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

For the quarterly period ended October 1, 2004

OR

--- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

COMMISSION FILE NUMBER: 1-5989

ANIXTER INTERNATIONAL INC.

(Exact name of registrant as specified in its charter)

DELAWARE	94-1658138
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2301 PATRIOT BLVD.
GLENVIEW, ILLINOIS 60026
(224) 521-8000
(Address and telephone number of principal executive offices)

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 the past 90 days.

Yes X No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2).

Yes X No

At November 1, 2004, 37,265,680 shares of the registrant's Common Stock, $1.00 par value, were outstanding.

ANIXTER INTERNATIONAL INC.

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*No reportable information under this item.

This report may contain various "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended which can be identified by the use of forward-looking terminology such as "believe", "expects", "prospects", "estimated", "should", "may" or the negative thereof or other variations thereon or comparable terminology indicating the Company's expectations or beliefs concerning future events. The company cautions that such statements are qualified by important factors that could cause actual results to differ materially from those in the forward-looking statements, a number of which are identified in this report. Other factors could also cause actual results to differ materially from expected results included in these statements. These factors include general economic conditions, technology changes, changes in supplier or customer relationships, exchange rate fluctuations, new or changed competitors and risks associated with integration of recently acquired companies.

PART 1. FINANCIAL INFORMATION

ANIXTER INTERNATIONAL INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

(IN MILLIONS, EXCEPT SHARE AMOUNTS)	13 WEEKS ENDED OCTOBER 1, 2004	13 WEEKS ENDED OCTOBER 3, 2003	39 WEEKS ENDED OCTOBER 1, 2004	39 WEEKS ENDED OCTOBER 3, 2003
NET SALES	$ 849.6	$ 653.4	$ 2,426.9	$ 1,960.4
Cost of operations:				
Cost of goods sold	647.7	495.1	1,850.8	1,483.3
Operating expenses	165.4	134.6	475.6	408.8
Impairment charge	1.8	--	1.8	--
Amortization of intangibles	0.8	0.4	2.1	1.1
Total costs and expenses	815.7	630.1	2,330.3	1,893.2
OPERATING INCOME	33.9	23.3	96.6	67.2
Other expense:				
Interest expense	(3.3)	(3.2)	(9.3)	(9.9)
Extinguishment of debt	--	--	(0.7)	(6.2)
Other, net	(2.5)	--	(8.0)	(0.7)
Income before income taxes and extraordinary gain	28.1	20.1	78.6	50.4
Income tax expense	10.9	8.8	30.6	21.6
Income before extraordinary gain	17.2	11.3	48.0	28.8
Extraordinary gain, net of tax of $0.6	--	--	4.1	--
NET INCOME	$ 17.2	$ 11.3	$ 52.1	$ 28.8
BASIC INCOME PER SHARE:				
Income before extraordinary gain	$ 0.46	$ 0.31	$ 1.30	$ 0.79
Extraordinary gain	$ --	$ --	$ 0.11	$ --
Net income	$ 0.46	$ 0.31	$ 1.42	$ 0.79
DILUTED INCOME PER SHARE:				
Income before extraordinary gain	$ 0.41	$ 0.31	$ 1.23	$ 0.77
Extraordinary gain	$ --	$ --	$ 0.10	$ --
Net income	$ 0.41	$ 0.31	$ 1.33	$ 0.77
DIVIDEND PER COMMON SHARE	$ --	$ --	$ 1.50	$ --

See accompanying notes to the condensed consolidated financial statements.

ANIXTER INTERNATIONAL INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(IN MILLIONS, EXCEPT SHARE AMOUNTS)	OCTOBER 1, 2004 (UNAUDITED)	JANUARY 2, 2004
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 36.9	$ 101.4
Accounts receivable (less allowances of $20.9 and $17.3 in 2004 and 2003, respectively)	620.1	255.5
Note receivable-- unconsolidated subsidiary	--	56.5
Inventories	590.3	499.1
Deferred income taxes	16.5	16.5
Other current assets	20.7	18.9
Total current assets	1,284.5	947.9
Property and equipment, at cost	187.1	180.7
Accumulated depreciation	(144.0)	(137.6)
Net property and equipment	43.1	43.1
Goodwill	286.7	278.5
Other assets	67.4	101.9
	$1,681.7	$1,371.4
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 365.2	$ 304.4
Accrued expenses	112.4	80.8
Total current liabilities	477.6	385.2
Long-term debt	435.9	239.2
Other liabilities	57.0	56.2
Total liabilities	970.5	680.6
STOCKHOLDERS' EQUITY		
Common stock -- $1.00 par value, 100,000,000 shares authorized, 37,164,914 and 36,376,411 shares issued and outstanding in 2004 and 2003, respectively	37.2	36.4
Capital surplus	43.9	21.8
Retained earnings	634.5	638.2
Accumulated other comprehensive loss:		
Foreign currency translation	(3.7)	(4.8)
Minimum pension liability	(0.5)	(0.5)
Unrealized loss on derivatives	(0.2)	(0.3)
Total accumulated other comprehensive loss	(4.4)	(5.6)
Total stockholders' equity	711.2	690.8
	$1,681.7	$1,371.4

See accompanying notes to the condensed consolidated financial statements.

ANIXTER INTERNATIONAL INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(IN MILLIONS)	39 WEEKS ENDED OCTOBER 1, 2004	39 WEEKS ENDED OCTOBER 3, 2003
OPERATING ACTIVITIES		
Net income	$ 52.1	$ 28.8
Adjustments to reconcile net income to net cash provided by continuing operating activities:		
Extraordinary gain	(4.1)	--
Impairment of intangible asset	1.8	--
Loss on extinguishment of debt	0.7	6.2
Loss on sale or disposal of fixed assets and securities	0.4	0.3
Depreciation	12.2	13.5
Accretion of zero coupon convertible notes	6.9	6.6
Amortization of restricted stock	4.3	2.9
Amortization of intangible assets and deferred financing costs	2.5	1.6
Income tax savings from employee stock plans	2.8	0.5
Deferred income taxes	0.1	(0.3)
Changes in current assets and liabilities, net	(63.9)	23.2
Restructuring and other charges	(1.4)	(2.3)
Other, net	(0.7)	2.4
Net cash provided by continuing operating activities	13.7	83.4
INVESTING ACTIVITIES		
Capital expenditures	(11.6)	(23.5)
Acquisition of business	(33.3)	(42.0)
Proceeds from the sale of fixed assets	--	1.6
Proceeds from sale of investment	--	2.5
Net cash used in continuing investing activities	(44.9)	(61.4)
FINANCING ACTIVITIES		
Proceeds from long-term borrowings	301.5	285.9
Repayment of long-term borrowings	(294.2)	(319.3)
Payment of cash dividend	(55.1)	--
Proceeds from issuance of common stock	16.3	4.8
Deferred financing costs	(1.2)	(4.3)
Proceeds from issuance of notes payable	--	143.8
Purchases of common stock for treasury	--	(35.6)
Retirement of notes payable	--	(75.9)
Other, net	(0.2)	(0.6)
Net cash used in continuing financing activities	(32.9)	(1.2)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS	(64.1)	20.8
Cash used in discontinued operations	(0.4)	(1.0)
Cash and cash equivalents at beginning of period	101.4	19.1
Cash and cash equivalents at end of period	$ 36.9	$ 38.9

See accompanying notes to the condensed consolidated financial statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION: The accompanying condensed consolidated financial statements should be read in conjunction with the consolidated financial statements included in Anixter International Inc.'s ("the Company") Annual Report on Form 10-K for the year ended January 2, 2004. The condensed consolidated financial information furnished herein reflects all adjustments (consisting of normal recurring accruals) which are, in the opinion of management, necessary for a fair presentation of the condensed consolidated financial statements for the periods shown. The results of operations of any interim period are not necessarily indicative of the results that may be expected for a full fiscal year. Certain amounts for the prior year have been reclassified to conform to the 2004 presentation.

RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS: The Company carries its accounts receivable at their face amounts less an allowance for doubtful accounts. On a regular basis, the Company evaluates its accounts receivable and establishes the allowance for doubtful accounts based on a combination of specific customer circumstances, as well as credit conditions and based on a history of write-offs and collections. A receivable is considered past due if payments have not been received within the agreed upon invoice terms. During the 13 and 39 weeks ended October 1, 2004, $3.7 million and $9.3 million was recognized for the provision for doubtful accounts, respectively. During the 13 and 39 weeks ended October 3, 2003, $1.4 million and $4.7 million was recognized for the provision for doubtful accounts, respectively.

ACCOUNTS RECEIVABLE PROGRAM: On October 6, 2000, the Company entered into an accounts receivable securitization program. The underlying agreements for this program were amended and restated on September 30, 2004 for an additional 364 days. The program is conducted through Anixter Receivables Corporation ("ARC"), a wholly owned, bankruptcy remote, special purpose subsidiary. The 2004 amendment provides ARC with a call right with respect to receivables sold. As a result of this call right, ARC no longer holds a passive interest in the receivables and, thus, is no longer considered a qualified special purpose entity. Accordingly, ARC, which was previously unconsolidated, is now consolidated in the financial statements of the Company. Approximately $183.3 million of long-term funding and $298.8 million of accounts receivable sold to ARC, are reflected in the Company's consolidated balance sheet at October 1, 2004. Additionally, Anixter's investment in ARC and the inter-company note between Anixter and ARC is eliminated in consolidation. The receivables will continue to be sold by Anixter to ARC. The assets of ARC are not available to creditors of Anixter in the event of bankruptcy or insolvency proceedings.

STOCK BASED COMPENSATION: Beginning in 2003, the Company granted restricted employee stock units in lieu of employee stock options. The fair value of the restricted stock units is amortized over the four-year vesting period from the date of grant. During the 13 weeks and 39 weeks ended October 1, 2004, $1.2 million and $3.2 million was recognized as expense, respectively. During the 13 weeks and 39 weeks ended October 3, 2003, $0.5 million and $1.2 million was recognized as expense, respectively. Total expense for fiscal 2004 is expected to be approximately $4.3 million as compared to $1.6 million in 2003.

Under the provisions of Statement of Financial Accounting Standard ("SFAS") No. 123, "Accounting for Stock-Based Compensation," and SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure," an amendment of SFAS No. 123, the Company has elected to continue to apply the intrinsic value method of Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," and its related interpretations in accounting for its stock-based compensation plans. In accordance with the APB Opinion No. 25, compensation cost of stock options issued were measured as the excess, if any, of the quoted market price of the company's stock at the date of the grant over the option exercise price and is charged to operations over the vesting period. The Company applied the disclosure-only provisions of SFAS No.
123. Accordingly, no compensation expense has been recognized in the condensed consolidated statements of operations for the stock option plans.

The Black-Scholes option-pricing model was developed for estimating the fair value of traded options, which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options. Had compensation costs for the plans been determined based on the fair value at the grant date using the Black-Scholes option pricing model and amortized over the respective vesting period, the Company's net income would have been reduced to the pro forma amounts indicated below:

(IN MILLIONS, EXCEPT PER SHARE DATA)	13 WEEKS ENDED		39 WEEKS ENDED	
	OCTOBER 1, 2004	OCTOBER 3, 2003	OCTOBER 1, 2004	OCTOBER 3, 2003
BASIC EARNINGS PER SHARE				
Net income as reported	$ 17.2	$ 11.3	$ 52.1	$ 28.8
Add: APB Opinion No. 25 Stock-based employee compensation included in net income, net	0.8	0.6	2.5	1.8
Deduct: SFAS No. 123 Stock-based employee compensation expense, net	(2.2)	(2.4)	(6.7)	(7.6)
Pro forma net income	$ 15.8	$ 9.5	$ 47.9	$ 23.0
BASIC EARNINGS PER SHARE:				
As reported	$ 0.46	$ 0.31	$ 1.42	$ 0.79
Pro forma	$ 0.43	$ 0.26	$ 1.30	$ 0.63
DILUTED EARNINGS PER SHARE				
Net income as reported	$ 17.2	$ 11.3	$ 52.1	$ 28.8
Add: APB Opinion No. 25 Stock-based employee compensation included in net income, net	0.8	0.6	2.5	1.8
Add: Interest impact of assumed conversion of convertible notes	0.7	--	0.7	--
Deduct: SFAS No. 123 Stock-based employee compensation expense, net	(2.2)	(2.4)	(6.7)	(7.6)
Pro forma net income	$ 16.5	$ 9.5	$ 48.6	$ 23.0
DILUTED EARNINGS PER SHARE:				
As reported	$ 0.41	$ 0.31	$ 1.33	$ 0.77
Pro forma	$ 0.38	$ 0.26	$ 1.23	$ 0.63

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS: In December 2003, the Financial Accounting Standards Board ("FASB") revised Statement of Financial Accounting Standards ("SFAS") No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits." This statement revises employers' disclosure about pension plans and other postretirement benefit plans. It does not change the measurement or recognition of those plans required by SFAS No. 87, "Employers' Accounting for Pensions," SFAS No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits" and SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." It requires additional disclosures to those in the original SFAS No. 132. This statement is effective for financial statements with fiscal years ending after December 15, 2003. The provisions of this statement have been disclosed in Note 11, "Pension Plans, Post-Retirement Benefits and Other Benefits."

