



# ANIXTER

INTERNATIONAL

Investor Presentation

Third Quarter 2009





## Safe Harbor Statement

*The statements in this news release that use such words as “believe,” “expect,” “intend,” “anticipate,” “contemplate,” “estimate,” “plan,” “project,” “should,” “may,” “will,” or similar expressions are forward-looking statements. They are subject to a number of factors that could cause the company’s actual results to differ materially from what is indicated here. These factors include general economic conditions, including the severity of current economic and financial market conditions, the level of customer demand particularly for capital projects in the markets we serve, changes in supplier sales strategies or financial viability, political, economic or currency risks related to foreign operations, inventory obsolescence, copper price fluctuations, customer viability, risks associated with accounts receivable, the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks, potential impairment of goodwill and risks associated with integration of acquired companies. These uncertainties may cause our actual results to be materially different than those expressed in any forward looking statements. We do not undertake to update any forward looking statements. Please see the company’s Securities and Exchange Commission filings for more information.*



# Key Investment Themes

## Capture Economic Recovery Opportunities and Long Term Growth

- **Resized Operations for Earnings Improvement**
  - Short term reduced expenses improves profitability
  - Capacity to handle more volume with limited near term expense additions creates potential for significant operating earnings leverage in economic recovery
  
- **Global Operations and Management Infrastructure**
  - Established cost base leverageable through product line expansion, end market expansion, intracountry market penetration
  
- **Strong Financial Position**
  - Liquidity and Strong Cash Flow
  - Long Term Trend of Strong Earnings Growth and Shareholder Focused Capital Allocation



# Industrial Distribution Leadership

## One Global Source

- **Global Industrial Distributor Whose Success is Built on Specialization**
  - Products, Systems, Process and Solutions Expertise
  - Customized Supply Chain Services
  - Global Implementation with Local Service
  
- **Anixter pulls together these capabilities in a coordinated manner that allows for specialization and scalability**



# Customer Value Proposition

**Lower Total Cost of Procurement and Deployment Creates Value in all Economic Climates**

- **Global Operational Consistency**
  - Same Systems, Process and Services Provided Globally but with Local Personnel, Language and Currency
- **Supply Chain Optimization to Reduce Customers Overall Cost**
  - Pre-Installation / Production Product Preparation
  - Feed the Job / Factory Just-in-time
  - Industry Leading Customized Electronic Tool Sets
- **Technical Expertise**
  - Infrastructure / Product Design Support
  - Product Recommendation for Applications
  - Quality Testing and Inspection in Anixter Lab and Quality Centers





# Global Infrastructure

## Concentrated Management and Operations Control

- Anixter can ship orders from inventory stock for delivery within 24 to 48 hours to all major global markets
  - 229 strategically located distribution facilities worldwide
  - More than 6.5 million square feet of warehouse space
  - Over \$930 million in inventory
- Common systems and processes in 52 countries around the world that provide global consistency
  - Over 35 different currencies
  - Over 30 different languages

