise of the underwriters' overallotment to purchase an additional 1,458,750 shares of common stock, will be approximately $187 million. The net proceeds will be used to retire all of the outstanding senior discount notes and to repay all or a portion of the revolving credit and term loan facilities. Pending application of the Offering net proceeds, WESCO may borrow under the delayed draw term loan facility to reduce further certain outstanding indebtedness.

As a result of the early extinguishment of the debt obligations, WESCO expects to record in the second quarter of 1999 an extraordinary charge of approximately $7 million, after-tax, relating to the write-off of unamortized debt issuance costs and payment of a premium associated with the retirement of the senior discount notes. This extraordinary charge does not include the effect of other anticipated refinancing initiatives.

Long-Term Incentive Plan

On April 26, 1999, the Board of Directors approved the Long-Term Incentive Plan ("LTIP"). The LTIP provides for stock participation in the form of options, restricted stock awards and performance awards by certain key employees of WESCO. The LTIP covers a maximum of 6,936,000 shares of WESCO's common stock. The exercise price is determined by the Compensation Committee of the Board of Directors to represent the fair market value at the date of grant. Each award terminates on the tenth anniversary of its grant date unless sooner under certain conditions.

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 1998 Annual Report on Form 10-K.

GENERAL

WESCO is a leading distributor of electrical products and other industrial MRO supplies and related services in North America. WESCO has over 330 branches and five distribution centers strategically located in 48 states, nine Canadian provinces, Puerto Rico, Guam, Mexico, the United Kingdom 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., 9% 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:

Initial Public Offering. On May 11, 1999, WESCO announced the pricing of its initial public offering of 9,725,000 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 will be terminated and approximately $31 million of convertible notes will be converted into common stock. Net proceeds from the Offering, including the net proceeds from the exercise of the underwriters' overallotment to purchase an additional 1,458,750 shares of common stock, will be approximately $187 million. The net proceeds will be used to retire all of the outstanding senior discount notes and to repay all or a portion of the revolving credit and term loan facilities. Pending application of the Offering net proceeds, WESCO may borrow under the delayed draw term loan facility to reduce further certain outstanding indebtedness.

As a result of the early extinguishment of the debt obligations, WESCO expects to record in the second quarter of 1999 an extraordinary charge of approximately $7 million, after-tax, relating to the write-off of unamortized debt issuance costs and payment of a premium associated with the retirement of the senior discount notes. As a result of certain other anticipated refinancing initiatives, WESCO may incur in the second quarter an additional extraordinary charge of approximately $3 million, after-tax.

RESULTS OF OPERATIONS

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:

In thousands	THREE MONTHS ENDED MARCH 31 1998	1999
Sales, net	100.0%	100.0%
Gross profit	18.3	17.9
Selling, general and administrative expenses	14.9	14.2
Depreciation and amortization	0.5	0.6
Income from operations	2.9	3.1
Interest expense	0.9	1.9
Other expense	-	0.6
Income before income taxes	2.0	0.6
Income taxes	0.8	0.2
Net income	1.2%	0.4%

First Quarter 1999 versus First Quarter 1998

Net Sales. Sales in the first quarter of 1999 increased $84.0 million, or 12.1%, to $777.4 million compared with $693.4 million in the prior-year quarter, primarily due to sales growth attributable to acquired companies. The mix of direct shipment sales increased to approximately 46% in the first quarter of 1999 from 39% in the first quarter of 1998 as a result of the Bruckner acquisition completed in September 1998. Substantially all of Bruckner's sales are direct shipment.

Gross Profit. Gross profit for the first quarter of 1999 increased $12.1 million to $138.8 million from $126.7 million for the first quarter of 1998. Gross profit margin declined to 17.9% in the current-year quarter from 18.3% in the first quarter of 1998. This decrease resulted from a higher proportion of direct ship sales attributable to the Bruckner acquisition. Direct ship gross margins are lower than those of other sales; however, operating profit margins are often higher, since the product handling and fulfillment costs associated with direct shipments are much lower. Excluding the effects of the Bruckner acquisition, gross profit margin increased to 18.6% due to gross margin improvement initiatives.

Selling, General and Administrative Expenses. Selling, general and administrative ("SG&A") expenses increased $6.8 million, or 6.6%, to $110.4 million. The majority of this increase was associated with companies acquired during 1998; the remainder was associated with certain expenses that are variable in nature and increase when sales increase. As a percent of sales, SG&A expenses declined to 14.2% compared with 14.9% in the year-earlier quarter reflecting a lower relative cost structure associated with the Bruckner acquisition.