In January 2003, the FASB issued Interpretation No. ("FIN") 46, "Consolidation of Variable Interest Entities", an Interpretation of Accounting Research Bulletin ("ARB") 51, which subsequently has been revised by FIN 46-R. The primary objectives of FIN 46-R are to provide guidance on the identification of entities for which control is achieved through means other than through voting rights (variable interest entities or VIEs) and how to determine when and which business enterprise should consolidate the VIE (the primary beneficiary). This new model for consolidation applies to an entity in which either (1) the equity investors (if any) do not have a controlling financial interest or (2) the equity investment at risk is insufficient to finance that entity's activities without receiving additional subordinated financial support from other parties. In addition, FIN 46-R requires that both the primary beneficiary and all other enterprises with a significant variable interest in a VIE make additional disclosures. FIN 46-R is effective for VIEs created after January 31, 2003 and is effective for all VIEs created before February 1, 2003 that are Special Purpose Entities ("SPEs") in the first reporting period ending after December 15, 2003 and for all other VIEs created before February 1, 2003 in the first reporting period ending after March 15, 2004. The adoption of FIN 46-R did not have any effect on the Company's financial position, cash flows or results of operations.

In March 2004, the Emerging Issues Task Force ("EITF") reached a final consensus on EITF Issue No. 03-6, "Participating Securities and the Two-Class Method under FASB Statement No. 128, Earnings Per Share," which provides additional guidance to determine whether a security is a participating security and therefore subject to the two-class method under SFAS No. 128. The guidance in EITF 03-6 clarifies the notion of what constitutes a participating security, and is effective for fiscal periods (interim or annual) beginning after March 31, 2004. The adoption of EITF 03-6 did not impact the Company's condensed consolidated financial statements.

At its September 29-30, 2004, meeting, the FASB reached a conclusion on EITF Issue No. 04-8, "The Effect of Contingently Convertible Debt on Diluted Earnings Per Share", that contingently convertible debt instruments will be subject to the if-converted method under SFAS No. 128, "Earnings Per Share," regardless of the contingent features included in the instrument. Under current practice, issuers of contingently convertible debt instruments exclude potential common shares underlying the debt instruments from the calculation of diluted earnings per share until the market price or other contingency is met. The effective date for Issue 04-8 is for reporting periods ending after December 15, 2004. The Company will apply the EITF guidance by retroactively restating earnings per share for all periods presented in its Form 10-K for the year ended December 31, 2004, which could result in a higher number of diluted shares and, in turn, result in a lower diluted earnings per share calculation. The Company is actively evaluating alternatives to modify or restructure its convertible debt instruments, which would minimize the impact of adoption of this standard. The adoption of EITF 04-8 will have a significant impact on diluted earnings per share to the extent it cannot modify or restructure its convertible debt instruments.

NOTE 2. COMPREHENSIVE INCOME

Comprehensive income, net of tax, consisted of the following:

	13 WEEKS ENDED		39 WEEKS ENDED	
(IN MILLIONS)	OCTOBER 1, 2004	OCTOBER 3, 2003	OCTOBER 1, 2004	OCTOBER 3, 2003
Net income	$17.2	$11.3	$52.1	$28.8
Change in cumulative translation adjustment	7.7	1.5	1.1	25.2
Change in fair market value of derivatives	(0.1)	0.3	0.1	(0.3)
Comprehensive income	$24.8	$13.1	$53.3	$53.7

NOTE 3. EXTRAORDINARY GAIN

In December 2003, the Company received $4.7 million from an escrow account established in connection with the 1983 bankruptcy of Itel Corporation, the predecessor of the Company. As of January 2, 2004, the Company was unable to determine the appropriate beneficiary of this receipt and was in the process of an investigation to determine its proper disposition. As of January 2, 2004, the Company had not recorded income associated with this receipt because of the uncertainty of the beneficiary. During the first quarter of 2004, the Company completed the investigation and concluded that the funds are the property of the Company. Accordingly, in the first quarter of 2004, the Company recorded a $4.1 million extraordinary after-tax gain as a result of the receipt.

NOTE 4. INCOME TAXES

The 13 weeks and 39 weeks ended October 1, 2004 effective tax rate (excluding extraordinary gain) was 39.0% compared to 43.8% and 43.0% during the 13 weeks and 39 weeks ended October 3, 2003, respectively. The decrease in the effective tax rate is primarily due to a change in the mix of foreign income and losses by country as compared to country level net operating loss positions. The change in tax rate increased net income by $1.4 million, or $0.03 per diluted share, for the 13 weeks ended October 1, 2004 compared to the corresponding period in 2003. The change in tax rate increased income before extraordinary gain and net income by $3.1 million, or $0.08 per diluted share for the 39 weeks ended October 1, 2004 compared to the corresponding period in 2003.

NOTE 5. COMMON STOCK

In the first half of 2003, the Company repurchased 1,567,650 shares at an average cost of $22.74. Purchases were made in the open market and were financed from cash generated by operations and the net proceeds ($121.4 million) from the issuance of 3.25% zero coupon convertible notes ("Convertible Notes due 2033"). No shares were repurchased in 2004. The Company has the authorization to purchase additional shares with the volume and timing to depend on market conditions.

As a result of the exercise of stock options and the employee stock purchase plan, 781,466 shares were issued at an average exercise price of $20.27 for the 39 weeks ended October 1, 2004. In the corresponding period in 2003, 290,753 shares were issued at an average price of $16.55.

NOTE 6. DEBT

On June 18, 2004, the Company announced that its primary operating subsidiary, Anixter Inc., entered into a new five year, senior unsecured $275.0 million revolving credit agreement to support future growth of the business. This new facility replaces a similar sized facility that was set to expire in October of 2005. The borrowing rate under the new revolving credit agreement is LIBOR plus 77.5 basis points. In addition, there are facility fees on the revolving credit facility equal to 22.5 basis points. The new agreement, which is guaranteed by Anixter International Inc., contains covenants that among other things restricts the leverage ratio and sets a minimum fixed charge coverage ratio. In connection with this refinancing, the company recorded a pre-tax loss of $0.7 million in the second quarter ending July 2, 2004 for the write-off of deferred financing costs remaining from the refinanced facility.

On October 6, 2000, the Company entered into an accounts receivable securitization program. The underlying agreements for this program were amended and restated on September 30, 2004 for an additional 364 days. The program is conducted through Anixter Receivables Corporation ("ARC"), a wholly-owned, bankruptcy-remote, special purpose subsidiary. Under the program, the Company sells to ARC, at a discount of 2.12% on an ongoing basis without recourse, a majority of the accounts receivable originating in the United States. ARC in turn sells an interest in these receivables to financial institutions for proceeds up to $225.0 million. Under this arrangement, Anixter continues to service the sold receivables by performing the collection and cash application functions in order to maintain relationships with its customers. These services are billed by Anixter to ARC at cost.

The 2004 amendment provides ARC with a call right with respect to interests in the receivables it has sold. As a result of this call right, ARC no longer holds a passive interest the receivables and, thus, is no longer considered a qualified special purpose entity. Accordingly, ARC, which was previously unconsolidated, is now consolidated in the financial statements of the Company. Approximately $183.3 million of long-term funding and $298.8 million of accounts receivable sold to ARC, are reflected in the Company's consolidated balance sheet at October 1, 2004. Additionally, Anixter's investment in ARC and the inter-company note between Anixter and ARC is eliminated in consolidation. The receivables will continue to be sold by Anixter to ARC. The assets of ARC are not available to creditors of Anixter in the event of bankruptcy or insolvency proceedings.

Beginning in the fourth quarter of 2004, costs associated with the program (primarily funding costs), which were recorded in "other expense," will be recorded as "interest expense." At the inception of this program, the Company recorded a charge of $8.8 million for the initial discounting of receivables sold to ARC. The Company expected to substantially recover this amount upon termination of the program. In the intervening years, due to a decline in the amount of accounts receivable in the program, $2.4 million of the initial discount costs have been recouped. With the consolidation of ARC, the remaining $6.4 million of discount costs are expected to be recovered during the fourth quarter of 2004.

NOTE 7. INCOME PER SHARE

The following table sets forth the computation of basic and diluted income per share:

(IN MILLIONS, EXCEPT PER SHARE DATA)	13 WEEKS ENDED		39 WEEKS ENDED	
	OCTOBER 1, 2004	OCTOBER 3, 2003	OCTOBER 1, 2004	OCTOBER 3, 2003
BASIC INCOME PER SHARE:				
Income before extraordinary gain	$ 17.2	$ 11.3	$ 48.0	$ 28.8
Extraordinary gain, net	--	--	4.1	--
Net income	$ 17.2	$ 11.3	$ 52.1	$ 28.8
Weighted-average common shares outstanding	37.1	35.9	36.7	36.4
Income per share before extraordinary gain	$ 0.46	$ 0.31	$ 1.30	$ 0.79
Extraordinary gain per share	$ --	$ --	$ 0.11	$ --
Net income per share	$ 0.46	$ 0.31	$ 1.42	$ 0.79
DILUTED INCOME PER SHARE:				
Income before extraordinary gain	$ 17.2	$ 11.3	$ 48.0	$ 28.8
Extraordinary gain, net	--	--	4.1	--
Interest impact of assumed convertible notes	0.7	--	0.7	--
Net income	$ 17.9	$ 11.3	$ 52.8	$ 28.8
Weighted-average common shares outstanding	37.1	35.9	36.7	36.4
Effect of dilutive securities:				
Stock options and units	1.4	0.8	1.3	0.9
Convertible notes	5.1	--	1.7	--
Weighted-average common shares outstanding	43.6	36.7	39.7	37.3
Income per share before extraordinary gain	$ 0.41	$ 0.31	$ 1.23	$ 0.77
Extraordinary gain per share	$ --	$ --	$ 0.10	$ --
Net income per share	$ 0.41	$ 0.31	$ 1.33	$ 0.77

Holders of the Convertible Notes due 2033 may convert each of them into 13.5584 shares of the Company's common stock in any calendar quarter if:

- the sales price of our common stock reaches specified thresholds;
- during any period in which the credit rating assigned to the Convertible Notes due 2033 is below a specified level;
- the Convertible Notes due 2033 are called for redemption; or
- specified corporate transactions have occurred.

The Convertible Notes due 2033 were convertible at October 1, 2004, as the sales price of the Company's common stock exceeded the contingent conversion trigger price for at least 20 of the preceding 30 days ended October 1, 2004. As a result, the Company included 5.1 million and 1.7 million weighted average shares in its calculation of diluted income per share for the 13 and 39 weeks ended October 1, 2004, respectively. Because the Convertible Notes due 2033 were included in the diluted shares outstanding, the related $0.7 million of net interest expense was excluded from the determination of net income in the calculation of diluted income per share for the 13 and 39 weeks ended October 1, 2004.

In the 13 and 39 weeks ended October 1, 2004, the Company excluded 1.5 million of common stock equivalents, relating to its 7% zero coupon convertible notes due 2020 ("Convertible Notes due 2020"), from its calculation of diluted income per share because the effect would have been antidilutive. Because the 7% zero coupon convertible notes were not included in the diluted shares outstanding, the related $0.7 million and $2.1 million of net interest expense was not excluded from the determination of net income in the calculation of diluted income per share for the 13 and 39 weeks ended October 1, 2004.

In the 13 and 39 weeks ended October 3, 2003, the Company excluded from its calculation of diluted income per share 6.7 million of common stock equivalents relating to the 3.25% and 7% zero coupon convertible notes. The 3.25% Convertible Notes were excluded as they are subject to various conditions, which were not met at the end of the 13 and 39 weeks ended October 3, 2003. The 7% convertible notes were excluded because the effect would have been antidilutive. Because the convertible notes were not included in the diluted shares outstanding, the related $1.5 million and $4.1 million of net interest expense was not excluded from the determination of income in the calculation of diluted income per share for the 13 and 39 weeks ended October 3, 2003.

Holders of the Convertible Notes due 2033 and Convertible Notes due 2020 may require us to purchase all or a portion of the respective notes at specified future dates ("put option"). The Company may pay the purchase price in cash, common stock or a combination thereof. The Company has the intent and ability to pay the purchase price (equal to the initial accreted principal amount plus accrued issue discount to the purchase date) in cash. As a result, the shares related to the put option are not considered in our calculation of diluted earnings per share.

NOTE 8. SPECIAL DIVIDEND

On February 11, 2004, the Company's Board of Directors declared a special dividend of $1.50 per common share, or $55.8 million, as a return of excess capital to shareholders. On March 31, 2004, the Company paid $55.1 million of the dividend to shareholders of record as of March 16, 2004. In addition, as required by the plan documents, the remaining dividend of $0.7 million was accrued at October 1, 2004 for payments to be made on the vesting date to holders of employee stock units and restricted stock.

In accordance with the provisions of the stock option plan, the exercise price and number of options outstanding were adjusted to reflect the special dividend. The average exercise price of outstanding options decreased from $21.48 to $20.40 and the number of outstanding options increased from 4,331,975 to 4,561,424. These changes resulted in no additional compensation expense.

In accordance with the provisions of the enhanced incentive plan, stock units granted in 2001 were adjusted to reflect the special dividend. The number of outstanding stock units associated with the 2001 grant increased from 53,680 to 56,531. This change resulted in no additional compensation expense.