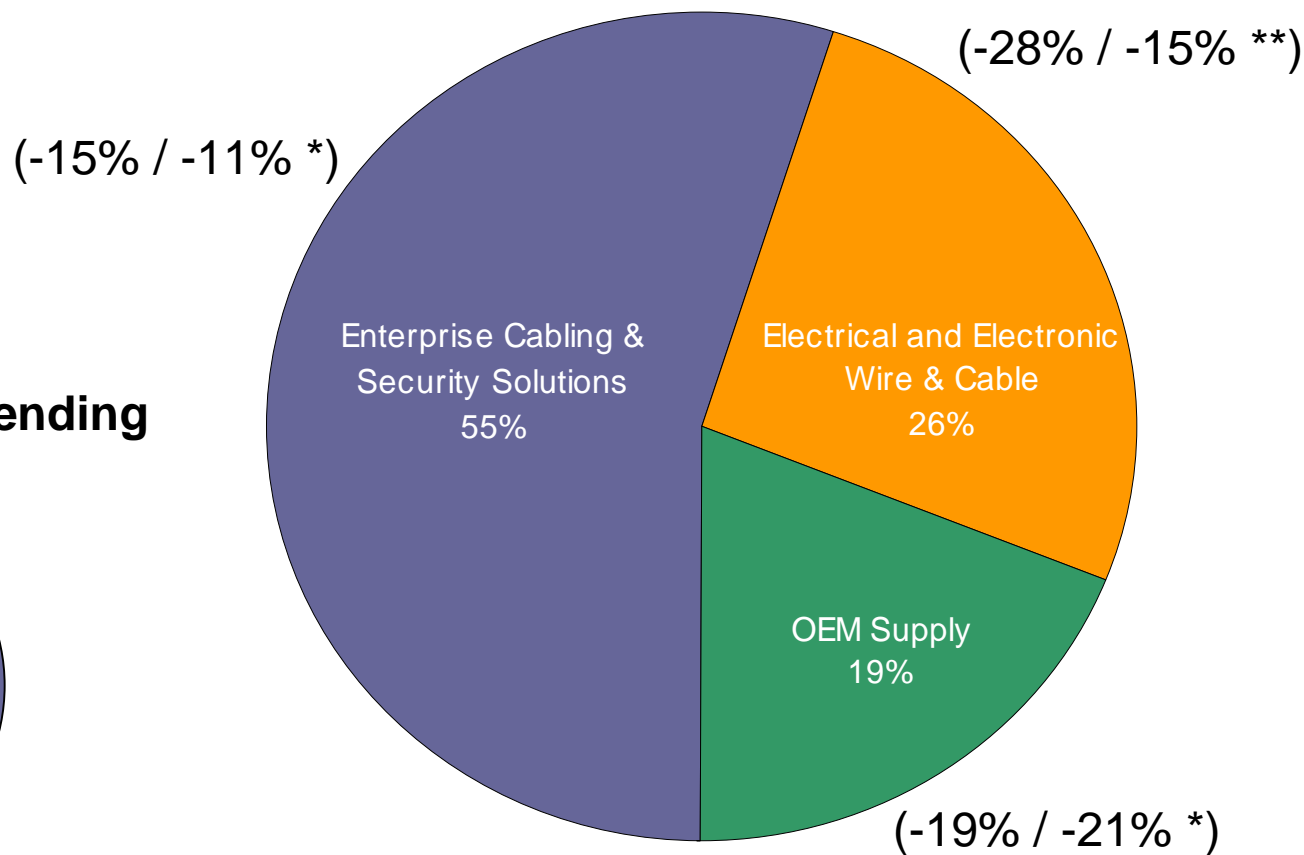
No Other Company is as Well Positioned to Meet These Supplier & Customer Requirements



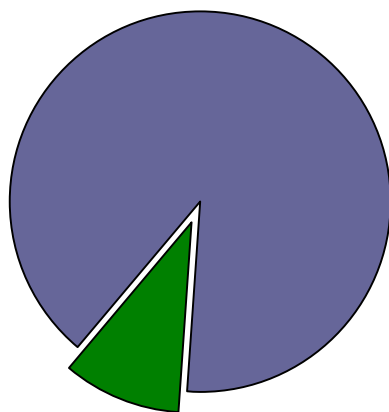
# End-Market Focus

## Focused Leadership in Diverse Markets

### 2009 Sales Mix / Growth



### Total Customer Spending



Large Number of Application

Critical SKUs, but Only 5-10% of Customer Spending.

\* 2009 Sales growth excluding acquisitions and foreign exchange impact.  
 \*\* 2009 Sales growth excluding acquisitions, foreign exchange and copper.



