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 JUNE 30, 2001

Commission file number 001-14989

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

DELAWARE (State or other jurisdiction of incorporation or organization)	25-1723342 (IRS Employer Identification No.)
COMMERCE COURT FOUR STATION SQUARE, SUITE 700 PITTSBURGH, PENNSYLVANIA 15219 (Address of principal executive offices)	(412) 454-2200 (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 July 23, WESCO International, Inc. had 40,257,512 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	JUNE 30 2001	DECEMBER 31 2000
	(UNAUDITED)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 4,891	$ 21,079
Trade accounts receivable, net of allowance for doubtful accounts of $11,984 and $9,794 in 2001 and 2000, respectively	247,295	259,988
Other accounts receivable	18,912	31,365
Inventories	433,336	421,083
Income taxes receivable	7,984	10,951
Prepaid expenses and other current assets	6,583	5,602
Deferred income taxes	14,310	14,157
Total current assets	733,311	764,225
Property, buildings and equipment, net	124,278	123,477
Goodwill and other intangibles, net of accumulated amortization of $34,928 and $29,053 in 2001 and 2000, respectively	310,745	277,763
Other assets	5,252	4,568
Total assets	$1,173,586	$1,170,033
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 512,786	$ 460,535
Accrued payroll and benefit costs	14,966	27,027
Current portion of long-term debt	1,530	585
Other current liabilities	27,926	35,695
Total current liabilities	557,208	523,842
Long-term debt	438,200	482,740
Other noncurrent liabilities	8,143	6,823
Deferred income taxes	33,771	31,641
Total liabilities	1,037,322	1,045,046
Commitments and contingencies		
STOCKHOLDERS' EQUITY:		
Preferred stock, $.01 par value; 20,000,000 shares authorized, no shares issued or outstanding	--	--
Common stock, $.01 par value; 210,000,000 shares authorized, 44,224,409 and 44,093,664 shares issued in 2001 and 2000, respectively	443	441
Class B nonvoting convertible common stock, $.01 par value; 20,000,000 shares authorized, 4,653,131 issued in 2001 and 2000	46	46
Additional capital	569,770	569,288
Retained earnings (deficit)	(399,139)	(410,144)
Treasury stock, at cost; 3,976,897 shares in 2001 and 2000	(33,406)	(33,406)
Accumulated other comprehensive income (loss)	(1,450)	(1,238)
Total stockholders' equity	136,264	124,987
Total liabilities and stockholders' equity	$1,173,586	$1,170,033

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 JUNE 30 2001	2000	SIX MONTHS ENDED JUNE 30 2001	2000
Net sales	$944,136	$990,931	$1,872,193	$1,915,953
Cost of goods sold	779,305	817,059	1,540,243	1,577,063
Gross profit	164,831	173,872	331,950	338,890
Selling, general and administrative expenses	129,187	129,809	266,012	257,928
Depreciation and amortization	7,636	5,986	14,999	11,511
Income from operations	28,008	38,077	50,939	69,451
Interest expense, net	10,937	10,741	21,934	21,619
Other expense	4,599	5,986	10,664	11,249
Income before income taxes	12,472	21,350	18,341	36,583
Provision for income taxes	4,959	8,519	7,336	14,597
Net income	$ 7,513	$ 12,831	11,005	$ 21,986
Earnings per share:				
Basic	$0.17	$0.28	$0.25	$0.48
Diluted	$0.16	$0.27	$0.23	$0.45