The conversion rate of the Convertible Notes due 2033 was adjusted in March 2004 to reflect the special dividend. Holders of the Convertible Notes due 2033 may convert each Note into 13.5584 shares of the Company's common stock, for which the Company has reserved 5.1 million shares of its authorized shares.

NOTE 9. ACQUISITIONS

On June 22, 2004, the Company purchased substantially all of the assets and operations of Distribution Dynamics, Inc. ("DDI"). DDI was a privately held value-added distributor of fasteners, hardware and related products specializing in inventory logistics management programs directed at supporting the production lines of original equipment manufacturers across a broad spectrum of industries. Headquartered in Eden Prairie, Minnesota, DDI employs approximately 250 associates located in sixteen locations in the United States. The Company believes DDI's business model complements its strategy of building a global original equipment manufacturer supply business. Included in the results of the Company are $18.3 million of sales and $1.1 million of operating losses for the 13 weeks ended October 1, 2004. The purchase was funded with on-hand excess cash balances and cash available under the Company's revolving credit facility. The Company purchased DDI for $33.3 million inclusive of legal and advisory fees, acquiring tangible assets with a fair value of $21.1 million. The tangible net assets primarily consist of accounts receivable, inventory, fixed assets and prepaid expenses. Based upon a third party valuation, assets and liabilities have been recorded in the Company's Condensed Consolidated Balance Sheet as of October 1, 2004 at estimated fair value based on a preliminary allocation of the purchase price. Intangible assets have been recorded as follows:

- $4.4 million of intangible assets with a finite life of 8.5 years (customer relationships); and
- $7.8 million of goodwill.

In the third quarter of 2003, the Company purchased 100% of the stock of Walters Hexagon Group Limited ("Walters Hexagon"). Headquartered in Worcester, England, Walters Hexagon is a leading distributor of fasteners and other small parts to original equipment manufacturers and provides inventory management services to a range of markets and industries. Walters Hexagon operates a network of ten service centers in the United Kingdom and France and employs approximately 320 people. The Company believes Walters Hexagon's business model and position as a value-added distributor complements its existing U.S. original equipment manufacturer supply business. The Company purchased Walters Hexagon for $42.7 million, inclusive of legal and financial advisory fees, acquiring tangible assets with a fair value of approximately $16.2 million. The tangible net assets primarily consist of accounts receivable, inventory, office and warehouse equipment and furnishings, accounts payable and select operating liabilities. Based upon a third party valuation, assets and liabilities have been recorded at estimated fair value based on an allocation of the purchase price. Intangible assets are recorded as follows:

- $8.3 million of intangible assets with a finite life of 10 years (customer relationships); and
- $18.2 million of goodwill.

The stock purchase agreement provides for additional consideration of up to a maximum of $5.8 million based on the future operating performance of Walters Hexagon. The purchase was funded with on-hand excess cash balances along with the assumption of $0.7 million of Walters Hexagon's debt. Included in the results of the Company for the 13 and 39 weeks ended October 1, 2004 are $28.5 million and $78.4 million of sales, respectively, and $1.3 million and $3.0 million of operating income, respectively, related to Walters Hexagon.

These acquisitions were accounted for as purchases and the results of operations of the acquired businesses are included in the condensed consolidated financial statements from the date of acquisition. Had these acquisitions occurred at the beginning of the year of acquisition, the impact on the Company's operating results would not have been significant.

NOTE 10. IMPAIRMENT CHARGE

Following the September 2002 acquisition of the assets and operations of Pentacon, Anixter has acquired Walters Hexagon as well as the assets and operations of DDI. All three of these businesses are engaged in the supply of "C" class inventory components to Original Equipment Manufacturers throughout the United States and the United Kingdom along with a location in each of France and Italy. As a part of bringing these businesses together to form an industry leading supply chain solution that combines the individual strengths and expertise of the acquired companies with the financial strength and global capabilities of Anixter, a new brand name, Anixter Fasteners (SM) was introduced in the 13 weeks ended October 1, 2004 to reflect the combined capabilities. As a result of this new brand name introduction, the Company recorded an asset impairment charge of $1.8 million in the 13 weeks ended October 1, 2004 to write-down to fair value the value assigned to the Pentacon name when that business was acquired by Anixter as the Pentacon brand name will no longer be used in the industrial operations.

NOTE 11. SUMMARIZED FINANCIAL INFORMATION OF ANIXTER INC.

The Company guarantees, fully and unconditionally, substantially all of the debt of its subsidiaries, which include Anixter Inc. Certain debt agreements entered into by Anixter Inc. contain various restrictions including restrictions on payments to the Company. Such restrictions have not had nor are expected to have an adverse impact on the Company's ability to meet its cash obligations. The following summarizes the financial information for Anixter Inc.:

ANIXTER INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

(IN MILLIONS)	OCTOBER 1, 2004 (UNAUDITED)	JANUARY 2, 2004
ASSETS:		
Current assets	$ 1,280.0	$ 875.4
Property, net	42.7	43.1
Goodwill and other intangibles	310.0	301.1
Other assets	74.3	109.6
	$ 1,707.0	$ 1,329.2
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities	$ 476.2	$ 384.9
Subordinated notes payable to parent	188.9	147.8
Long-term debt	219.8	30.0
Other liabilities	78.9	79.1
Stockholders' equity	743.2	687.4
	$ 1,707.0	$ 1,329.2

ANIXTER INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	13 WEEKS ENDED		39 WEEKS ENDED	
(IN MILLIONS)	OCTOBER 1, 2004	OCTOBER 3, 2003	OCTOBER 1, 2004	OCTOBER 3, 2003
Net sales	$ 849.6	$ 653.4	$2,426.9	$1,960.4
Operating income	$ 35.0	$ 23.7	$ 99.9	$ 68.7
Income before income taxes	$ 28.5	$ 20.3	$ 79.9	$ 56.3
Net income	$ 17.3	$ 11.4	$ 48.7	$ 32.2

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

NOTE 12. PENSION PLANS, POST-RETIREMENT BENEFITS AND OTHER BENEFITS

The Company has various defined benefit and defined contributory pension plans. The plans of the Company are the Anixter Inc. Pension Plan, Anixter Inc. Excess Benefit Plan and Anixter Inc. Supplemental Executive Retirement Plan ("Domestic Plans") and various pension plans covering employees of foreign subsidiaries ("Foreign Plans"). The majority of the Company's pension plans are non-contributory and cover substantially all full-time domestic employees and certain employees in other countries. Retirement benefits are provided based on compensation as defined in both the Domestic and Foreign Plans. The Company's policy is to fund all plans as required by the Employee Retirement Income Security Act of 1974 ("ERISA"), the Internal Revenue Service and applicable foreign laws. Anixter Inc. Pension Plan assets consisted primarily of equity securities and fixed income fund investments.

The expected long-term rate of return on our Anixter Inc. Pension Plan assets reflects the average rate of earnings expected on the invested assets and future assets to be invested to provide for the projected benefit obligation. We have historically used a 9.0% rate of return since the average 10 year historical return on our plan assets is approximately 10.4%. We reduced the expected rate of return for 2004 to 8.5% due to the significant decline in the equity market in 2001 and 2002. Components of net periodic pension cost is as follows:

	13 WEEKS ENDED					
	DOMESTIC		FOREIGN		TOTAL	
	OCTOBER 1, 2004	OCTOBER 3, 2003	OCTOBER 1, 2004	OCTOBER 3, 2003	OCTOBER 1, 2004	OCTOBER 3, 2003
	(IN MILLIONS)					
Service cost	$1.6	$1.4	$1.0	$0.8	$2.6	$2.2
Interest cost	1.9	1.8	1.0	0.5	2.9	2.3
Expected return on plan assets	(1.7)	(1.4)	(0.8)	(0.5)	(2.5)	(1.9)
Net amortization	0.1	--	0.1	0.1	0.2	0.1
Net periodic cost	$1.9	$1.8	$1.3	$0.9	$3.2	$2.7

	39 WEEKS ENDED					
	DOMESTIC		FOREIGN		TOTAL	
	OCTOBER 1, 2004	OCTOBER 3, 2003	OCTOBER 1, 2004	OCTOBER 3, 2003	OCTOBER 1, 2004	OCTOBER 3, 2003
	(IN MILLIONS)					
Service cost	$4.6	$4.0	$3.2	$2.5	$7.8	$6.5
Interest cost	5.5	5.1	2.9	1.7	8.4	6.8
Expected return on plan assets	(4.9)	(4.1)	(2.6)	(1.6)	(7.5)	(5.7)
Net amortization	0.4	0.4	0.3	0.2	0.7	0.6
Net periodic cost	$5.6	$5.4	$3.8	$2.8	$9.4	$8.2

The Company estimates that it will make contributions of $6.0 million in 2004 to the Anixter Inc. Pension Plan and approximately $4.5 million to its Foreign Plans.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

NOTE 13. BUSINESS SEGMENTS

The Company is engaged in the distribution of communications and specialty wire and cable products and "C" class inventory components from top suppliers to contractors and installers, and also to end users including manufacturers, natural resources companies, utilities and original equipment manufacturers. The Company is organized by geographic regions, and accordingly, has identified North America (United States and Canada), Europe and Emerging Markets (Asia Pacific and Latin America) as reportable segments. The Company obtains and coordinates financing, tax, information technology, legal and other related services, certain of which are rebilled to subsidiaries. Interest expense and other non-operating items are not allocated to the segments or reviewed on a segment basis. The acquisition of DDI resulted in an increase in goodwill and intangible assets of $7.8 million and $4.4 million, respectively, in the United States during the 39 weeks ended October 1, 2004.

Segment information for the 13 and 39 weeks ended October 1, 2004 and October 3, 2003 was as follows:

(IN MILLIONS)	13 WEEKS ENDED		39 WEEKS ENDED	
	OCTOBER 1, 2004	OCTOBER 3, 2003	OCTOBER 1, 2004	OCTOBER 3, 2003
NET SALES:				
United States	$ 571.5	$ 453.6	$ 1,617.8	$ 1,361.1
Canada	84.7	64.8	238.0	187.2
North America	656.2	518.4	1,855.8	1,548.3
Europe	136.2	88.2	408.9	276.0
Emerging Markets	57.2	46.8	162.2	136.1
	$ 849.6	$ 653.4	$ 2,426.9	$ 1,960.4
OPERATING INCOME:				
United States	$ 24.7	$ 16.4	$ 66.9	$ 47.8
Canada	4.9	3.8	13.7	9.7
North America	29.6	20.2	80.6	57.5
Europe	2.6	2.6	11.3	8.5
Emerging Markets	1.7	0.5	4.7	1.2
	$ 33.9	$ 23.3	$ 96.6	$ 67.2

TOTAL ASSETS:	OCTOBER 1, 2004	JANUARY 3, 2004
United States	$ 1,174.9	$ 906.1
Canada	139.0	120.2
North America	1,313.9	1,026.3
Europe	245.7	228.0
Emerging Markets	122.1	117.1
	$ 1,681.7	$ 1,371.4

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

The following is a discussion of the historical results of operations and financial condition of Anixter International Inc. (the "Company") and factors affecting the Company's financial resources. This discussion should be read in conjunction with the condensed consolidated financial statements, including the notes thereto, set forth herein under "Financial Statements" and the Company's Annual Report on Form 10-K for the year ended January 2, 2004.

ACQUISITIONS OF DISTRIBUTION DYNAMICS AND WALTERS HEXAGON

On June 22, 2004, the Company purchased substantially all of the assets and operations of Distribution Dynamics, Inc. ("DDI"). DDI was a privately held value-added distributor of fasteners, hardware and related products specializing in inventory logistics management programs directed at supporting the production lines of original equipment manufacturers across a broad spectrum of industries. Headquartered in Eden Prairie, Minnesota, DDI employs approximately 250 associates located in sixteen locations in the United States. The Company believes DDI's business model complements its strategy of building a global original equipment manufacturer supply business. Included in the results of the Company are $18.3 million of sales and $1.1 million of operating losses for the 13 weeks ended October 1, 2004. The purchase was funded with on-hand excess cash balances and cash available under the Company's revolving credit facility. The Company purchased DDI for $33.3 million inclusive of legal and advisory fees, acquiring tangible assets with a fair value of $21.1 million. The tangible net assets primarily consist of accounts receivable, inventory, fixed assets and prepaid expenses. Based upon a third party valuation, assets and liabilities have been recorded in the Company's Condensed Consolidated Balance Sheet as of October 1, 2004 at estimated fair value based on a preliminary allocation of the purchase price. Intangible assets have been recorded as follows:

- $4.4 million of intangible assets with a finite life of 8.5 years (customer relationships); and
- $7.8 million of goodwill.

In the third quarter of 2003, the Company purchased 100% of the stock of Walters Hexagon Group Limited ("Walters Hexagon"). Headquartered in Worcester, England, Walters Hexagon is a leading distributor of fasteners and other small parts to original equipment manufacturers and provides inventory management services to a range of markets and industries. Walters Hexagon operates a network of ten service centers in the United Kingdom and France and employs approximately 320 people. The Company believes Walters Hexagon's business model and position as a value-added distributor complements its existing U.S. original equipment manufacturer supply business. The Company purchased Walters Hexagon for $42.7 million, inclusive of legal and financial advisory fees, acquiring tangible assets with a fair value of approximately $16.2 million. The tangible net assets primarily consist of accounts receivable, inventory, office and warehouse equipment and furnishings, accounts payable and select operating liabilities. Based upon a third party valuation, assets and liabilities have been recorded at estimated fair value based on an allocation of the purchase price. Intangible assets are recorded as follows:

- $8.3 million of intangible assets with a finite life of 10 years (customer relationships); and
- $18.2 million of goodwill.