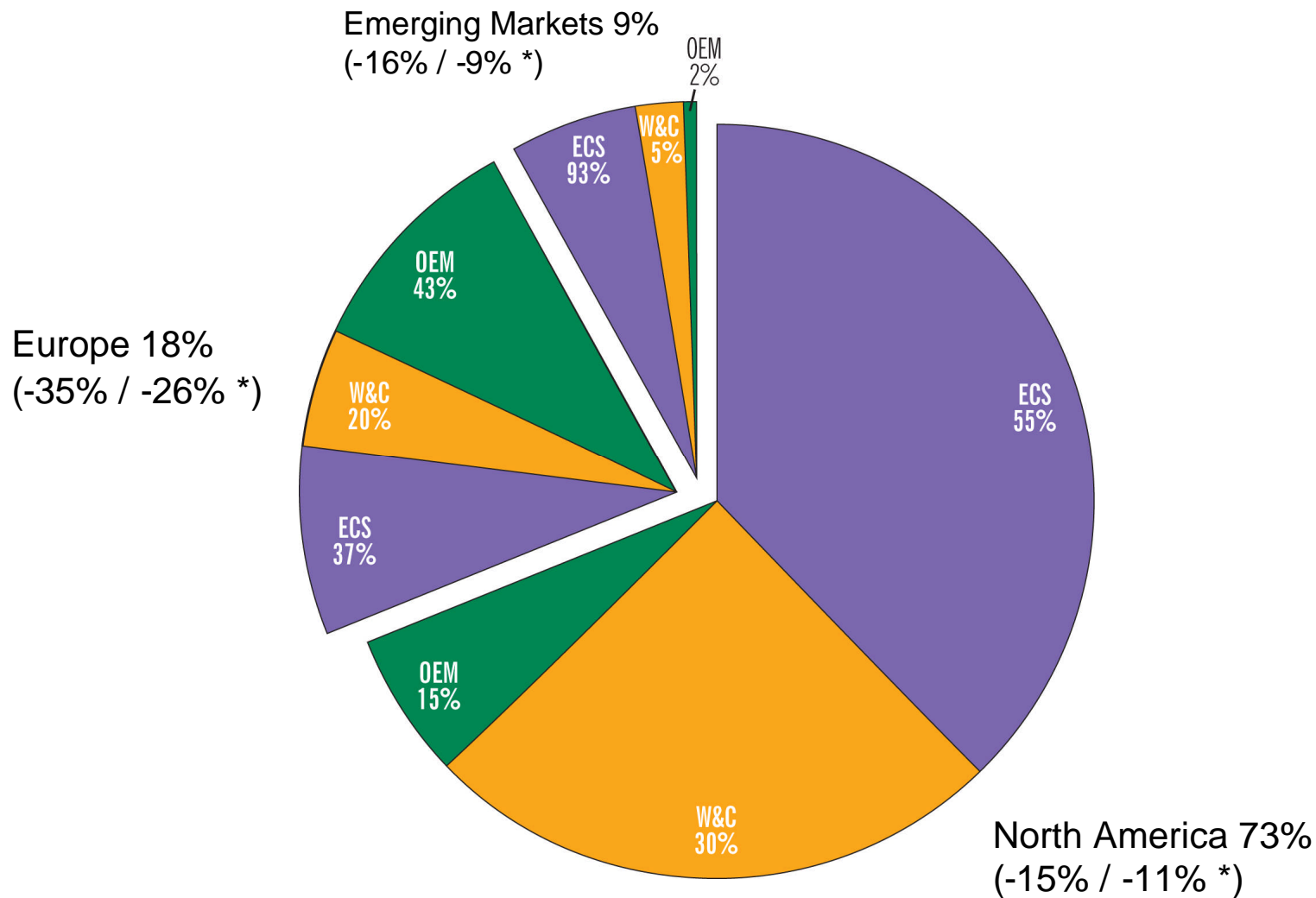
# End Market Growth Opportunities

## Growth in a Challenging Economic Environment

- **Enterprise Cabling & Security**
  - 20% of mix is Video Surveillance and Access Control Security related where underlying dynamics of evolving technology and societal concerns about safety can continue to drive growth
- **Electrical and Electronic Wire & Cable**
  - Very low market penetration outside of U.S., Canada and U.K. provides opportunities for growth on a geographic basis
  - Continued investment in energy infrastructure for traditional power generation, alternative energy production and related natural resource development provide global growth opportunities
- **OEM Supply**
  - Capitalize on customer concerns about viability of smaller regional competitors and service issues at competitors driven by short term operational deleveraging



# End Market Sales / Growth by Geographic Region



\* 2009 Sales growth excluding acquisitions and foreign exchange impact.  
 North America and Europe also excludes copper impact for W&C.



# Long Term Growth Strategy

## Organic Growth Strategy

- Continue to develop supply chain service offerings responsive to trends in outsourcing and globalization
- Expand product offering in all markets
- Geographically grow our presence in the Electrical Wire & Cable and OEM Supply markets within the global footprint of our Enterprise Cabling and Security business
- Drive geographic penetration in countries we already operate in by opening locations in other cities

Goal: Improved operating leverage from our global platform.