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	SIX MONTHS ENDED JUNE 30 2001	2000
OPERATING ACTIVITIES:		
Net income	$ 11,005	$ 21,986
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	14,999	11,511
Accretion of original issue and amortization of purchase discounts	557	574
Amortization of debt issuance costs and interest rate caps	357	306
Loss (gain) on sale of property, buildings and equipment	(447)	15
Deferred income taxes	1,977	(56)
Changes in assets and liabilities, excluding the effects of acquisitions:		
Sale of trade accounts receivable	--	15,000
Trade and other receivables	39,473	(78,950)
Inventories	(4,348)	(33,953)
Other current and noncurrent assets	(1,680)	9,820
Accounts payable	44,149	73,892
Accrued payroll and benefit costs	(12,061)	3,207
Other current and noncurrent liabilities	(1,826)	3,319
Net cash provided by operating activities	92,155	26,671
INVESTING ACTIVITIES:		
Capital expenditures	(7,972)	(7,645)
Proceeds from the sale of property, buildings and equipment	534	17
Receipts from (advances to) affiliate	--	224
Acquisitions, net of cash acquired	(52,052)	(14,061)
Net cash used for investing activities	(59,490)	(21,465)
FINANCING ACTIVITIES:		
Proceeds from issuance of long-term debt	298,263	378,719
Repayments of long-term debt	(347,415)	(355,079)
Repurchase of common stock	--	(21,538)
Exercise of stock options	299	1,112
Net cash provided by/(used for) financing activities	(48,853)	3,214
Net change in cash and cash equivalents	(16,188)	8,420
Cash and cash equivalents at the beginning of period	21,079	8,819
Cash and cash equivalents at the end of period	$ 4,891	$ 17,239

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 approximately 360 branches and five distribution centers in the United States, Canada, Mexico, Puerto Rico, Guam, the United Kingdom 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 2000 Annual Report on Form 10-K filed with the Securities and Exchange Commission.

The unaudited condensed consolidated balance sheet as of June 30, 2001, the unaudited condensed consolidated statements of operations for the three months and six months ended June 30, 2001 and 2000, and the unaudited condensed consolidated statements of cash flows for the six months ended June 30, 2001 and 2000, 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 ("FASB") issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement, as amended by SFAS No. 138, was adopted by WESCO on January 1, 2001. 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. The adoption of this statement did not have a material impact on the results of operations or financial position of WESCO.

In September 2000, the FASB issued SFAS No. 140, a modification of SFAS No. 125. SFAS No. 140 is effective for transfers after March 31, 2001 and is effective for disclosures about securitizations and collateral and for recognition and reclassification of collateral for fiscal years ending after December 15, 2000. The disclosure provisions of this statement have been adopted. The adoption of this statement for future transfers is not expected to have a material impact on the results of operations or financial position of WESCO.

In July 2001, the FASB issued SFAS No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and other Intangible Assets." Under SFAS No. 141, all business combinations will be accounted for under the purchase method. Under SFAS No. 142, goodwill will no longer be amortized, but will be reduced only if it was found to be impaired. Goodwill would be tested for impairment annually or more frequently when events or circumstances occur indicating that goodwill might be impaired. A fair-value based impairment test would be used to measure goodwill for impairment. As goodwill is measured as a residual amount in an acquisition, it is not possible to directly measure the fair value of goodwill. Under this statement, the net assets of a reporting unit are subtracted from the fair value of that reporting unit to determine the implied fair value of goodwill. An impairment loss would be recognized to the extent the carrying amount of goodwill exceeds the implied fair value. The provisions of this statement are effective for all business combinations completed after July 1, 2001 and fiscal years beginning after December 15, 2001 for existing goodwill. Management believes the adoption of this standard, will have a material non-cash impact on the financial statements. For the six months ended June 30, 2001, goodwill amortization was $5.8 million.

3. ACQUISITIONS

In March 2001, WESCO completed its acquisition of all of the outstanding common stock of Herning Underground Supply, Inc. and Alliance Utility Products, Inc. (collectively "Herning") headquartered in Hayward, California. Herning, a distributor of gas, lighting and communication utility products, reported net sales of approximately $112 million in 2000. This acquisition was accounted for under the purchase method of accounting (See Note 7).