The stock purchase agreement provides for additional consideration of up to a maximum of $5.8 million based on the future operating performance of Walters Hexagon. The purchase was funded with on-hand excess cash balances along with the assumption of $0.7 million of Walters Hexagon's debt. Included in the results of the Company for the 13 and 39 weeks ended October 1, 2004 are $28.5 million and $78.4 million of sales, respectively, and $1.3 million and $3.0 million of operating income, respectively, related to Walters Hexagon.

These acquisitions were accounted for as purchases and the results of operations of the acquired businesses are included in the condensed consolidated financial statements from the date of acquisition. Had these acquisitions occurred at the beginning of the year of acquisition, the impact on the Company's operating results would not have been significant.

FINANCIAL LIQUIDITY AND CAPITAL RESOURCES

Overview

As a distributor, the Company's use of capital is largely for working capital to support its revenue base. Capital commitments for property, plant and equipment are limited to information technology assets, warehouse equipment and office furniture and fixtures, since the Company operates from leased facilities. Therefore, in any given reporting period, the amount of cash consumed or generated by operations will primarily be a factor of the rate of sales increase or decline, due to the corresponding change in working capital.

In periods when sales are increasing, the expanded working capital needs will be funded first by cash from operations, secondly from additional borrowings and lastly from additional equity offerings. Also, the Company will, from time to time, issue or retire borrowings or equity in an effort to maintain a cost-effective capital structure consistent with its anticipated capital requirements.

Cash Flow

Consolidated net cash provided by operating activities was $13.7 million and $83.4 million for the 39 weeks ended October 1, 2004 and October 3, 2003, respectively. The decrease in cash flow from operations in 2004 is primarily due to an increase in working capital of $63.9 million to support the 23.8% growth in sales. In 2003, working capital decreased $23.2 million due to a much lower sales growth rate.

Consolidated net cash used in investing activities was $44.9 million for the 39 weeks ended October 1, 2004 as compared to $61.4 million for the same period in 2003. During the 39 weeks ended October 1, 2004, the Company spent $33.3 million to acquire DDI and $42.7 million in the corresponding period in 2003 to purchase Walters Hexagon. Capital expenditures decreased $11.9 million during the 39 weeks ended October 1, 2004 as compared to the corresponding period in 2003. The decrease is primarily the result of the Company spending $18.4 million in the 39 weeks ended October 3, 2003 to complete the construction of a new corporate headquarters facility. Capital expenditures are expected to be approximately $16.3 million in 2004.

Consolidated net cash used in financing activities was $32.9 million for the 39 weeks ended October 1, 2004 compared to $1.2 million in the 39 weeks ended October 3, 2003. During the 39 weeks ended October 1, 2004, the Company used $55.1 million to fund the special dividend of $1.50 per common share that was paid on March 31, 2004 to shareholders of record on March 16, 2004. In the 39 weeks ended October 3, 2003, the Company paid $35.6 million for the purchase of treasury stock and $75.9 million for the purchase of its 7% zero coupon convertible notes and 8% senior notes. The Company did not purchase any treasury stock, or debt prior to maturity, during the 39 weeks ended October 1, 2004. However, the Company replaced its $275.0 million revolving credit facility with a similar sized facility in the 39 weeks ended October 1, 2004 which resulted in additional deferred financing costs of $1.2 million as compared to $4.3 million of deferred financing costs recorded in the corresponding period in 2003 primarily related to the issuance of the Convertible Notes due 2033. In the 39 weeks ended October 1, 2004, the Company had net proceeds from borrowings of $7.3 million compared to a net payment on borrowings of $33.4 million in the corresponding period in 2003. Proceeds from the issuance of common stock relating to the exercise of stock options and the employee stock purchase plan were $16.3 million for the 39 weeks ended October 1, 2004 compared to $4.8 million in the 39 weeks ended October 3, 2003. In the 39 weeks ended October 1, 2004, as a result of the exercise of stock options and employee stock purchase plan, 781,466 shares were issued at an average price of $20.27. In the corresponding period in 2003, 290,753 shares were issued at an average price of $16.55.

Financing

On June 18, 2004, the Company announced that its primary operating subsidiary, Anixter Inc., entered into a new five year, senior unsecured $275.0 million revolving credit agreement to support future growth of the business. This new facility replaces a similar sized facility that was set to expire in October of 2005. The borrowing rate under the new revolving credit agreement is LIBOR plus 77.5 basis points. In addition, there are facility fees on the revolving credit facility equal to 22.5 basis points. The new agreement, which is guaranteed by Anixter International Inc., contains covenants that among other things restricts the leverage ratio and sets a minimum fixed charge coverage ratio. In connection with this refinancing, the company recorded a pre-tax loss of $0.7 million in the second quarter of 2004 for the write-off of deferred financing costs remaining from the refinanced facility.

Certain debt agreements entered into by the Company's subsidiaries contain various restrictions including restrictions on payments to the Company. Such restrictions have not nor are expected to have an adverse impact on the Company's ability to meet its cash obligations. At October 1, 2004, $239.0 million was available under the domestic bank revolving line of credit at Anixter Inc., of which $42.3 million was available to pay the Company for intercompany liabilities. Due to the leverage ratio restriction, borrowings of only $196.0 million of the $239.0 million available would be permitted as of October 1, 2004, of which $178.7 million could be used to pay dividends to the Company.

At October 1, 2004, the Company had approximately $41.7 million available under the accounts receivable securitization facility while certain foreign subsidiaries had approximately $20.8 million available under bank revolving lines of credit and approximately $0.5 million outstanding.

In July of 2003, the Company issued $378.1 million of the Convertible Notes due 2033. The conversion rate was adjusted in March 2004 to reflect the special dividend. Holders of the Convertible Notes due 2033 may convert each of them into 13.5584 shares of the Company's common stock, for which the Company has reserved 5.1 million shares of its authorized shares.

During the 39 weeks ended October 3, 2003, the Company recorded a pre-tax loss of $6.2 million for the early extinguishment of $63.5 million of its 7% zero coupon notes, $2.0 million of its 8% senior notes and debt issuance costs associated with the cancellation of $115.0 million of its available revolving credit facility. Although no debt was repurchased during the 39 weeks ended October 1, 2004, the Company may continue to pursue opportunities to repurchase outstanding debt securities, with the volume and timing to depend on market conditions.

Consolidated interest expense was $9.3 million and $9.9 million for the 39 weeks ended October 1, 2004 and October 3, 2003, respectively. The decrease is due to a lower average cost of borrowings. The average outstanding long-term debt balance for the 39 weeks ended October 1, 2004 and October 3, 2003 was $256.2 million and $226.1 million, respectively. The effective interest rate for the 39 weeks ended October 1, 2004 and October 3, 2003 was 4.9% and 5.8%, respectively.

Off Balance Sheet Financing

On October 6, 2000, the Company entered into an accounts receivable securitization program. The underlying agreements for this program were amended and restated on September 30, 2004 for an additional 364 days. The program is conducted through Anixter Receivables Corporation ("ARC"), a wholly-owned, bankruptcy-remote, special purpose subsidiary. Under the program, the Company sells to ARC, at a discount of 2.12% on an ongoing basis without recourse, a majority of the accounts receivable originating in the United States. ARC in turn sells an interest in these receivables to financial institutions for proceeds up to $225.0 million. Under this arrangement, Anixter continues to service the sold receivables by performing the collection and cash application functions in order to maintain relationships with its customers. These services are billed by Anixter to ARC at cost.

The 2004 amendment provides ARC with a call right with respect to interests in the receivables it has sold. As a result of this call right, ARC no longer holds a passive interest the receivables and, thus, is no longer considered a qualified special purpose entity. Accordingly, ARC, which was previously unconsolidated, is now consolidated in the financial statements of the Company. Approximately $183.3 million of long-term funding and $298.8 million of accounts receivable sold to ARC, are reflected in the Company's consolidated balance sheet at October 1, 2004. Additionally, Anixter's investment in ARC and the inter-company note between Anixter and ARC is eliminated in consolidation. The receivables will continue to be sold by Anixter to ARC. The assets of ARC are not available to creditors of Anixter in the event of bankruptcy or insolvency proceedings.

Beginning in the fourth quarter of 2004, costs associated with the program (primarily funding costs), which were recorded in "other expense," will be recorded as "interest expense." At the inception of this program, the Company recorded a charge of $8.8 million for the initial discounting of receivables sold to ARC. The Company expected to substantially recover this amount upon termination of the program. In the intervening years, due to a decline in receivables, $2.4 million of the initial discount costs have been recouped. With the consolidation of ARC, the remaining $6.4 million of discount costs are expected to be recovered during the fourth quarter of 2004.

Prior to the consolidation of the accounts receivable securitization facility at the end of the third quarter of 2004, ARC funding was not recorded on the Company's balance sheet. Generally accepted accounting principles required that the interest expense be classified as other expense as it was recorded as part of the Company's investment adjustment related to its 100% ownership of ARC. However, it was considered to be part of the Company's financing strategy and therefore viewed as interest expense by the Company. Included in the Condensed Consolidated Statements of Operations "Other, net" classification, are net expenses incurred by ARC of $2.8 million and $1.7 million for the 39 weeks ended October 1, 2004 and October 3, 2003. Included in the ARC net expense/income amount was funding costs incurred by ARC of $2.1 million for the 39 weeks ended October 1, 2004 and October 3, 2003. The average outstanding funding extended to ARC for the 39 weeks ended October 1, 2004 and October 3, 2003 was $151.8 million and $127.3 million, respectively. The effective funding rate on the ARC debt was 1.8% and 2.2% for the 39 weeks ended October 1, 2004 and October 3, 2003, respectively.

Share Repurchases

In the 39 weeks ended October 3, 2003, the Company repurchased 1,567,650 shares at an average cost of $22.74. Purchases were made in the open market and were financed from cash generated by operations and the issuance of Convertible Notes due 2033. Although no shares were repurchased in the 39 weeks ended October 1, 2004, the Company has the authorization to purchase additional shares, with the volume and timing to depend on market conditions.

Liquidity Considerations and Other

In 2004, the Company estimates that it will have positive cash flow from operating activities and after capital expenditures. The Company may continue to pursue opportunities to acquire businesses and issue or retire borrowings or equity in an effort to maintain a cost-effective capital structure consistent with its anticipated capital requirements.

On February 11, 2004, the Company's Board of Directors declared a special dividend of $1.50 per common share, or $55.8 million, as a return of excess capital to shareholders. On March 31, 2004, the Company paid $55.1 million of the dividend to shareholders of record as of March 16, 2004. In addition, as required by the plan documents, the remaining dividend of $0.7 million was accrued at October 1, 2004 for payments on the vesting date to holders of the employee stock units and restricted stock.

THIRD QUARTER 2004 RESULTS OF OPERATIONS

The Company competes with distributors and manufacturers who sell products directly or through existing distribution channels to end users or other resellers. The Company's relationship with the manufacturers for which it distributes products could be affected by decisions made by these manufacturers as the result of changes in management or ownership as well as other factors. Although relationships with its suppliers are good, the loss of a major supplier could have a temporary adverse effect on the Company's business, but would not have a lasting impact since comparable products are available from alternate sources. In addition to competitive factors, future performance could be subject to economic downturns and possible rapid changes in applicable technologies.

OVERVIEW

In the third quarter of 2004, the Company saw net income increase by $5.8 million, or 51.6%, on a 30.0% increase in sales from the third quarter of the prior year. Sales, gross profits, operating expenses and operating profits all showed year-on-year increases from a combination of unit growth and commodity driven price increases, the acquisition of Walters Hexagon in September of 2003 and DDI in June of 2004 and exchange rate changes related to the weaker U.S. dollar. Gross margins declined 40 basis points in the third quarter of 2004 as compared to the corresponding period in 2003, primarily due to an increase in larger capital projects, excess industry capacity and the timing of passing through commodity price increases to customers with long-term contracts. As a result of the Company's new branding strategy of its recently acquired fastener and small parts supply business, the Company recorded a pre-tax asset impairment charge of $1.8 million in the third quarter of 2004 to write-off the value assigned to the Pentacon tradename when it was acquired in September 2002. Operating expenses (including the $1.8 million impairment charge) as a percent of sales declined 80 basis points from the corresponding period in 2003 due to the Company's continued tight expense controls and the leveraging of existing infrastructure. As a result, operating margins increased 40 basis points in the third quarter of 2004 as compared to 2003.

Beginning in the fourth quarter of 2004, costs associated with the accounts receivable securitization program (funding costs), which were previously recorded in "other income and expense," will be recorded as "interest expense." The average interest rate related to funding under the securitization facility was 2.0% for the third quarter of 2004 and 2003. Although interest expense will increase in the fourth quarter of 2004 due to the consolidation of the accounts receivable securitization facility, the Company's consolidated average interest rate will decrease as compared to the corresponding period in 2003 due to the lower average cost of funding associated with the securitization facility.