# Solid Financial Position in a Difficult Environment

## 2009 Results – Nine Months\*

(in millions, except per share amounts)

	9 months		
	Oct. 2 2009	Sept. 26, 2008	% Chg
<b>Sales</b>	<b>\$3,764.8</b>	<b>\$4,678.0</b>	<b>-20%</b>
<b>Operating Income</b>	<b>\$162.3</b>	<b>\$345.4</b>	<b>-53%</b>
<b>Net Income</b>	<b>\$61.9</b>	<b>\$181.5</b>	<b>-66%</b>
<b>Diluted Earnings Per Share</b>	<b>\$1.70</b>	<b>\$4.61</b>	<b>-63%</b>
<b>Cash Flow From Operations</b>	<b>\$393.6</b>	<b>\$90.6</b>	<b>334%</b>

\* The results for the first nine months of 2009 exclude an impairment charge of \$100.0 million (\$2.84 per diluted share) and severances costs of \$5.7 million (\$0.11 per diluted share). The results for the first nine months of 2008 exclude a gain of \$1.6 million (\$0.04 per diluted share) related to foreign tax benefits associated with the recognition of net operating loss carryforwards and a pre-tax charge of \$4.2 million (\$0.07 per diluted share) related to the retirement of the Company's former CEO.



# Solid Financial Position in a Difficult Environment

## 2009 Results – Third Quarter

(in millions, except per share amounts)

	3 months		
	Oct. 2 2009	Sept. 26, 2008	% Chg
<b>Sales</b>	<b>\$1,273.0</b>	<b>\$1,589.6</b>	<b>-20%</b>
<b>Operating Income</b>	<b>\$58.4</b>	<b>\$117.9</b>	<b>-51%</b>
<b>Net Income</b>	<b>\$22.1</b>	<b>\$59.7</b>	<b>-63%</b>
<b>Diluted Earnings Per Share</b>	<b>\$0.61</b>	<b>\$1.53</b>	<b>-60%</b>
<b>Cash Flow From Operations</b>	<b>\$134.0</b>	<b>\$(8.3)</b>	<b>n.m.</b>