4. EARNINGS PER SHARE

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

Dollars in thousands, except per share amounts	THREE MONTHS ENDED JUNE 30 2001	2000
Net income	$ 7,513	$ 12,831
Weighted average common shares outstanding used in computing basic earnings per share	44,872,816	45,451,376
Common shares issuable upon exercise of dilutive stock options	2,153,061	2,537,751
Weighted average common shares outstanding and common share equivalents used in computing diluted earnings per share	47,025,877	47,989,127
Earnings per share		
Basic	$0.17	$0.28
Diluted	$0.16	$0.27

Dollars in thousands, except per share amounts	SIX MONTHS ENDED JUNE 30 2001	2000
Net income	$ 11,005	$ 21,986
Weighted average common shares outstanding used in computing basic earnings per share	44,839,917	45,848,936
Common shares issuable upon exercise of dilutive stock options	2,201,155	2,518,123
Weighted average common shares outstanding and common share equivalents used in computing diluted earnings per share	47,041,072	48,367,059
Earnings per share:		
Basic	$0.25	$0.48
Diluted	$0.23	$0.45

5. ACCOUNTS RECEIVABLE SECURITIZATION

In June 1999, WESCO and certain of its subsidiaries terminated its previous accounts receivable securitization program and entered into a new $350 million accounts receivable securitization program ("Receivables Facility"), which was subsequently increased to $375 million. Under the Receivables Facility, WESCO sells, on a continuous basis, to WESCO Receivables Corporation, a wholly-owned, special purpose company ("SPC"), an undivided interest in all eligible accounts receivable. The SPC sells without recourse to a third-party conduit all the receivables while maintaining a subordinated interest, in the form of overcollateralization, in a portion of the receivables. WESCO has agreed to continue servicing the sold receivables for the financial institution at market rates; accordingly, no servicing asset or liability has been recorded.

As of June 30, 2001 and December 31, 2000, securitized accounts receivable totaled approximately $452 million and $479 million, respectively, of which the subordinated retained interest was approximately $75 million and $101 million, respectively. Accordingly, approximately $377 million and $378 million of accounts receivable balances were removed from the consolidated balance sheets at June 30, 2001 and December 31, 2000, respectively. Net proceeds from the transactions totaled $40.0 million in 2000. Costs associated with the Receivables Facility totaled $10.7 million and $11.2 million for the six months ended June 30, 2001 and 2000, respectively. These amounts are recorded as other expenses in the consolidated statements of operations and are primarily related to the discount and loss on the sale of accounts receivable, partially offset by related servicing revenue.

The key economic assumptions used to measure the retained interest at the date of the securitization or securitizations completed in 2001 were a discount rate of 5% and an estimated life of 1.5 months. At June 30, 2001, an immediate adverse change in the discount rate or estimated life of 10% and 20% would result in a reduction in the fair value of the retained interest of $0.3 million and $0.5 million, respectively. These sensitivities are hypothetical and should be used with caution. As the figures indicate, changes in fair value based on a 10% variation in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, in this example, the effect of a variation in a particular assumption on the fair value of the retained interest is calculated without changing any other assumption. In reality, changes in one factor may result in changes in another.

6. COMPREHENSIVE INCOME

The following tables set forth comprehensive income and its components:

	THREE MONTHS ENDED JUNE 30	
In thousands	2001	2000
Net income	$ 7,513	$12,831
Foreign currency translation adjustment	360	(364)
Comprehensive income	$ 7,873	$12,467

	SIX MONTHS ENDED JUNE 30	
In thousands	2001	2000
Net income	$11,005	$21,986
Foreign currency translation adjustment	(212)	(384)
Comprehensive income	$10,793	$21,602

7. CASH FLOW STATEMENT

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

	SIX MONTHS ENDED JUNE 30	
In thousands	2001	2000
Details of acquisitions:		
Fair value of assets acquired	$ 61,678	$28,787
Deferred acquisition payment	10,639	--
Liabilities assumed	(15,265)	(7,726)
Deferred acquisition payable	(5,000)	(7,000)
Cash paid for acquisitions	$ 52,052	$14,061