Other expenses increased $2.5 million in the current quarter primarily due to an increase in foreign exchange losses and expenses associated with the Company's accounts receivable securitization program. The Company's effective tax rate declined to 39.0% from 43.8% in the year ago quarter as a result of a change in the mix of income and losses by country as compared to country-level net operating loss positions.

CONSOLIDATED RESULTS OF OPERATIONS

	13 WEEKS ENDED		
	OCTOBER 1, 2004	OCTOBER 3, 2003	PERCENT CHANGE
	(IN MILLIONS)		
Net sales.....	$ 849.6	$ 653.4	30.0%
Gross profit.....	$ 201.9	$ 158.3	27.5%
Operating expenses.....	$ 168.0	$ 135.0	24.4%
Operating income	$ 33.9	$ 23.3	45.7%

Net Sales: The Company's net sales during the third quarter of 2004 increased 30.0%, or $196.2 million, to $849.6 million from $653.4 million in the same period in 2003. The acquisition of Walters Hexagon in September 2003 and DDI in June of 2004, along with favorable effects from changes in exchange rates, accounted for $46.8 million and $12.9 million of the increase, respectively. Excluding the acquisition of Walters Hexagon and DDI and the effects from changes in exchange rates, the Company's net sales increased 20.9% during the 13 weeks ended October 1, 2004 from the same period in 2003. The increase in net sales was due to improved economic conditions, commodity-driven price increases, an increase in project business and an expanded product offering.

Gross Margins: Gross margins decreased to 23.8% in the third quarter of 2004 from 24.2% in the corresponding period in 2003. The decrease was primarily a result of an increase in larger capital projects during the third quarter of 2004, as compared to the third quarter of 2003. Due to excess capacity in the industry, pricing on these projects was extremely competitive, which reduced gross margins. In addition, the timing of passing through commodity price increases to customers with long term contracts put pressure on gross margins.

Operating Income: As a result of higher sales and the reduction in expenses as a percentage of sales, operating margins were 4.0% for the third quarter of 2004 as compared to 3.6% in the corresponding period in 2003. Operating expenses increased $33.0 million in the third quarter 2004 from the corresponding period in 2003. The acquisitions of Walters Hexagon and DDI increased operating expenses by $12.8 million, while changes in exchange rates increased operating expenses by $2.5 million. Excluding the acquisitions of Walters Hexagon and DDI and the exchange rate impact, operating expenses increased $17.7 million, or 13.1%, primarily due to variable costs associated with higher sales volumes and increases in healthcare costs, pension costs, costs associated with additional restricted stock grants and an increase in employee incentives due to our improved operating performance. Also, as a result of the Company's new branding strategy of its recently acquired fastener and small parts supply business, operating expenses increased due to the Company recording a pre-tax asset impairment charge of $1.8 million in the third quarter of 2004 to write-off the value assigned to the Pentacon tradename when it was acquired in September 2002.

Interest Expense: Consolidated interest expense increased to $3.3 million in the third quarter of 2004 from $3.2 million in the corresponding period in 2003. Interest expense increased due to higher debt levels. The average long-term debt balance was $276.2 million and $247.4 million for the third quarter of 2004 and 2003, respectively. The increase in interest expense due to the higher debt level was partially offset by a lower average cost of borrowings. The average interest rate for the third quarter of 2004 and 2003, was 4.7% and 5.0%, respectively.

Other, net (expense) income:

	13 WEEKS ENDED	
	OCTOBER 1, 2004	OCTOBER 3, 2003
	(IN MILLIONS)	
Accounts receivable securitization	$ (1.4)	$ (0.6)
Foreign exchange	(0.7)	0.4
Sale of fixed assets	(0.1)	(0.1)
Cash surrender value of life insurance policies	0.1	0.3
Other	(0.4)	--
	$ (2.5)	$ --

The accounts receivable securitization program had net expenses of $1.4 million for the 13 weeks ended October 1, 2004, compared to $0.6 million of net expenses in 2003. The increase in net expenses was primarily a result of increased sales of accounts receivable to ARC, which are sold at a 2.12% discount. Beginning in the fourth quarter of 2004, expenses (funding costs) associated with the accounts receivable securitization program will be included in interest expense as the funding under the securitization facility are now consolidated in the Company's consolidated financial statements. Foreign exchange losses increased $1.1 million in the 13 weeks ended October 1, 2004 as compared to the corresponding period in 2003 primarily associated with the Latin American operations.

Income Taxes: The consolidated tax provision increased to $10.9 million in third quarter of 2004 from $8.8 million in the third quarter of 2003, primarily due to an increase in income before taxes. The 2004 effective tax rate is 39.0% compared to 43.8% in 2003. The decrease in the effective tax rate is primarily due to a change in the mix of foreign income and losses by country as compared to country-level net operating loss positions. The change in tax rate increased net income by $1.4 million or $0.03 per diluted share in the third quarter of 2004 as compared to the same period in 2003.

NORTH AMERICA RESULTS OF OPERATIONS

	13 WEEKS ENDED		
	OCTOBER 1, 2004	OCTOBER 3, 2003	PERCENT CHANGE
	(IN MILLIONS)		
Net sales	$ 656.2	$ 518.4	26.6%
Gross profit	$ 156.7	$ 125.5	24.8%
Operating expenses	$ 127.1	$ 105.3	20.7%
Operating income	$ 29.6	$ 20.2	46.5%

Net Sales: When compared to the corresponding period in 2003, North America net sales for the 13 weeks ended October 1, 2004 increased 26.6% to $656.2 million. The acquisition of DDI in June of 2004 accounted for $18.3 million of the increase, while favorable changes in the Canadian exchange rate accounted for $4.6 million of the increase. Excluding DDI and the exchange rate impact, North America net sales increased 22.1% during the third quarter of 2004 as compared to the corresponding period in 2003. The combined industrial wire and cable and enterprise cabling sales increased $110.7 million in the third quarter of 2004 as compared to the third quarter of 2003, due to improved economic conditions, price increases driven by higher copper and data cabling prices and an expanded product offering. In the OEM supply market, the Pentacon operations reported a 22.6% increase in sales on a combination of improved customer demand and new contract additions.

Gross Margins: North America's gross margins decreased to 23.9% in the third quarter of 2004 from 24.2% for the same period in 2003. The decrease is primarily due to a higher percentage of capital projects, which had lower gross margins due to excess capacity in the industry. In addition, gross margins declined due to the timing of passing through commodity price increases to customers with long-term contracts.

Operating Income: Operating expenses increased $21.8 million in the third quarter of 2004 from the corresponding period in 2003. The DDI acquisition accounted for $6.3 million of the increase, while changes in Canadian exchange rates increased operating expenses by $0.7 million. Excluding the acquisition of DDI and the exchange rate impact, North America operating expenses increased 14.0%, primarily due to variable costs associated with the increase in sales volume, higher pension and healthcare costs, expenses related to additional restricted stock grants and an increase in employee incentives due to stronger operating performance. As a result of the Company's new branding strategy of its recently acquired fastener and small parts supply business, the Company recorded a pre-tax asset impairment charge of $1.8 million in the third quarter of 2004 to write-off the value assigned to the Pentacon tradename when it was acquired in September 2002. Primarily as a result of higher daily sales and continued tight expense controls and the leveraging of the existing infrastructure. North America operating margins increased to 4.5% in the third quarter of 2004 from 3.9% in the same period in 2003. Exchange rate changes had a $0.3 million favorable impact on operating income.

EUROPE RESULTS OF OPERATIONS

	13 WEEKS ENDED		
	OCTOBER 1, 2004	OCTOBER 3, 2003	PERCENT CHANGE
	(IN MILLIONS)		
Net sales	$ 136.2	$ 88.2	54.6%
Gross profit	$ 33.9	$ 24.0	41.0%
Operating expenses	$ 31.3	$ 21.5	45.4%
Operating income	$ 2.6	$ 2.6	3.2%

Net Sales: Europe net sales increased 54.6% in the third quarter of 2004 to $136.2 million from $88.2 million in the third quarter of 2003, including a $8.6 million favorable effect from changes in exchange rates and an increase of $28.5 million as a result of the acquisition of Walters Hexagon. Excluding Walters Hexagon and exchange rate impact, sales increased 12.5%. Overall demand remains comparatively weaker than in the U.S. and has resulted in significant margin pressure.

Gross Margins: Europe gross margins decreased to 24.8% in the third quarter of 2004 from 27.2% in the same period in 2003. The decrease is primarily due to large projects at reduced margins along with significant pricing pressure resulting from excess capacity in the industry. Walters Hexagon added 70 basis points to Europe's gross margins in the third quarter of 2004.

Operating Income: Compared to the third quarter of 2003, Europe operating expenses increased 45.4%, or $9.9 million, to $31.3 million in the third quarter of 2004. Included in the increase are $6.5 million of expenses related to Walters Hexagon and $1.7 million for changes in exchange rates. Excluding Waters Hexagon and the exchange rate impact, operating expenses were $23.1 million, or 7.1% higher than 2003. Europe operating margins decreased to 1.9% from 2.8% in 2003 due to large projects at reduced margins and significant pricing pressures. Exchange rate changes had a minimal impact on operating income. Hexagon added 70 basis points to Europe operating margins in the third quarter of 2004.

EMERGING MARKETS RESULTS OF OPERATIONS

	13 WEEKS ENDED		
	OCTOBER 1, 2004	OCTOBER 3, 2003	PERCENT CHANGE
	(IN MILLIONS)		
Net sales	$ 57.2	$ 46.8	22.4%
Gross profit	$ 11.3	$ 8.8	28.9%
Operating expenses	$ 9.6	$ 8.3	16.8%
Operating income	$ 1.7	$ 0.5	227.3%

Net Sales: Emerging Markets (Asia Pacific and Latin America) net sales were up 22.4%, to $57.2 million in the third quarter of 2004, from $46.8 million in the third quarter of 2003, including a $0.2 million unfavorable impact from changes in exchange rates. The increase reflects larger projects and product and market expansion.

Gross Margins: During the third quarter of 2004, Emerging Markets' gross margins increased to 19.8% from 18.8% in the corresponding period in 2003. The improvement is primarily due to price increases in Venezuela and higher margins throughout Asia.

Operating Income: Emerging Markets operating income increased to $1.7 million in the third quarter of 2004 from $0.5 million in the third quarter of 2003. Operating expenses increased 16.8% as compared to the corresponding period in 2003. As a result of the higher sales levels, improved gross margins and tight expense controls, operating margins increased to 2.9% in the third quarter of 2004 from 1.1% in 2003. Exchange rate changes had a minimal impact on operating income.

YEAR-TO-DATE 2004 RESULTS OF OPERATIONS

OVERVIEW

In the 39 weeks ended October 1, 2004, the Company saw net income, inclusive of an extraordinary gain of $4.1 million, increase approximately 81.1% to $52.1 million on a 23.8% increase in sales from the corresponding period of the prior year. Sales, gross profits, operating expenses and operating profits all showed year-on-year increases from a combination of unit growth and commodity driven price increases, the acquisitions of Walters Hexagon in September of 2003 and DDI in June of 2004 and exchange rate changes related to the weaker U.S. dollar. Gross margins declined 60 basis points in the 39 weeks ended October 1, 2004 as compared to the corresponding period in 2003, primarily due to an increase in larger capital projects, excess industry capacity and the timing of passing through commodity price increases to customers with long-term contracts. As a result of the Company's new branding strategy of its recently acquired fastener and small parts supply business, the Company recorded a pre-tax asset impairment charge of $1.8 million in the third quarter of 2004 to write-off the value assigned to the Pentacon tradename when it was acquired in September 2002. Although gross margins decreased, operating expenses (including the $1.8 million impairment charge) as a percent of sales declined 120 basis points from the corresponding period in 2003 due to the Company's continued tight expense controls and the leveraging of existing infrastructure. As a result, operating margins increased 60 basis points in the 39 weeks ended October 1, 2004 as compared to the corresponding period in 2003.

Beginning in the fourth quarter of 2004, costs associated with the accounts receivable securitization program (funding costs), which were previously recorded in "other income and expense," will be recorded as "interest expense." The average interest rate related to funding under the securitization facility was 1.8% for the 39 weeks ended October 1, 2004 and 2.2% for the corresponding period in 2003. Although interest expense will increase in the fourth quarter of 2004, the Company's consolidated average interest rate will decrease as compared to the corresponding period in 2003 due to the lower average cost of funding associated with the securitization facility.

Other expenses increased in the current year due to larger foreign exchange losses, which in large part were the result of the February 2004 devaluation of the Venezuelan Bolivar. Expenses associated with the Company's accounts receivable securitization program increased $1.1 million in the 39 weeks ended October 1, 2004 as compared to the corresponding period in 2003, primarily a result of increased sales of net accounts receivable to ARC, which are sold at a 2.12% discount. Foreign exchange losses totaled $4.0 million in the 39 weeks ended October 1, 2004 compared to $1.0 million of foreign exchange losses in the corresponding period in 2003. In the 39 weeks ended October 1, 2004, a $0.1 million gain was recorded relating to the cash surrender value of life insurance policies compared to a gain of $1.6 million in the 39 weeks ended October 3, 2003.