Depreciation and Amortization. Depreciation and amortization increased $1.5 million to $4.5 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 $14.5 million for the first quarter of 1999, an increase of $8.3 million over same period in 1998. The increase was primarily due to the higher levels of borrowings associated with the recapitalization and acquisitions. Other expense totaled $4.6 million in the first quarter of 1999 reflecting costs associated with the accounts receivable securitization.

Income Taxes. Income tax expense totaled $1.9 million in the first quarter of 1999 compared with $5.4 million a year ago. The effective tax rate was 39.7% and 39.0% in the first quarter of 1999 and 1998, respectively. The effective tax rates differ from the federal statutory rate primarily due to state income taxes and nondeductible expenses.

Net Income. Net income and diluted earnings per share totaled $2.9 million and $0.08, respectively, for the first quarter of 1999, compared with $8.5 million and $0.13, respectively, for the first quarter of 1998. The decreases in net income and earnings per share were primarily due to an increase in interest expense associated with higher debt levels as a result of the recapitalization and acquisitions.

LIQUIDITY AND CAPITAL RESOURCES

Total assets were $950.5 million and $994.9 million at December 31, 1998 and March 31, 1999, respectively. In addition, stockholders' equity was a deficit of $142.6 million and $139.4 million at December 31, 1998 and March 31, 1999, respectively.

The following table sets forth WESCO's outstanding indebtedness.

In millions	DECEMBER 31 1998	MARCH 31 1999
Term loans	$169.5	$168.4
Revolving facility	42.4	44.6
Senior subordinated notes (1)	289.2	289.5
Senior discount notes (2)	52.1	53.6
Other	42.6	38.7
	595.8	594.8
Less current portion	(16.6)	(12.2)
Total	$579.2	$582.6

(1) Net of original issue discount and purchase discount of $0.9 and $9.9, respectively, at December 31, 1998 and $0.9 and $9.6, respectively, at March 31, 1999

(2) Net of original issue discount and purchase discount of $33.2 and $1.7, respectively, at December 31, 1998 and $31.8 and $1.6, respectively, at March 31, 1999

As previously discussed, on May 11, 1999, WESCO announced the pricing of its initial public offering of 11,183,750 shares of common stock. Net proceeds from the Offering will total approximately $187 million and will be used to retire all of the outstanding senior discount notes and to repay all or a portion of the revolving credit and term loan facilities. In addition, approximately $31 million of convertible notes will be converted into common stock. Pending application of the Offering net proceeds, WESCO may borrow under the delayed draw term loan facility to reduce further certain outstanding indebtedness.

Following the Offering, WESCO will have approximately $100 million available under the revolving credit facility, under its current provisions, for working capital and other corporate purposes and, under the delayed draw term loan facility component of its current credit agreement, up to approximately $36 million available to fund acquisitions. In addition, WESCO intends to seek modifications of its credit agreement to increase the amounts available and to borrow on more favorable terms and conditions. WESCO can give no assurance that it will be able to negotiate acceptable modifications to the credit agreement.

An analysis of cash flows for the first three months of 1999 and 1998:

Operating Activities. Cash provided by operating activities totaled $48.8 million in the first three months of 1999, compared to $13.2 million a year ago. In connection with WESCO's asset securitization program, cash provided by operations in the first quarter of 1999 included proceeds of $20.0 million from the sale of accounts receivable. Excluding this transaction, operating activities provided $28.8 million. On this basis, the quarter-to-quarter increase in operating cash flow was primarily due to a decrease in certain components of working capital offset by a decrease in net income.

Investing Activities. Net cash used in investing activities was $12.0 million in the first three months of 1999, compared to $47.6 million in the first quarter of 1998. Cash used for investing activities was higher in the first quarter of 1998 primarily due to $44.0 million in cash paid for acquisitions in this period compared with $3.9 million in the first quarter of 1999. WESCO's capital expenditures for the first quarter of 1999 were $6.2 million compared to $3.7 million for first quarter of 1998 and were for computer equipment and software, branch and distribution center facility improvements, forklifts and delivery vehicles. The increase from the prior year was primarily due to the replacement of computer hardware at the branch locations.

Financing Activities. Cash used by financing activities totaled $16.9 million for the first quarter of 1999 primarily reflecting debt repayments. In the first quarter of 1998, cash provided by financing activities totaled $45.2 million, and reflected additional borrowings for acquisitions and other general business purposes.