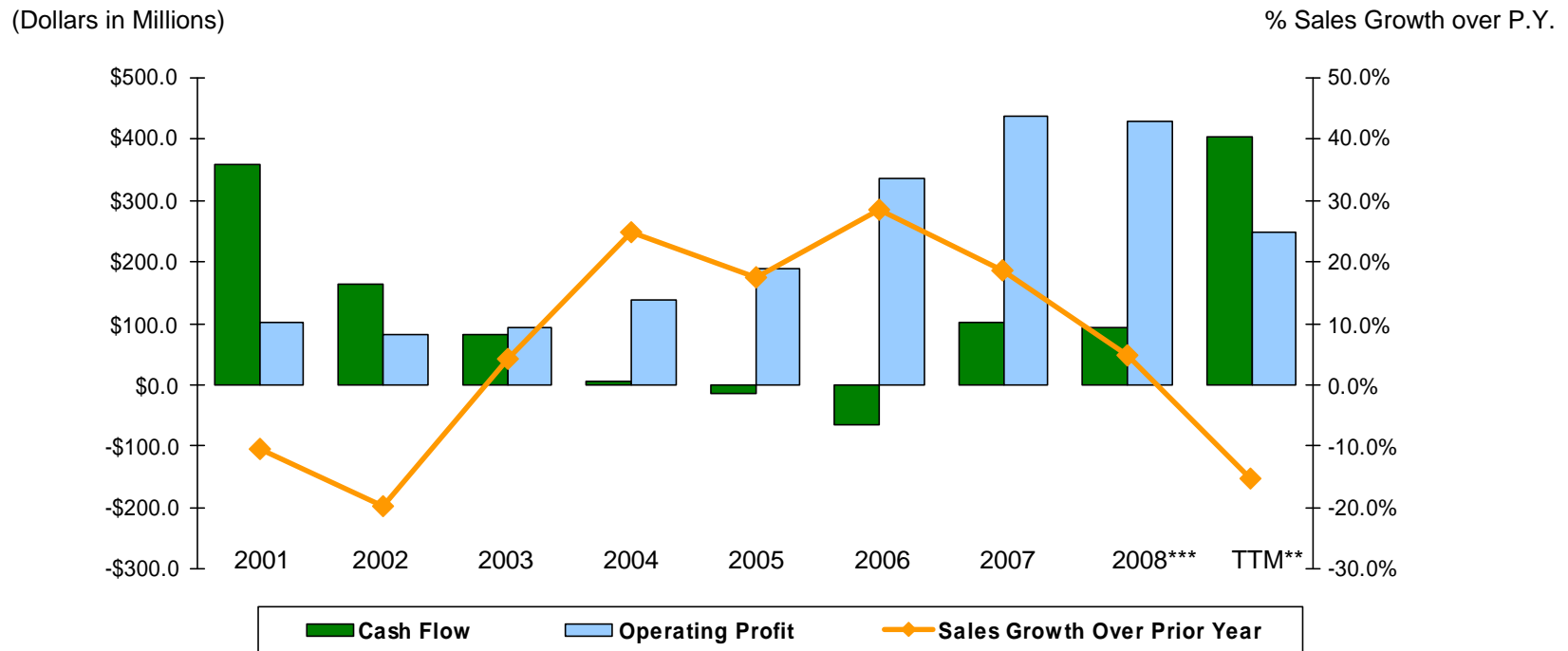
n.m. – not meaningful



# Flexible / Scalable Business Model

## Earnings and Cash Flow\* Relationship to Sales Changes

Fiscal Year



\* Net cash provided by (used in) continuing operating activities (including ARC assets change) less capital expenditures.

\*\* Trailing 12 months operating profits exclude goodwill impairment charge of \$100 million bad debt losses of \$24 million and severance / other charges of \$16 million.

\*\*\* Excludes unusual items.



# Solid Financial Position

## Strength for Current Economic Environment

- Cash flow from operations less capital expenditures totals \$375.8 million in first 9 months of 2009
- Leverage Ratio of 46.2% combined with cash balances of \$167.6 million and \$312.7 million in available credit facilities, and \$195.0 million of available receivable securitization capacity provides solid financial position
- Good Borrowed Capital Credit Profile
  - 7.7% weighted average cost borrowed capital
  - Credit agreements amended to mitigate potential covenant defaults in a weak economic environment
  - Scheduled maturities well spaced over coming years

## Near Term Investment Considerations Stock Undervalued Relative to Peers

- Anixter's strong competitive profile and performance is not adequately reflected in its valuation with various industry comparables

Company	Relative Valuation Metrics <sup>(1)</sup>			Performance <sup>(2)</sup>		
	P/E	P/B	P/S	1 Year CAGR	3 Year CAGR	5 Year CAGR
AXE*	12.30	1.19	0.22	(9.2%)	8.4%	13.9%
GWW	15.88	3.15	1.03	(3.9%)	4.0%	5.9%
FAST	24.54	4.71	2.62	(4.0%)	8.4%	14.1%
WCC	6.76	1.33	0.20	(11.4%)	2.8%	9.3%

<sup>(1)</sup> Relative valuation metrics based on 8/4/09 stock price and 6/30/09 earnings results

<sup>(2)</sup> Performance figures based on 6/30/09 revenue results

\* AXE's P/E multiple excludes the 2Q'09 goodwill impairment loss of (\$2.82)



# Key Investment Themes

Positioned to Navigate Today's Market Conditions and the Long Term

- Broad End market / Geographic / Customer Diversity
- Concentrated Operations and Management Infrastructure for Operational Leverage
- Strong Financial Position / Liquidity
- Long History of Shareholder favorable Capital Structure Management
  - Share Repurchases
  - Responsible Levels of Leverage
- Experienced Senior Management Team
  - CEO – 19 Years at Anixter
  - Senior Management Team Averages 20 Years at Anixter