The 39 weeks ended October 1, 2004 includes a pre-tax loss of $0.7 million related to the write-off of deferred financing costs associated with early termination and replacement of the Company's $275.0 million revolving credit facility. In the prior year, the Company incurred a pre-tax loss of $6.2 million related to the early retirement of debt and the write-off of debt issuance costs associated with the cancellation of $115.0 million of the available revolving credit facility. The Company's effective tax rate (excluding extraordinary gain) decreased to 39.0% in 2004 from 43.0% in 2003, as a result of a change in the mix of income and losses by country as compared to country-level net operating loss positions. The extraordinary gain in 2004 was the result of monies received from an escrow account in connection with the 1983 bankruptcy of Itel Corporation, the predecessor to the Company.

CONSOLIDATED RESULTS OF OPERATIONS

	39 WEEKS ENDED		
	OCTOBER 1, 2004	OCTOBER 3, 2003	PERCENT CHANGE
	(IN MILLIONS)		
Net sales	$ 2,426.9	$ 1,960.4	23.8%
Gross profit	$ 576.1	$ 477.1	20.7%
Operating expenses	$ 479.5	$ 409.9	17.0%
Operating income	$ 96.6	$ 67.2	43.8%

Net Sales: The Company's net sales during the 39 weeks ended October 1, 2004 increased 23.8% to $2,426.9 million from $1,960.4 million in the same period in 2003. The acquisitions of Walters Hexagon in September 2003, and DDI in June of 2004, along with favorable effects from changes in exchange rates, accounted for $96.7 million and $49.2 million of the increase, respectively. Excluding the acquisitions of Walters Hexagon and DDI and the effects from changes in exchange rates, the Company's net sales increased 16.4% during the 39 weeks ended October 1, 2004 from the same period in 2003. The increase in net sales was due to improved economic conditions, commodity-driven price increases, an increase in larger capital projects and an expanded product offering.

Gross Margins: Gross margins decreased to 23.7% in the 39 weeks ended October 1, 2004 from 24.3% in the corresponding period in 2003. The primary reason for the decline was an increase in larger capital projects during the 39 weeks ended October 1, 2004 as compared to 2003. Due to excess capacity in the industry, pricing on these projects was extremely competitive, which reduced gross margins. In addition, sales to telecom-related OEMs, which have lower gross margins, increased 15.0% in the 39 weeks ended October 1, 2004 as compared to the corresponding period in 2003. Finally, the timing of passing through commodity price increases to customers with long-term contracts put pressure on gross margins.

Operating Income: As a result of higher sales, operating margins were 4.0% for the 39 weeks ended October 1, 2004 as compared to 3.4% in the corresponding period in 2003. Operating expenses increased $69.6 million in the 39 weeks ended October 1, 2004 from the corresponding period in 2003. The Walters Hexagon and DDI acquisitions increased operating expenses by $25.1 million, while changes in exchange rates increased operating expenses by $9.3 million. As a result of the Company's new branding strategy of its recently acquired fastener and small parts supply business, the Company recorded a pre-tax asset impairment charge of $1.8 million in the third quarter of 2004 to write-off the value assigned to the Pentacon tradename when it was acquired in September 2002. Excluding the above, operating expenses increased $33.4 million, or 8.1%, primarily due to variable costs associated with higher sales volumes, increases in healthcare and pension costs, expenses associated with additional restricted stock grants and an increase in employee incentives due to our improved operating performance.

Interest Expense: Consolidated interest expense decreased to $9.3 million in the 39 weeks ended October 1, 2004 from $9.9 million in 2003. Interest expense decreased due to a reduction in the average cost of borrowings. The average long-term debt balance was $256.2 million and $226.1 million for the 39 weeks ended October 1, 2004 and October 3, 2003, respectively. The average interest rate for 2004 and 2003 was 4.9% and 5.8%, respectively.

Other, net (expense) income:

	39 WEEKS ENDED	
	OCTOBER 1, 2004	OCTOBER 3, 2003
	(IN MILLIONS)	
Foreign exchange	$ (4.0)	$ (1.0)
Accounts receivable securitization	(2.8)	(1.7)
Sale of fixed assets	(0.1)	(0.3)
Cash surrender value of life insurance policies	0.1	1.6
Other	(1.2)	0.7
	$ (8.0)	$ (0.7)

Foreign exchange produced a net loss of $4.0 million in the 39 weeks ended October 1, 2004 as compared to foreign exchange losses of $1.0 million in the corresponding period of 2003. A significant portion of the net loss in 2004 resulted from the February 2004 devaluation of the Venezuelan Bolivar. The accounts receivable securitization program had expenses of $2.8 million for the 39 weeks ended October 1, 2004, compared to $1.7 million of net expenses in 2003. The increase in net expenses was primarily a result of increased sales of net accounts receivable to ARC, which are sold at a 2.12% discount. Beginning in the fourth quarter of 2004, expenses associated with the accounts receivable securitization program (funding costs) will be included in interest expense as the funding under the securitization facility are now consolidated in the Company's consolidated financial statements.

Income Taxes: The consolidated tax provision increased to $30.6 million in the 39 weeks ended October 1, 2004 from $21.6 million in the corresponding period in 2003, due to an increase in income before taxes and extraordinary gain. The 2004 effective tax rate (excluding extraordinary gain) is 39.0% compared to 43.0% in 2003. The decrease in the effective tax rate is primarily due to a change in the mix of foreign income and losses by country as compared to country-level net operating loss positions. The change in tax rate increased income before extraordinary gain and net income by $3.1 million or $0.08 per diluted share in the 39 weeks ended October 1, 2004.

NORTH AMERICA RESULTS OF OPERATIONS

	39 WEEKS ENDED		
	OCTOBER 1, 2004	OCTOBER 3, 2003	PERCENT CHANGE
	(IN MILLIONS)		
Net sales	$ 1,855.8	$ 1,548.3	19.9%
Gross profit	$ 436.3	$ 375.0	16.3%
Operating expenses	$ 355.7	$ 317.5	12.0%
Operating income	$ 80.6	$ 57.5	40.2%

Net Sales: When compared to the corresponding period in 2003, North America net sales for the 39 weeks ended October 1, 2004 increased 19.9% to $1,855.8 million. The acquisition of DDI accounted for $18.3 million of the increase, while favorable changes in the Canadian exchange rate accounted for $17.0 million of the increase. Excluding DDI and the exchange rate impact, North America net sales increased 17.6% during the 39 weeks ended October 1, 2004 as compared to the corresponding period in 2003. The combined industrial wire and cable and enterprise cabling sales increased $237.2 million in the 39 weeks ended October 1, 2004 as compared to the corresponding period in 2003, due to improved economic conditions, price increases driven by higher copper and data cabling prices and an expanded product offering. In the OEM supply market, the Pentacon operations reported a 18.0% increase in sales on a combination of improved customer demand and new contract additions. Sales to telecom-related OEMs increased 15.0% in the 39 weeks ended October 1, 2004 as compared to the corresponding period in 2003.

Gross Margins: North America's gross margins decreased to 23.5% in the 39 weeks ended October 1, 2004 from 24.2% for the same period in 2003. The decrease is primarily due to a higher percentage of larger capital projects, which had lower gross margins due to excess capacity in the industry. In addition, gross margins declined as a result of the higher sales to telecom-related OEMs, which have lower gross margins. Finally, the timing of passing through commodity price increases to customers with long-term contracts put pressure on gross margins. DDI added $5.1 million to gross profit during the 39 weeks ended October 1, 2004.

Operating Income: Operating expenses increased $38.2 million in the 39 weeks ended October 1, 2004 from the corresponding period in 2003. The DDI acquisition accounted for $6.3 million of the increase, while changes in exchange rates increased operating expenses by $2.8 million. Excluding the acquisition of DDI and the exchange rate impact, North America operating expenses increased 9.2% primarily due to variable costs associated with the increase in sales volume, higher pension and healthcare costs, expenses related to additional restricted stock grants and an increase in employee incentives due to our strong year-to-date operating performance. As a result of the Company's new branding strategy of its recently acquired fastener and small parts supply business, the Company recorded a pre-tax asset impairment charge of $1.8 million in the third quarter of 2004 to write-off the value assigned to the Pentacon tradename when it was acquired in September 2002. Primarily as a result of higher daily sales and continued tight expense controls and the leveraging of the existing infrastructure. North America operating margins increased to 4.3% in the 39 weeks ended October 1, 2004 from 3.7% in same period in 2003. Exchange rate changes had a $0.9 million favorable impact on operating income.

EUROPE RESULTS OF OPERATIONS

	39 WEEKS ENDED		
	OCTOBER 1, 2004	OCTOBER 3, 2003	PERCENT CHANGE
	(IN MILLIONS)		
Net sales	$ 408.9	$ 276.0	48.2%
Gross profit	$ 105.4	$ 74.6	41.2%
Operating expenses	$ 94.1	$ 66.1	42.1%
Operating income	$ 11.3	$ 8.5	34.2%

Net Sales: Europe net sales increased 48.2% in the 39 weeks ended October 1, 2004 to $408.9 million from $276.0 million in the corresponding period in 2003, including a $31.1 million favorable effect from changes in exchange rates and an increase of $78.4 million as a result of the acquisition of Walters Hexagon. Excluding Walters Hexagon and exchange rate impact, sales increased 8.5%. Overall, demand remains weak resulting in significant margin pressure.

Gross Margins: Europe's gross margins decreased to 25.8% in the 39 weeks ended October 1, 2004 from 27.0% in the same period in 2003. The decrease is primarily due to large projects at reduced margins along with significant pricing pressures resulting from excess capacity in the industry. Walters Hexagon added 50 basis points to Europe's gross margins in the 39 weeks ended October 1, 2004.

Operating Income: Compared to the 39 weeks ended October 3, 2003, Europe operating expenses increased 42.1%, or $28.0 million, to $94.1 million in the 39 weeks ended October 1, 2004. Included in the increase are $18.8 million of expenses related to Walters Hexagon and $6.3 million for changes in exchange rates. Excluding Walters Hexagon and the exchange rate impact, operating expenses were $69.0 million, or 4.1% higher than 2003. Operating margins decreased to 2.8% from 3.1% in the 39 weeks ended October 1, 2004 as compared to the corresponding period in 2003. The decrease is primarily due to a higher percentage of projects at reduced margins and significant pricing pressures. Walters Hexagon added 30 basis points to Europe's operating margins, while exchange rate changes had a $1.2 million favorable impact on operating income.

EMERGING MARKETS RESULTS OF OPERATIONS

	39 WEEKS ENDED		
	OCTOBER 1, 2004	OCTOBER 3, 2003	PERCENT CHANGE
	(IN MILLIONS)		
Net sales	$ 162.2	$ 136.1	19.2%
Gross profit	$ 34.4	$ 27.5	25.3%
Operating expenses	$ 29.7	$ 26.3	13.4%
Operating income	$ 4.7	$ 1.2	277.5%

Net Sales: Emerging Markets (Asia Pacific and Latin America) net sales were up 19.2% to $162.2 million in the 39 weeks ended October 1, 2004, from $136.1 million in the corresponding period in 2003, including a $1.1 million favorable impact from changes in exchange rates. The increase reflects larger projects and product and market expansion.

Gross Margins: During the 39 weeks ended October 1, 2004, Emerging Markets' gross margins increased to 21.2% from 20.2% in the corresponding period in 2003. The improvement is primarily due to price increases in Venezuela and higher gross margins throughout Asia.

Operating Income: Emerging Markets operating income increased $3.5 million from $1.2 million in the 39 weeks ended October 3, 2003. Operating expenses increased 13.4% as compared to the corresponding period in 2003. As a result of the higher sales levels, improved gross margins and tight expense controls, operating margins increased to 2.9% in the 39 weeks ended October 1, 2004 from 0.9% in the corresponding period in 2003. Exchange rate changes had a $0.3 million favorable impact on operating income.

ITEM 4. CONTROLS AND PROCEDURES

The Company maintains a system of disclosure controls and procedures. The Company's management, including the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of October 1, 2004, pursuant to Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in ensuring that material information required to be filed in this quarterly report has been made known to them in a timely fashion. There was no change in the Company's internal control over financial reporting that occurred during the 39 weeks ended October 1, 2004 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ANIXTER INTERNATIONAL INC.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a) Exhibits

(10) Material Contacts.
10.1 Anixter Inc. Supplemental Executive Retirement Plan with Robert W. Grubbs and Dennis J. Letham, dated August 4, 2004.

(31) Rule 13a - 14(a) / 15d - 14(a) Certifications.
31.1 Robert W. Grubbs, President and Chief Executive Officer, Certification Pursuant to Section 302, of the Sarbanes-Oxley Act of 2002.
31.2 Dennis J. Letham, Senior Vice President-Finance and Chief Financial Officer, Certification Pursuant to
Section 302, of the Sarbanes-Oxley Act of 2002.

(32) Section 1350 Certifications.
32.1 Robert W. Grubbs, President and Chief Executive Officer, Certification Pursuant to 18 U.S.C.
Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2 Dennis J. Letham, Senior Vice President-Finance and Chief Financial Officer, Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002.

b) Reports on Form 8-K

On July 27, 2004, the Company filed a Current Report on Form 8-K under Item 7 "Financial Statements, Pro Forma Financial Information and Exhibits" and Item 12 "Results of Operation and Financial Condition" reporting its results for the fiscal quarter ended July 2, 2004.

SIGNATURES

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

ANIXTER INTERNATIONAL INC.

November 5, 2004

By: /s/ Robert W. Grubbs
Robert W. Grubbs
President and Chief Executive Officer

November 5, 2004

By: /s/ Dennis J. Letham
Dennis J. Letham
Senior Vice President - Finance and Chief Financial Officer

EXHIBIT 10.1

ANIXTER INC.