8. OTHER FINANCIAL INFORMATION (UNAUDITED)

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

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEETS

	JUNE 30, 2001 (IN THOUSANDS)				
	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
Cash and cash equivalents	$ 6	$ --	$ --	$ 4,885	$ 4,891
Trade accounts receivable	--	43,386	203,909	--	247,295
Inventories	--	390,403	42,933	--	433,336
Other current assets	--	49,246	19,562	(21,019)	47,789
Total current assets	6	483,035	266,404	(16,134)	733,311
Intercompany receivables, net	--	345,017	60,158	(405,175)	--
Property, buildings and equipment, net	--	52,241	72,037	--	124,278
Goodwill and other intangibles, net	--	268,342	42,403	--	310,745
Investments in affiliates and other noncurrent assets	490,399	321,432	90	(806,669)	5,252
Total assets	$490,405	$1,470,067	$441,092	$(1,227,978)	$1,173,586
Accounts payable	$ --	$490,824	$17,077	$4,885	$512,786
Other current liabilities	9,662	37,284	18,495	(21,019)	44,422
Total current liabilities	9,662	528,108	35,572	(16,134)	557,208
Intercompany payables, net	343,029	810	61,336	(405,175)	--
Long-term debt	--	412,173	26,027	--	438,200
Other noncurrent liabilities	--	38,577	3,337	--	41,914
Stockholders' equity	137,714	490,399	314,820	(806,669)	136,264
Total liabilities and stockholders' equity	$490,405	$1,470,067	$441,092	$(1,227,978)	$1,173,586

(In thousands)	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
	DECEMBER 31, 2000 (IN THOUSANDS)				
Cash and cash equivalents	$ 10	$ 14,911	$ --	$ 6,158	$ 21,079
Trade accounts receivable	--	43,790	216,198	--	259,988
Inventories	--	383,025	38,058	--	421,083
Other current assets	--	63,212	18,768	(19,905)	62,075
Total current assets	10	504,938	273,024	(13,747)	764,225
Intercompany receivables, net	--	317,818	32,364	(350,182)	--
Property, buildings and equipment, net	--	53,280	70,197	--	123,477
Goodwill and other intangibles, net	--	271,690	6,073	--	277,763
Investments in affiliates and other noncurrent assets	482,026	295,094	117	(772,669)	4,568
Total assets	$482,036	$1,442,820	$381,775	$(1,136,598)	$1,170,033
Accounts payable	$ --	$ 410,171	$ 44,206	$ 6,158	$ 460,535
Other current liabilities	5,629	54,828	22,755	(19,905)	63,307
Total current liabilities	5,629	464,999	66,961	(13,747)	523,842
Intercompany payables, net	350,182	--	--	(350,182)	--
Long-term debt	--	460,416	22,324	--	482,740
Other noncurrent liabilities	--	35,379	3,085	--	38,464
Stockholders' equity	126,225	482,026	289,405	(772,669)	124,987
Total liabilities and stockholders' equity	$482,036	$1,442,820	$381,775	$(1,136,598)	$1,170,033

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

THREE MONTHS ENDED JUNE 30, 2001

(IN THOUSANDS)

	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
Net sales	$ --	$829,454	$114,682	$ --	$944,136
Cost of goods sold	--	686,148	93,157	--	779,305
Selling, general and administrative expenses	11	109,801	19,375	--	129,187
Depreciation and amortization	--	6,484	1,152	--	7,636
Results of affiliates' operations	6,299	10,197	--	(16,496)	--
Interest expense (income), net	(1,879)	15,899	(3,083)	--	10,937
Other (income) expense	--	22,205	(17,606)	--	4,599
Provision for income taxes	654	(7,185)	11,490	--	4,959
Net income (loss)	$ 7,513	$ 6,299	$ 10,197	$(16,494)	$ 7,513

THREE MONTHS ENDED JUNE 30, 2000

(IN THOUSANDS)