WESCO's liquidity needs arise from seasonal working capital requirements, capital expenditures, debt service obligations and acquisitions. In addition, with the acquisition of Bruckner, WESCO agreed to pay additional contingent consideration based on a multiple of annual increases in Bruckner's EBITDA through 2004, including $30 million which is payable in July 1999. After the completion of the Offering, at the election of Bruckner, up to 50% of any additional contingent payment is convertible into WESCO common stock at its then market value.

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 up, to $300 million. WESCO may, under certain circumstances, increase the size of the receivables facility when the amount of eligible trade accounts receivables exceeds $300 million.

Management believes that cash generated from operations, together with amounts available under the credit agreement after the offering 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.

YEAR 2000 READINESS DISCLOSURE

The Year 2000 issue concerns the ability of automated applications to process date-dependent processes, calculations and information by properly interpreting the year. The Year 2000 issue may potentially impact WESCO's business-critical computerized applications related to, among others, customer sales, service and invoicing, purchasing, inventory management, payroll, financing and financial accounting and reporting. In addition, other non business-critical systems and services may also be affected. WESCO has assembled an internal project team composed of information systems, operations, finance and executive personnel to:

- assess the readiness of our systems, vendors and suppliers, third-party service providers, customers and financial institutions;
- replace or correct through program changes all non-compliant applications;
- develop remediation action plans for systems that may not be Year 2000 compliant; and
- develop contingency plans in the event systems and services are not compliant.

The readiness assessment phase of the project is complete and consisted of a detailed assessment and testing of substantially all internal computer systems, surveys of significant vendors and suppliers, service providers and customers. WESCO has received, or is seeking, documentation from many external parties, including its major suppliers, customers and service providers, indicating their Year 2000 readiness. Over the past three years, WESCO has invested approximately $5.5 million in new information systems to support the growth and diversity of its business. In addition to meeting this objective, Year 2000 compliance was also achieved in many systems. Systems and processes critical to our business that remain non-compliant are either being replaced or corrected through program changes and application upgrades.

As of the date of this report, many of WESCO's information technology and non-information technology systems are Year 2000 compliant, and management expects to have substantially completed the required remediation efforts by July 1999. The project team is also developing or enhancing contingency plans to minimize the potential adverse effect the Year 2000 issue could have on WESCO in the event business-critical systems and processes of WESCO or its suppliers or customers fail to be compliant. Such contingent plans include identifying alternative suppliers or service providers. Costs specifically associated with modifying WESCO's systems for Year 2000 compliance are expensed as incurred. Through March 31, 1999, such costs totaled approximately $1.6 million. Costs to be incurred in the remainder of 1999 to address Year 2000 problems are estimated to be $1.8 million. Such costs do not include normal system upgrades and replacements.

Based on current information, WESCO believes that the most likely worst case scenario to result from a Year 2000 failure by WESCO, its suppliers or customers would be a temporary limitation in its ability to distribute electrical products from certain operating locations or provide integrated supply services to its customers. Based on its own efforts and information received from third parties, WESCO does not believe that Year 2000 issues are likely to result in significant operational problems or have a material adverse impact on its consolidated financial position, operations or cash flow. Nonetheless, failures of suppliers, third party vendors or customers resulting from Year 2000 issues could result in a short-term material adverse effect.

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 WESCO during the periods presented. However, inflation in the future could affect WESCO's operating costs. Price changes from suppliers have historically been consistent with inflation and have not had a material impact on WESCO'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 winter months. Sales increase during the warmer months beginning in March and continuing through November. 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 quarter that are generally lower than that of the remaining quarters.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

The information required relative to market risk has not been included, as it is not material to WESCO.

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.

10	1999 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.22 to WESCO International, Inc.'s Registration Statement on Form S-1 (No. 333-73299))
27	Financial Data Schedule

Copies of these exhibits 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 Steven A. Burleson, Vice President, Chief Financial Officer and Treasurer, 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 May 17, 1999 on its behalf by the undersigned thereunto duly authorized.

WESCO International, Inc. and Subsidiaries

By:/s/ Steven A. Burleson

Steven A. Burleson
Vice President, Chief Financial
Officer and Treasurer

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
10	1999 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.22 to WESCO International, Inc.'s Registration Statement on Form S-1 (No. 333-73299))
27	Financial Data Schedule, filed herewith

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.

1,000

3-MOS
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JAN-01-1999
MAR-31-1999
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