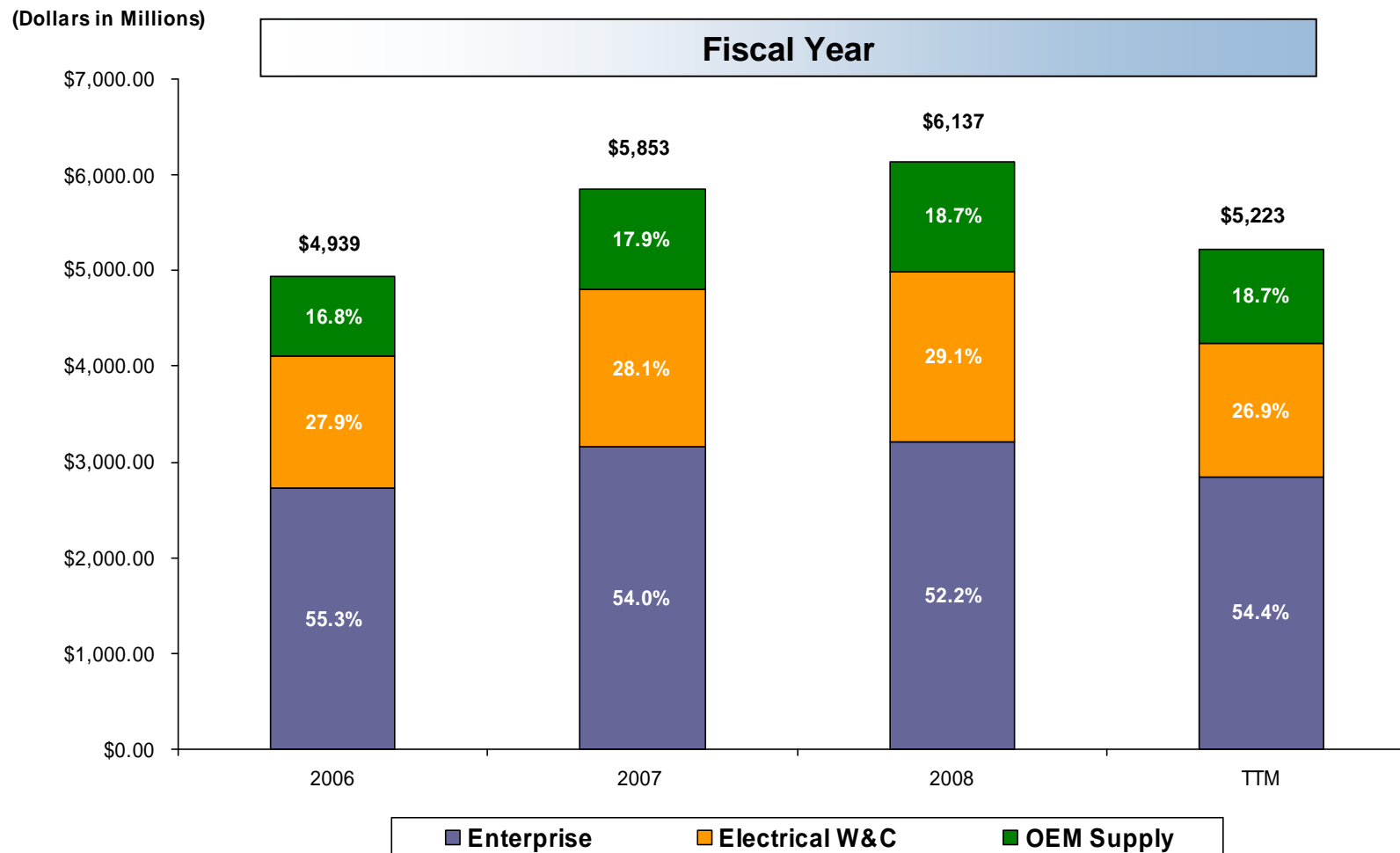
# Appendix





# Solid Financial Position

## End Market Sales Mix





# Solid Financial Position in a Difficult Environment

## Strong 2008 Results

(in millions, except per share amounts)

	Total Year		
	Jan. 2, 2009	Dec. 28, 2007	% Chg
	(as adjusted)	(as adjusted)	
<b>Sales</b>	<b>\$6,136.6</b>	<b>\$5,852.9</b>	<b>5%</b>
<b>Operating Income *</b>	<b>\$391.9</b>	<b>\$439.1</b>	<b>-11%</b>
<b>Net Income *</b>	<b>\$187.9</b>	<b>\$245.5</b>	<b>-23%</b>
<b>Diluted Earnings Per Share *</b>	<b>\$4.87</b>	<b>\$5.81</b>	<b>-16%</b>

**Note:** Prior year amounts have been restated to conform to the requirements of FASB Staff Position No. APB 14-1 “Accounting for Convertible Debt Instruments that May be Settled in Cash Upon Conversion (Including Partial Cash Settlement)” that became effective in 2009.