	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
Net sales	$ --	$897,980	$ 92,951	$ --	$990,931
Cost of goods sold	--	740,400	76,659	--	817,059
Selling, general and administrative expenses	--	127,146	2,663	--	129,809
Depreciation and amortization	--	5,224	762	--	5,986
Results of affiliates' operations	10,208	21,815	--	(32,023)	--
Interest expense (income), net	(4,036)	17,591	(2,814)	--	10,741
Other (income) expense	--	23,966	(17,980)	--	5,986
Provision for income taxes	1,413	(4,740)	11,846	--	8,519
Net income (loss)	$12,831	$ 10,208	$ 21,815	$(32,023)	$ 12,831

SIX MONTHS ENDED JUNE 30, 2001

(IN THOUSANDS)

	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
Net sales	$ --	$1,655,384	$216,809	$ --	$1,872,193
Cost of goods sold	--	1,364,146	176,097	--	1,540,243
Selling, general and administrative expenses	11	229,828	36,173	--	266,012
Depreciation and amortization	--	12,917	2,082	--	14,999
Results of affiliates' operations	8,373	25,627	--	(34,000)	--
Interest expense (income), net	(4,061)	32,025	(6,030)	--	21,934
Other (income) expense	--	48,288	(37,624)	--	10,664
Provision for income taxes	1,418	(14,566)	20,484	--	7,336
Net income (loss)	$11,005	$ 8,373	$ 25,627	$(34,000)	$ 11,005

SIX MONTHS ENDED JUNE 30, 2000

(IN THOUSANDS)

	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
Net sales	$ --	$1,729,206	$186,747	$ --	$1,915,953
Cost of goods sold	--	1,424,168	152,895	--	1,577,063
Selling, general and administrative expenses	--	241,666	16,262	--	257,928
Depreciation and amortization	--	9,996	1,515	--	11,511
Results of affiliates' operations	16,759	37,483	--	(54,242)	--
Interest expense (income), net	(8,042)	34,335	(4,674)	--	21,619
Other (income) expense	--	48,577	(37,328)	--	11,249
Provision for income taxes	2,815	(8,812)	20,594	--	14,597
Net income (loss)	$21,986	$ 16,759	$ 37,483	$(54,242)	$ 21,986

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

SIX MONTHS ENDED JUNE 30, 2001

(IN THOUSANDS)

	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
Net cash provided (used) by operating activities..............	$ 6,848	$ 34,248	$ 52,332	$(1,273)	$ 92,155
Investing activities:					
Capital expenditures..............	--	(4,773)	(3,199)	--	(7,972)
Acquisitions and other............	--	534	(52,052)	--	(51,518)
Net cash used in investing activities........................	--	(4,239)	(55,251)	--	(59,490)
Financing activities:					
Net borrowings (repayments)	(7,151)	(44,920)	2,919	--	(49,152)
Equity transactions..............	299	--	--	--	299
Net cash (used in) provided by financing activities..............	(6,852)	(44,920)	2,919	--	(48,853)
Net change in cash and cash equivalents.......................	(4)	(14,911)	--	(1,273)	(16,188)
Cash and cash equivalents at beginning of year.................	10	14,911	--	6,158	21,079
Cash and cash equivalents at end of period............................	$ 6	$ --	$ --	$ 4,885	$ 4,891

SIX MONTHS ENDED JUNE 30, 2000

(IN THOUSANDS)

	WESCO International, Inc.	WESCO Distribution, Inc.	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Consolidated
Net cash provided (used) by operating activities..............	$ 3,804	$ 33,928	$(29,064)	$ 18,003	$ 26,671
Investing activities:					
Capital expenditures..............	--	(6,178)	(1,467)	--	(7,645)
Acquisitions and other............	--	(13,820)	--	--	(13,820)
Net cash used in investing activities........................	--	(19,998)	(1,467)	--	(21,465)
Financing activities:					
Net borrowings (repayments)	17,658	853	6,165	(1,036)	23,640
Equity transactions..............	(21,462)	--	--	1,036	(20,426)
Net cash (used in) provided by financing activities..............	(3,804)	853	6,165	--	3,214
Net change in cash and cash equivalents.......................	--	14,783	(24,366)	18,003	8,420
Cash and cash equivalents at beginning of year.................	10	--	26,812	(18,003)	8,819
Cash and cash equivalents at end of period............................	$ 10	$ 14,783	$ 2,446	$ --	$ 17,239