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

EFFECTIVE AS OF
AUGUST 4, 2004

ANIXTER INC.

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

SECTION 1. ESTABLISHMENT OF THE PLAN

1.1 Establishment of the Plan. Anixter Inc. (the "Corporation") hereby establishes the ANIXTER INC. SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (the "Plan") effective as of August 4, 2004.

1.2 Description of the Plan. This Plan is intended to constitute a nonqualified deferred compensation plan which, in accordance with ERISA Sections 201(2), 301(a)(3) and 401(a)(1), is unfunded and established primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees.

1.3 Purpose of the Plan. In addition to the description of the Plan as set forth in subsection 1.2 above, the primary objective of the Corporation in establishing this Plan is to provide supplemental retirement income to certain employees of the Company in addition to that provided through all other sources.

SECTION 2. DEFINITIONS

2.1 Definitions. Whenever used in the Plan, the following terms shall have the respective meanings set forth below, unless otherwise expressly provided herein or unless a different meaning is plainly required by the context, and when the defined meaning is intended, the term is capitalized. Other terms used herein without definition shall have the meanings ascribed to them in the Anixter Inc. Pension Plan as amended and restated from time to time or, if no such meaning is ascribed, the meanings attributed to them by the Committee in its reasonable discretion.

(a) "Beneficiary" means any person or entity designated by the Participant or otherwise entitled to receive any benefits under the Plan which may be due upon the Participant's death.

(b) "Board" means the Board of Directors of the Corporation.

(c) "Cause" has the meaning set forth in any employment or other written agreement between the Participant and the Company. If there is no employment or other written agreement between the Participant and the Company, or if such agreement does not define "Cause," then "Cause" shall mean the Participant's:

(1) repeated material failure to follow appropriate instructions;

(2) material breach of his fiduciary obligations to the Company; or

(3) commission of dishonest acts that in the reasonable judgment of the Company makes the continuation of Participant's employment inappropriate.

In the absence of anything to the contrary contained in a Participant's employment agreement (if any), the Committee has the discretion to determine, in good faith, from all the facts and circumstances reasonably available to it, whether Cause exists.

(d) "Committee" means the Anixter Inc. Employee Benefits Administrative Committee.

(e) "Company" means the Corporation and any subsidiaries of the Corporation and their successor(s) or assign(s) that adopt this Plan with the approval by resolution of the Board.

(f) "Compensation Committee" means the Anixter International Inc. Compensation Committee.

(g) "Corporation" means Anixter Inc., a Delaware corporation, or any successor thereto.

(h) "Eligible Employee" means an Employee who is so designated by the Committee and approved by the Compensation Committee.

(i) "Employee" means a person who is actively employed by the Company and who falls under the usual common law rules applicable in determining the employer-employee relationship.

(j) "Life Annuity" means an annuity that is paid to the retired Participant for as long as he lives and which does not provide any payments to a Beneficiary. The amount of this annuity is determined by the benefit formula in Section 4.

(k) "Monthly Salary" means the Salary paid to the Participant during the applicable month. Monthly Salary shall be based upon the Salary paid for completed months.

(l) "Normal Retirement Date" means the first of the month coincident with or next following the attainment of the Participant's sixty-fifth birthday, unless otherwise specified by the Committee.

(m) "Participant" means any Eligible Employee who is participating in the Plan in accordance with the provisions herein set forth.

(n) "Plan" means this plan, the Anixter Inc. Supplemental Executive Retirement Plan.

(o) "Plan Administrator" means the Anixter Inc. Employee Benefits Administrative Committee.

(p) "Present Value" means the commuted present value lump sum of any amounts owed at the time of any such calculation (using the mortality assumptions used for the calculation of benefits under the Anixter Inc. Pension Plan), which shall be discounted to present value at a reasonable interest rate as determined by the Committee (or its designee) in its sole discretion.

(q) "Qualified Pension Benefit" means the Participant's Normal Form Life Annuity benefit payable from the Anixter Inc. Pension Plan.

(r) "Retirement" means any termination of employment with the Company, other than termination by the Company for Cause, on or after attaining his or her Normal Retirement Date or, with respect to any Participant, the Committee has determined in its sole discretion that such Participant is no longer regularly engaged in the provision of services to the Company, regardless of the Participant's payroll status.

(s) "Retirement Date" means the first day of the month coincident with or next following the date when a Participant retires after attaining his or her Normal Retirement Date.

(t) "Salary" means the remuneration paid to a Participant during a Plan Year, including overtime, regular bonus amounts or commissions in lieu of regular bonus amounts, before reduction for amounts deferred pursuant to any plan of the Corporation (including, without limitation, any tax-qualified or non-qualified plans of deferred compensation and any cafeteria plans, as defined in section 125 of the Internal Revenue Code), but excluding special performance bonus amounts, signing and relocation bonuses, extraordinary commissions, any amounts or payments received from a nonqualified deferred compensation plan, stock option, phantom stock option or similar long-term incentive plan maintained by the Company, severance pay, and other extraordinary payments.

2.2 Gender and Number. Except when otherwise indicated by the context, any masculine terminology used herein shall also include the feminine and the feminine shall include the masculine, and the use of any term herein in the singular may also include the plural and the plural shall include the singular.

SECTION 3. ELIGIBILITY AND PARTICIPATION

3.1 Eligibility. An Employee must be designated by the Committee and approved by the Compensation Committee for participation in this Plan to become eligible to receive Benefits.

3.2 Reemployment of Former Participant. Notwithstanding any provision of the Plan to the contrary, any person reemployed as an Employee who previously participated in and received benefits under the Plan shall not be eligible to participate again in the Plan. Furthermore, any payments or future rights to payments under the Plan made or to be made with respect to such Participant shall not be discontinued on account of such reemployment.

SECTION 4. BENEFITS

4.1 Normal Benefit. A Participant who is eligible for Retirement or Vested Termination Benefits will receive from the Plan on a monthly basis a Life Annuity commencing on the later of his Normal Retirement Date or his Retirement Date equal to his Applicable Formula contained in Exhibit A. Exhibit A shall be updated as necessary to reflect Committee recommendations which are approved by the Compensation Committee.

4.2 Deferred Retirement. The Deferred Retirement Benefit shall be calculated according to Section 4.1, with the Life Annuity commencement on the first of the month coincident with or next following the Participant's Retirement Date.

4.3 Vested Termination. Unless otherwise provided in Section 4.1, if a Participant Retires or his or her employment terminates for any reason other than Cause, with at least five (5) years of service and after attaining fifty-five (55) years of age, he is eligible for Vested Benefits. The Vested Benefit shall be calculated according to Section 4.1.

4.4 Optional Payment Forms. The Normal Form of benefit will be the Life Annuity form commencing on the Participant's Normal Retirement Date. The Participant may elect one of the following Optional Payment Forms.

(a) Early Commencement of Benefits. A Participant who is at least fifty-five (55) years of age may elect to have his benefit commence prior to his Normal Retirement Date. Such benefit shall be adjusted to be actuarially equivalent to his Normal Benefit.

(b) 50% Joint and Survivor Annuity. A Participant may elect to have his benefit paid in the form of a 50% Joint and Survivor Annuity. 50% Joint and Survivor Annuity shall mean an annuity which is paid to the retired Participant with a survivor annuity paid during the life of the surviving spouse or non-spouse Beneficiary after the Participant's death. The annuity must be the actuarial equivalent of the Life Annuity for that Participant. The amount of the survivor annuity shall be fifty percent (50%) of the Participant's benefit.

4.5 Pre-Retirement Death Benefits. A Participant who dies will not receive special benefits on account of death. Such a Participant may receive benefits only if he qualifies for reasons other than death.

If a Participant dies after meeting the requirements for Vested Termination, either while employed or after termination of employment but prior to the commencement of benefit payments, his Beneficiary will be entitled to receive a survivor's benefit. The amount of the benefit payable would be the same amount that would be payable to the Beneficiary if the Participant had retired and begun receiving benefits in the form of a 50% Joint and Survivor Annuity on the day before his death.

4.6 Disability Benefits. A Participant who has been disabled will not receive special benefits on account of disability. Such a Participant may receive benefits only if he qualifies for reasons other than disability.

4.7 Forfeiture of Benefits. Notwithstanding anything in this Plan to the contrary, the Corporation's obligations to make the payments hereunder are conditioned upon the following:

(a) The Participant shall have continued in the active employ of the Corporation until such time as he is otherwise entitled to benefits under Section 4.

(b) The Participant's employment with the Company shall not have been terminated for Cause, or grounds discovered after termination of employment that would have led to termination for Cause.

If the Participant fails to satisfy the foregoing conditions, the Corporation's obligations hereunder shall cease.

SECTION 5. FINANCING

5.1 Financing of Benefits. Benefits shall be payable, when due, by the Corporation, out of its current operating revenue to the extent not paid from a trust created pursuant to Section 5.2. The Corporation's obligation to make payments to the recipient when due shall be contractual in nature only, and participation in the Plan will not create in favor of any Participant any right or lien against the assets of the Corporation. No benefits under the Plan shall be required to be funded by a trust fund or insurance contracts or otherwise.

5.2 "Rabbi" Trust. In connection with this Plan, the Board may establish a grantor trust (known as the "Anixter Inc. Executive Benefit Plan Trust") for the purpose of accumulating funds to satisfy the obligations incurred by the Corporation under this Plan (and such other plans and arrangements as determined from time to time by the Corporation). At any time, the Corporation may transfer assets to the Trust to satisfy all or part of the obligations incurred by the Corporation under this Plan, as determined in the sole discretion of the Committee, subject to the return of such assets to the Corporation at such time as determined in accordance with the terms of such Trust. Any assets of such Trust shall remain at all times subject to the claims of creditors of the Corporation in the event of the Corporation's insolvency; and no asset or other funding medium used to pay benefits accrued under the Plan shall result in the Plan being considered as other than "unfunded" under ERISA. Notwithstanding the establishment of

the Trust, the right of any Participant to receive future payments under the Plan shall remain an unsecured claim against the general assets of the Corporation.

SECTION 6. BENEFICIARY DESIGNATION

6.1 Designation of Beneficiary.

(a) All Beneficiary designations shall be in writing and signed by the Participant. The designation shall be effective only if and when delivered to the Corporation during the lifetime of the Participant. The Participant also may change his Beneficiary or Beneficiaries by a signed, written instrument delivered to the Corporation. The payment of amounts shall be in accordance with the last unrevoked written designation of Beneficiary that has been signed and delivered to the Corporation. All Beneficiary designations shall be addressed to the Secretary of Anixter Inc. and delivered to his office, and shall be processed as indicated in subsection (b) below by the Secretary or by his authorized designee.

(b) The Secretary of Anixter Inc. (or his authorized designee) shall, upon receipt of the Beneficiary designation:

(1) Ascertain that the designation has been signed, and if it has not been, return it to the Participant for his signature;

(2) If signed, stamp the designation "Received", indicate the date of receipt, and initial the designation in the proximity of the stamp.

(c) Death of his Beneficiary prior to the Participant's date of retirement shall void the selection involving that Beneficiary. The Participant shall be immediately required to make a different selection of payment form or to name another Beneficiary.

6.2 Ineffective Designation.

(a) If the Participant does not designate a Beneficiary, or if for any reason such designation is entirely ineffective, the amounts that otherwise would have been paid to the Beneficiary shall be paid to the Participant's estate as the alternate Beneficiary.

(b) If a designation is effective in part and ineffective in part, to the extent that a designation is effective, distribution shall be made so as to carry out as closely as discernable the intent of the Participant, with result that only to the extent that a designation is ineffective shall distribution instead be made to the Participant's estate as an alternate Beneficiary.

6.3 Simultaneous Death. If a Participant and Beneficiary die under circumstances such that it is not possible to determine who died first, it is presumed that the Participant survived the Beneficiary.

6.4 Disclaimer. A Beneficiary may disclaim any benefit hereunder in accordance with Internal Revenue Code Section 2518 and applicable state law.

SECTION 7. GENERAL PROVISIONS

7.1 Employment/Participation Rights.

(a) Nothing in the Plan shall interfere with or limit in any way the right of the Company to terminate any Participant's employment at any time, nor confer upon any Participant any right to continue in the employ of the Company. If any Participant's employment is terminated for any reason and he is not then entitled to benefits in accordance with Section 4, nothing shall be paid to such Participant or his Beneficiary(ies) under this Plan.

(b) Nothing in the Plan shall be construed to be evidence of any agreement or understanding, express or implied, that the Company will continue to employ a Participant in any particular position or at any particular rate of remuneration.

(c) No employee shall have a right to be selected as a Participant, or, having been so selected, to be selected again as a Participant.

(d) Nothing in this Plan shall affect the right of a recipient to participate in and receive benefits under and in accordance with any pension, profit sharing, deferred compensation or other benefit plan or program of the Company. In addition, no payments under this Plan shall be deemed salary or other compensation to the Participant for the purpose of computing benefits to which the Participant may be entitled under any pension plan or other arrangements that the Company may have for the benefit of its employees.