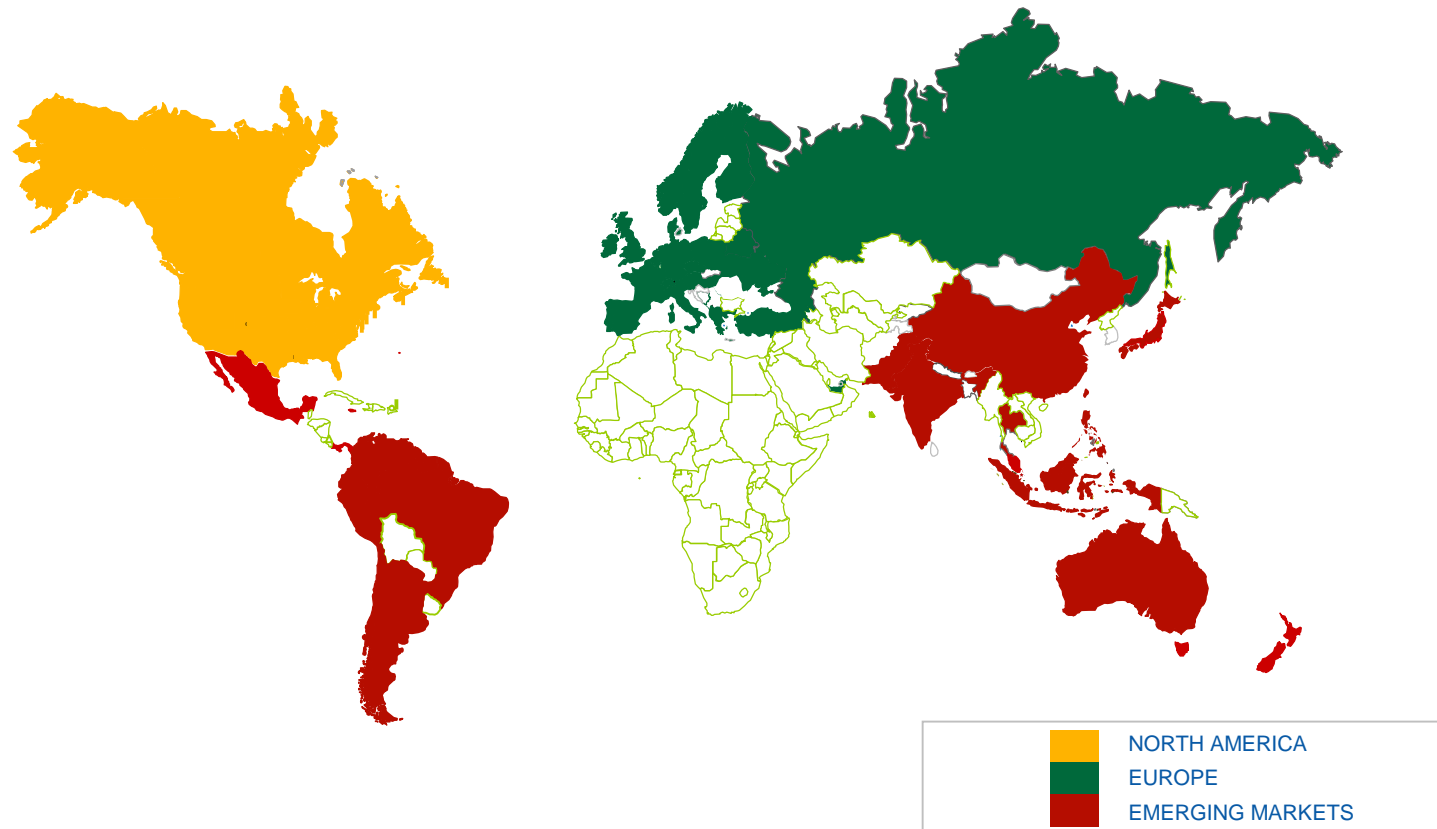
\* In 2008 operating income includes \$24.1 million in bad debt losses, \$8.1 million in severance and lease write-down costs, \$4.2 million in costs associated with the retirement of the former CEO and \$2.0 million of inventory markdowns. Net income includes the after tax impact for the above items of \$24.3 million and in addition, \$13.1 million after tax in foreign exchange losses, \$4.0 million after tax for cash surrender write-downs, and a net tax benefit of \$1.6 million related to the reversal of NOL valuation allowances. Excluding these unusual items diluted earnings per share would have been \$6.10 as compared to \$5.73 in 2007, exclusive of the identified tax benefits.

\* In 2007, net income included a net gain of \$11.8 million, or 28 cents per diluted share, related to foreign tax benefits and the finalization of prior year tax returns.