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 2000 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 approximately 360 branch locations and five distribution centers in the United States, Canada, Mexico, Puerto Rico, Guam, 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., 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 March 2001, WESCO completed its acquisition of all of the outstanding common stock of Herning Underground Supply, Inc. and Alliance Utility Products, Inc. (collectively "Herning") headquartered in Hayward, California. Herning, a distributor of gas, lighting and communication utility products, reported net sales of approximately $112 million in 2000. This acquisition was accounted for under the purchase method of accounting.

RESULTS OF OPERATIONS

Second Quarter of 2001 versus Second Quarter of 2000

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 JUNE 30	
	2001	2000
Net sales	100.0%	100.0%
Gross profit	17.5	17.5
Selling, general and administrative expenses	13.7	13.1
Depreciation and amortization	0.8	0.6
Income from operations	3.0	3.8
Interest expense	1.2	1.0
Other expense	0.5	0.6
Income before income taxes	1.3	2.2
Provision for income taxes	0.5	0.9
Net income	0.8%	1.3%

Net Sales. Net sales in the second quarter of 2001 decreased $46.8 million, or 4.7%, to $944.1 million compared with $990.9 million in the prior-year quarter, primarily due to sales decline in the Company's core business partially offset by an increase in sales of acquired companies. Core business sales decreased 8% from the prior year quarter. The mix of direct shipment sales for the quarter ended June 30, 2001 and June 30, 2000 were 43.7% and 45.5%, respectively.

Gross Profit. Gross profit for the second quarter of 2001 decreased $9.1 million to $164.8 million from $173.9 million in the second quarter of 2000. The decrease in gross profit compared to prior year is primarily attributable to the decrease in sales versus prior year. Gross profit margin as a percentage of sales was 17.5% for the quarter ended June 30, 2001 and the quarter ended June 30, 2000.

Selling, General and Administrative Expenses. Selling, general and administrative ("SG&A") expenses decreased $0.6 million, or 0.5%, to $129.2 million. Excluding SG&A expenses associated with companies acquired during the last three quarters of 2000 and all of 2001, SG&A expenses decreased 4.0%. The decrease was principally due to a $4.0 million reduction in certain discretionary benefits, partially offset by increased bad debt expense in the current period. As a percent of sales, SG&A expenses increased to 13.7% compared with 13.1% in the prior year quarter reflecting lower sales volume in the current period.

Depreciation and Amortization. Depreciation and amortization increased $1.6 million to $7.6 million reflecting higher amortization of goodwill from acquisitions and increases in property, buildings and equipment over the prior year.

Income From Operations. Income from operations decreased $10.1 million or 26.4% from the prior year quarter due to the previously mentioned lower sales volume.

Interest and Other Expense. Interest expense totaled $10.9 million for the second quarter of 2001, an increase of $0.2 million over the same period in 2000. Other expense totaled $4.6 million and $6.0 million in the second quarter of 2001 and 2000, respectively, reflecting costs associated with the accounts receivable securitization. The decrease was due to decreased fees associated with the securitized accounts receivable.

Income Taxes. Income tax expense totaled $5.0 million in the second quarter of 2001 and the effective tax rate was 39.8%. In the second quarter of 2000, income tax expense totaled $8.5 million and the effective tax rate was 39.9%. 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 $7.5 million and $0.16, respectively, for the second quarter of 2001, compared with net income of $12.8 million, or $0.27 per diluted share, for the second quarter of 2000.