7.2 Nonalienation of Benefits.

(a) No right or benefit under this Plan shall be subject to anticipation, alienation, sale, assignment, pledge, encumbrance, or change, and any attempt to anticipate, alienate, sell, assign, pledge, encumber or change the same shall be void; nor shall any such disposition be compelled by operation of law except to the extent required by law.

(b) No right or benefit hereunder shall in any manner be liable for or subject to the debts, contracts, liabilities, or torts of the person entitled to benefits under the Plan.

(c) If any Participant or Beneficiary hereunder should become bankrupt or attempt to anticipate, alienate, sell, assign, pledge, encumber, or change any right or benefit hereunder, then such right or benefit shall, in the discretion of the Committee, cease, and the Committee shall direct in such event that the Corporation hold or apply the same or any part thereof for the benefit of the Participant or Beneficiary in such manner and in such proportion as the Committee may deem proper.

7.3 Severability. If any particular provision of the Plan shall be found to be illegal or unenforceable for any reason, the illegality or lack of enforceability of such provision shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if the illegal or unenforceable provision had not been included.

7.4 No Individual Liability. It is declared to be the express purpose and intention of the Plan that no liability whatsoever shall attach to or be incurred by the shareholders, officers, or directors of the Corporation or any representative appointed hereunder by the Corporation, under or by reason of any of the terms or conditions of the Plan.

7.5 Applicable Law. The Plan shall be governed by and construed in accordance with the laws of the State of Illinois except to the extent governed by applicable Federal law.

7.6 Successors. The provisions of the Plan shall bind and inure to the benefit of Company and its successors and assigns. The term successors as used herein shall include any corporate or other business entity that shall, either by merger, consolidation, purchase or otherwise acquire all or substantially all of the business and assets of the Company, and successors of any such corporation or other business entity.

7.7 Indemnity of Committee. To the maximum extent permitted by applicable law, the Company shall indemnify, hold harmless and defend the Committee, each member of the Committee, any employee of the Company, or any individual acting as an employee or agent of any of them (to the extent not indemnified or saved harmless under any liability insurance or any other indemnification arrangement) from any and all claims, losses, damages, liabilities, costs and expenses (including attorneys' fees) arising out of any actual or alleged act or failure to act made in good faith in connection with the Plans (or any related trust agreements), including expenses reasonably incurred in the defense of any claim relating thereto.

7.8 Overpayment. If the Committee determines that any Participant or Beneficiary receives any payment to which he or she is not entitled hereunder, the Committee may seek recovery of such overpayment, plus interest.

7.9 Qualified Domestic Relations Order. If the Committee receives an order purporting to be a qualified domestic relations order with respect to a Participant's benefit under the Plan, to the extent possible it shall attempt to have such benefit assigned from the Anixter Inc. Pension Plan.

7.10 Information to Company. The Company shall furnish to the Committee in writing all information the Company deems appropriate for the Committee to exercise its duties

hereunder. Such information shall include but shall not be limited to the names of all Participants and their Salary, date of birth, employment, termination of employment, retirement, or death.

7.11 Information to Participant. The Committee shall make available to such Participant and Beneficiary for examination at the principal office of the Company (or at such other location as may be determined by the Committee), a copy of the Plan and such of its records or copies thereof as may pertain to the benefits of such Participant or Beneficiary.

SECTION 8. PLAN ADMINISTRATION, AMENDMENT AND TERMINATION

8.1 In General. The Plan shall be administered by the Committee, which shall have the sole authority to construe and interpret the terms and provisions of the Plan and determine the amount, manner and time of payment of any benefits hereunder. The Committee shall maintain records, make the requisite calculations and disburse payments hereunder, and its interpretations, determinations, regulations and calculations shall be final and binding on all persons and parties concerned. The Committee may adopt such rules as it deems necessary, desirable or appropriate in administering the Plan and the Committee may act at a meeting, in a writing without a meeting, or by having actions otherwise taken by a member of the Committee pursuant to a delegation of duties from the Committee. No member of the Committee may act, vote, or otherwise influence a decision of the Committee specifically relating to his benefits, if any, under the Plan.

8.2 Claims Procedure. If the Committee denies a benefit, in whole or in part, it shall advise the Participant or Beneficiary, as applicable, of (i) the specific basis or bases for the denial (ii) references to the specific Plan provisions upon which the denial is based (iii) a description of any additional material or information that the Participant or Beneficiary needs to process the claim, and an explanation of why that material or information is necessary; and (iv) a statement of the Plan's appeal procedures as hereinafter set forth. Any person dissatisfied with the Committee's determination of a claim for benefits hereunder must file a written request for reconsideration with the Committee within 60 days of the denial by the Committee. Such person has the right to request, free of charge, and obtain copies of all documents, records, and other information that was relied upon by the Committee in denying such person's benefits or was submitted, considered, or generated in the course of making the benefit denial, regardless of whether it was used in denying the claim. This request must include a written explanation setting forth the specific reasons for such reconsideration. The Committee shall review its determination within 60 days, plus an extension for an additional 60 days in special circumstances, and render a written decision with respect to the claim, setting forth the specific reasons for such denial written in a manner calculated to be understood by the claimant. Such claimant shall be given a reasonable time within which to comment, in writing, to the Committee with respect to such explanation. The Committee shall review its determination promptly and render a written decision with respect to the claim. Such decision upon matters within the scope of the authority of the Committee shall be conclusive, binding, and final upon all claimants under this Plan.

8.3 Finality of Determination. The determination of the Committee as to any disputed questions arising under this Plan, whether of law or of fact, or mixed questions of law and fact, including questions of construction and interpretation, shall be final, binding, and conclusive upon all persons.

8.4 Delegation of Authority. The Committee may, in its discretion, delegate its duties to an officer or other employee of the Company, or to a committee composed of officers or employees of the Company.

8.5 Expenses. The cost of payment from this Plan and the expenses of administering the Plan shall be borne by the Corporation.

8.6 Tax Withholding. The Corporation shall have the right to deduct from all payments made from the Plan any federal, state, or local taxes required by law to be withheld with respect to such payments.

8.7 Incompetency. Any person receiving or claiming benefits under the Plan shall be conclusively presumed to be mentally competent and of age until the Corporation receives written notice, in a form and manner acceptable to it, that such person is incompetent or a minor, and that a guardian, conservator, statutory committee or other person legally vested with the care of his estate has been appointed. In the event that the Corporation finds that any person to whom a benefit is payable under the Plan is unable to properly care for his affairs, or is a minor, then any payment due (unless a prior claim therefore shall have been made by a duly appointed legal representative) may be paid to the spouse, a child, a parent, or a brother or sister, or to any person deemed by the Corporation to have incurred expense for the care of such person otherwise entitled to payment.

In the event a guardian or conservator or statutory committee of the estate of any person receiving or claiming benefits under the Plan shall be appointed by a court of competent jurisdiction, payments shall be made to such guardian or conservator or statutory committee provided that proper proof of appointment is furnished in a form and manner suitable to the Corporation. Any payment made under the provisions of this Section 8.7 shall be a complete discharge of liability therefore under the Plan.

8.8 Action by Corporation. Any action required or permitted to be taken hereunder by the Corporation or its Board shall be taken by the Board, or by any person or persons authorized by the Board.

8.9 Notice of Address. Any payment made to a Participant or to his surviving Spouse at the last known post office address of the distributee on file with the Corporation, shall constitute a complete acquittance and discharge to the Corporation and any director, officer or employee including, without limitation, members of the Committee with respect thereto, unless the Corporation shall have received prior written notice of any change in the condition or status of the distributee. Neither the Corporation nor any director, officer or employee including, without limitation, members of the Committee

shall have any duty or obligation to search for or ascertain the whereabouts of the Participant or the Beneficiary.

8.10 Amendment and Termination. The Plan may be amended, suspended or terminated, in whole or in part, by the Board of Directors, but no such action shall retroactively reduce the benefits under the Plan which have accrued prior to the effective date of such action. Notwithstanding the foregoing, a transfer of benefits provided hereunder and a concomitant transfer of liabilities to the Anixter Inc. Pension Plan shall not be regarded as an amendment reducing the benefits accrued under the Plan for any Participant. In addition, the Committee has concurrent authority to make technical and/or clarifying amendments to the Plan or amendments that either have no cost effect on the Company or an effect that is not reasonably expected to exceed $10,000, plus any correlative modifications thereto.

8.11 Savings Clause. Notwithstanding anything to the contrary contained herein, if (i) the Internal Revenue Service (IRS) prevails in its claim that all or a portion of the amounts contributed to the Plan, and/or earnings thereon, constitute taxable income to a Participant or beneficiary for any taxable year that is prior to the taxable year in which such contributions and/or earnings are actually distributed to such Participant or beneficiary, (ii) the U.S. Department of Labor (DOL) prevails in its claim that the Trust prevents the Plan from meeting the "unfunded" criterion of the exceptions to various requirements of Title I of ERISA for plans that are unfunded and maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees, or (iii) legal counsel selected by the Committee advises the Committee that the IRS or DOL would likely prevail in such claim, the Participant's Account balance shall be immediately distributed to the Participant or beneficiary. For purposes of this Section, the IRS or DOL shall be deemed to have prevailed in a claim if such claim is upheld by a court of final jurisdiction, or if the Committee, based upon the advice of legal counsel selected by the Committee, fails to appeal a decision of the IRS or DOL, or a court of applicable jurisdiction, with respect to such claim, to an appropriate IRS or DOL appeals authority or to a court of higher jurisdiction within the appropriate time period.

8.12 Transfer of Benefits. Notwithstanding anything contained herein to the contrary, the Committee has the authority to provide that the benefits of one or more Participants shall be provided from and the liabilities attributable to such benefits shall be transferred to the Anixter Inc. Pension Plan. Upon such transfer being effected, the benefits of the affected Participants shall cease to be payable under the Plan.

SECTION 9. EXECUTION

IN WITNESS WHEREOF, the Company has caused this Anixter Inc. Supplemental Executive Retirement Plan to be executed by its duly authorized officer this 4th day of August 2004, to be effective as of August 4, 2004.

Anixter Inc.

By:

Title:

ATTEST:

Secretary

ANIXTER INC.
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

EXHIBIT A

APPLICABLE FORMULA FOR NORMAL BENEFIT

ELIGIBLE EMPLOYEES AS OF AUGUST 4, 2004

Eligible Employee:	Robert Grubbs, Jr.
Normal Retirement Date:	54th birthday
Target Benefit (at age 65):	Monthly benefit equal to fifty percent (50%) of Final Average Salary*
Benefit Offsets:	(a) Normal Benefit Life Annuity payable from the Anixter Inc. Pension Plan and the Anixter Inc. Excess Benefit Plan, plus (b) fifty percent (50%) of Primary Social Security Benefit
Normal Benefit (at age 65):	Target Benefit less Benefit Offsets
Reduction:	Actuarially reduced (using the same assumptions as provided under the Anixter Inc. Pension Plan) for commencement prior to age 65, subject to a minimum Normal Benefit of $550,000 per year ($45,833.33 per month)

Eligible Employee:	Dennis Letham
Normal Retirement Date:	65th birthday
Target Benefit (at age 65):	Monthly benefit equal to fifty percent (50%) of Final Average Salary*
Benefit Offsets:	(a) Normal Benefit Life Annuity payable from the Anixter Inc. Pension Plan and the Anixter Inc. Excess Benefit Plan, plus (b) fifty percent (50%) of Primary Social Security Benefit
Normal Benefit (at age 65):	Target Benefit less Benefit Offsets
Reduction:	Actuarially reduced (using the same assumptions as provided under the Anixter Inc. Pension Plan) for commencement prior to age 65

* "Final Average Salary" means the highest obtainable average of Monthly Salary which can be derived from the Monthly Salary earned during any sixty (60) consecutive calendar months in the one hundred twenty (120) calendar months prior to the month in which the Participant terminates employment for any reason, including his death or retirement. If the Participant has completed fewer than sixty (60) calendar months of employment, the average shall be based upon all calendar months of service prior to his termination of employment.

Exhibit 31.1

PRESIDENT AND CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Robert W. Grubbs, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of Anixter International Inc.;

(2) Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

(3) Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

(4) The other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in internal control over financial reporting that occurred during the most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the internal control over financial reporting; and

(5) The other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the auditors and the audit committee of the board of directors:

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the internal control over financial reporting.

November 5, 2004

/s/ Robert W. Grubbs

Robert W. Grubbs
President and Chief Executive Officer

Exhibit 31.2

SENIOR VICE PRESIDENT - FINANCE AND
CHIEF FINANCIAL OFFICER CERTIFICATION

I, Dennis J. Letham, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of Anixter International Inc.;

(2) Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

(3) Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

(4) The other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in internal control over financial reporting that occurred during the most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the internal control over financial reporting; and

(5) The other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the auditors and the audit committee of the board of directors:

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the internal control over financial reporting.

November 5, 2004

/s/ Dennis J. Letham

Dennis J. Letham
Senior Vice President-Finance and
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Anixter International Inc. (the "Company") on Form 10-Q for the period ending October 1, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report") I, Robert W. Grubbs, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert W. Grubbs
Robert W. Grubbs
President and Chief Executive Officer
November 5, 2004

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Anixter International Inc. (the "Company") on Form 10-Q for the period ending October 1, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report") I, Dennis J. Letham, Senior Vice President-Finance and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Dennis J. Letham

Dennis J. Letham
Senior Vice President-Finance and Chief Financial Officer
November 5, 2004