# High Barriers to Entry

## Expanding Geographic Presence

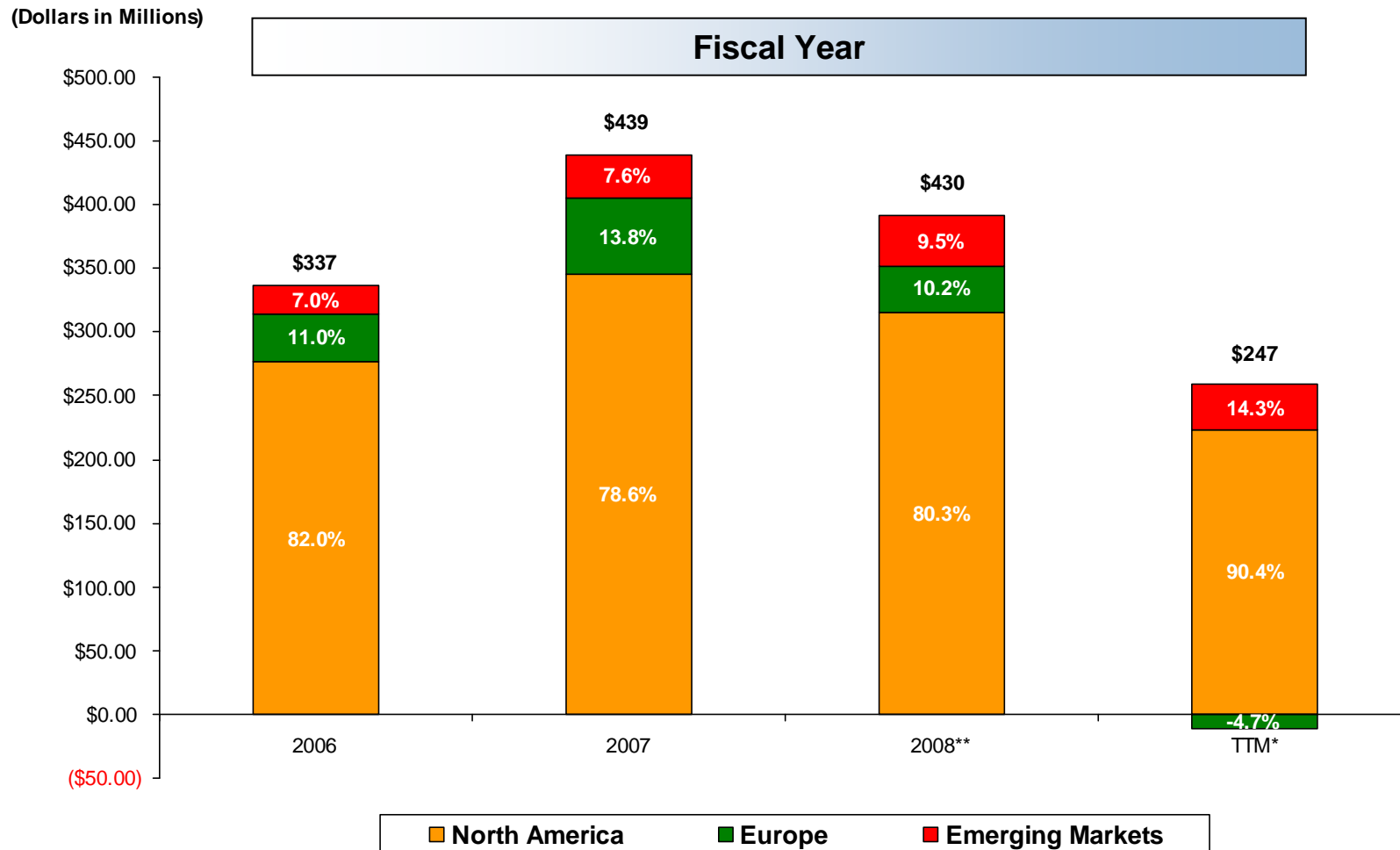


...One of a Kind Global Distribution Infrastructure



# Solid Financial Position

## Geographic Segment Operating Profit



\* Trailing 12 months operating profits exclude goodwill impairment charge of \$100 million, bad debt losses of \$24 million and severance / other charges of \$16 million.

\*\* Adjusted for unusual items.