Six Months Ended June 30, 2001 versus Six Months Ended June 30, 2000

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:

	SIX MONTHS ENDED JUNE 30 2001	2000
Net sales	100.0%	100.0%
Gross profit	17.7	17.7
Selling, general and administrative expenses	14.2	13.5
Depreciation and amortization	0.8	0.6
Income from operations	2.7	3.6
Interest expense	1.2	1.1
Other expense	0.5	0.6
Income before income taxes	1.0	1.9
Provision for income taxes	0.4	0.8
Net income	0.6%	1.1%

Net Sales. Net sales for the first six months of 2001 decreased $43.8 million, or 2.3%, to $1,872.2 million compared with $1,916.0 million in the prior year period, primarily due to a sales decline in the Company's core business of 5.3% that was offset somewhat by increased sales of acquired companies as compared to prior year period. The mix of direct shipment sales for the six months ended June 30, 2001 and June 30, 2000 were 43.9% and 44.9%, respectively.

Gross Profit. Gross profit for the first six months of 2001 decreased $6.9 million or 2.0% to $332.0 million from $338.9 million in 2000. Gross profit margin percentage was 17.7% for both the current and prior year period. The decrease was primarily due to the aforementioned sales deterioration in the Company's core business.

Selling, General and Administrative Expenses. SG&A expenses increased $8.1 million, or 3.1%, to $266.0 million. Excluding SG&A expenses associated with companies acquired during 2000 and 2001, SG&A expenses were essentially unchanged. Core business SG&A expenses decreased slightly due to reduction in certain discretionary benefits partially offset by increased bad debt expense. As a percentage of net sales, SG&A expenses increased to 14.2% compared with 13.5% in the prior year period reflecting a lower relative sales level.

Depreciation and Amortization. Depreciation and amortization increased $3.5 million to $15.0 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 $21.9 million for the first six months of 2001, an increase of $0.3 million from the same period in 2000. Other expense totaled $10.7 million and $11.2 million for the first six months of 2001 and 2000, respectively, reflecting costs associated with the accounts receivable securitization. The $0.5 million decrease was principally due to the decreased fees associated with the securitized accounts receivable.

Income Taxes. Income tax expense totaled $7.3 million and $14.6 million in the first six months of 2001 and 2000, respectively. The effective tax rates for 2001 and 2000 were 40.0% and 39.9%, 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 $11.0 million and $0.23, respectively, for the first six months of 2001, compared with $22.0 million, or $0.45 per diluted share, for the first six months of 2000.

LIQUIDITY AND CAPITAL RESOURCES

Total assets were $1,173.6 million and $1,170.0 million at June 30, 2001 and December 31, 2000, respectively. In addition, stockholders' equity was $136.3 million at June 30, 2001 compared to $125.0 million at December 31, 2000. Debt was $439.7 million at June 30, 2001 as compared to $483.3 million at December 31, 2000, a decrease of $43.6 million.

An analysis of cash flows for the first six months of 2001 and 2000 follows:

Operating Activities. Cash provided by operating activities totaled $92.2 million in the first six months of 2001, compared to $26.7 million in the prior year. In connection with WESCO's asset securitization program, cash provided by operations in 2000 included proceeds of $15.0 million from the sale of accounts receivable. Excluding this transaction, cash provided by operating activities was $92.2 million in 2001 compared to cash provided of $11.7 million in 2000. On this basis, the $80.5 million increase in operating cash flow, compared to 2000, was primarily generated by changes in components of working capital, offset by decreased income adjusted for non-cash charges.

Investing Activities. Net cash used for investing activities was $59.5 million in the first six months of 2001, compared to $21.5 million in 2000. Cash used for investing activities was higher in 2001 primarily due to a $38.0 million increase in cash paid for acquisitions. WESCO's capital expenditures for the six months of 2001 were for computer equipment and software and branch and distribution center facility improvements.

Financing Activities. Cash used for financing activities totaled $48.9 million for the first six months of 2001 primarily reflecting increased repayments of debt. In the first six months of 2000, cash provided by financing activities totaled $3.2 million, principally related to increased borrowings offset by stock repurchases under the Company's common stock purchase program.

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 typically based on future earnings targets. The most significant of these agreements relates to the Bruckner acquisition which provides for an earn-out potential of $100 million during the next four years if certain earnings targets are achieved. Certain other acquisitions also contain contingent consideration provisions, one of which could be significant, as it is based on, among other things, a multiple of increases in operating income.

Amounts available under the company's revolving credit agreement as of June 30, 2001 were approximately $237 million. In mid-August 2001, we expect to enter into another amendment to our revolving credit facility. We anticipate that the borrowing margins applicable to advances under the facility, which currently range from 100 to 200 basis points, will be amended to range from 150 to 250 basis points, depending upon our leverage ratio. The amendment will provide for an initial reduction in the maximum amount available from $379 million to $285 million and also for subsequent decreases to $185 million at maturity in 2004.

The amendment is also expected to modify certain financial and other covenants, which will ease restrictions on the amounts that may be borrowed. These covenants include applicable leverage ratios, interest coverage ratios, and working capital ratios. The amendment will restrict our ability to make acquisitions and prohibit WESCO from repurchasing shares of its common stock under the share repurchase program.

In addition to cash generated from operations and amounts available under the credit facilities, WESCO utilizes a receivables facility to provide liquidity. At June 30, 2001 WESCO's securitized accounts receivable balance totaled $375 million, unchanged from December 31, 2000.

WESCO's board of directors authorized a $50 million share repurchase program. As of July 15, 2001, WESCO has purchased $32.8 million of common stock pursuant to this program, since its inception. WESCO did not repurchase any shares under this program during the six months ended June 30, 2001, and will discontinue its share repurchase program.

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.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board ("FASB") issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement, as amended by SFAS No. 138, was adopted by WESCO on January 1, 2001. 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. The adoption of this statement did not have a material impact on the results of operations or financial position of WESCO.

In September 2000, the FASB issued SFAS No. 140, a modification of SFAS No. 125. SFAS No. 140 is effective for transfers after March 31, 2001 and is effective for disclosures about securitizations and collateral and for recognition and reclassification of collateral for fiscal years ending after December 15, 2000. The disclosure provisions of this statement have been adopted. The adoption of this statement for future transfers is not expected to have a material impact on the results of operations or financial position of WESCO.

In July 2001, the FASB issued SFAS No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and other Intangible Assets." Under SFAS No. 141, all business combinations will be accounted for under the purchase method. Under SFAS No. 142, goodwill will no longer be amortized, but will be reduced only if it was found to be impaired. Goodwill would be tested for impairment annually or more frequently when events or circumstances occur indicating that goodwill might be impaired. A fair-value based impairment test would be used to measure goodwill for impairment. As goodwill is measured as a residual amount in an acquisition, it is not possible to directly measure the fair value of goodwill. Under this statement, the net assets of a reporting unit are subtracted from the fair value of that reporting unit to determine the implied fair value of goodwill. An impairment loss would be recognized to the extent the carrying amount of goodwill exceeds the implied fair value. The provisions of this statement are effective for all business combinations completed after July 1, 2001 and fiscal years beginning after December 15, 2001 for existing goodwill. Management believes the adoption of this standard, will have a material non-cash impact on the financial statements. For the six months ended June 30, 2001, goodwill amortization was $5.8 million.

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, international operating environments and other risks that are described in WESCO's Annual Report on Form 10-K for the year ended December 31, 2000 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

There have not been any material changes to WESCO's exposures to market risk during the six months ended June 30, 2001 that would require an update to the disclosures provided in WESCO's Form 10-K for the year-ended December 31, 2000.

PART II - OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At the annual meeting of WESCO shareholders held on May 23, 2001, Mr. Robert J. Tarr, Jr., Mr. Anthony D. Tutrone and Mr. Kenneth L. Way were reelected as directors of WESCO to serve for three-year terms. Votes cast for Mr. Tarr were 38,432,957 and votes withheld were 221,318; votes cast for Mr. Tutrone were 38,424,051 and votes withheld were 230,224; votes cast for Mr. Way were 38,432,957 and votes withheld were 221,318.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) EXHIBITS

None.

(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 August 6, 2001 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