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

Form 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended January 2, 2009

or

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

Commission file number 001-10212

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, IL 60026
(224) 521-8000
(Address and telephone number of principal executive offices in its charter)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class on Which Registered	Name of Each Exchange on Which Registered
Common stock, $1 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

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 ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. Yes ☐ No ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The aggregate market value of the shares of registrant's Common Stock, $1 par value, held by nonaffiliates of the registrant was approximately $1,743,366,599 as of June 27, 2008.

At February 20, 2009, 35,128,640 shares of registrant's Common Stock, $1 par value, were outstanding.

Documents Incorporated by Reference:

Certain portions of the registrant's Proxy Statement for the 2009 Annual Meeting of Stockholders of Anixter International Inc. are incorporated by reference into Part III.

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PART I

ITEM 1. BUSINESS.

(a) General Development of Business

Anixter International Inc. (the "Company"), formerly known as Itel Corporation, which was incorporated in Delaware in 1967, is engaged in the distribution of communications and electrical wire and cable products and fasteners and other small parts ("C" Class inventory components) through Anixter Inc. and its subsidiaries (collectively "Anixter").

In August of 2008, the Company acquired the assets and operations of QSN Industries, Inc. ("QSN") and all of the outstanding shares of Quality Screw de Mexico SA ("QSM"). QSN is based near Chicago, Illinois and QSM is based in Aguascalientes, Mexico. In the fiscal month of September 2008, the Company acquired all of the outstanding shares of Sofrasar SA ("Sofrasar") and partnership interests and shares in Camille Gergen GmbH & Co, KG and Camille Gergen Verwaltungs GmbH (collectively "Gergen") from the Gergen family and management of the entities. Sofrasar is headquartered in Sarreguemines, France and Gergen is based in Dillingen, Germany. In October of 2008, the Company acquired all the assets and operations of World Class Wire & Cable Inc. ("World Class"), a Waukesha, Wisconsin based distributor of electrical wire and cable. These acquisitions will complement Anixter's product offering with a broad array of value-added services and supply chain management programs to Original Equipment Manufacturers ("OEMs") in a number of vertical markets. These, along with other strategic acquisitions made over the last five years (Total Supply Solutions Limited ("TSS"), Eurofast SAS ("Eurofast"), MFU Holding S.p.A. ("MFU"), IMS, Inc. ("IMS"), Infast Group plc ("Infast"), Distribution Dynamics Inc., Walters Hexagon Group Ltd. and Pentacon Inc.), further the Company's goal of building on the Company's current strategic platform to drive future organic sales growth.

(b) Financial Information about Industry Segments

The Company is engaged in the distribution of communications and electrical wire and cable products, fasteners and "C" Class inventory components from top suppliers to contractors, installers, integrators and end users. The Company also supplies OEMs, in a wide variety of end markets, who use the Company's products as a component in their end product. 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, legal, tax, information technology 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.

Within each geographic segment, the Company organizes its sales teams based on the anticipated customer use or application of the products sold. Currently, the Company has enterprise cabling and security sales specialists (primarily copper and fiber data cabling, connectivity, security products and related support and supply products), electrical wire and cable sales specialists (primarily power, control and instrumentation cabling) and OEM supply sales specialists (primarily direct production line feed programs of small components to OEMs). All sales teams have access to the full array of products and services offered by the Company and all sales are serviced by the same operations, systems and support functions of the Company.

For certain financial information concerning the Company's business segments, see Note 9. "Business Segments" in the Notes to the Consolidated Financial Statements.

(c) Narrative Description of Business

Overview

The Company is a leader in the provision of advanced inventory management services including procurement, just-in-time delivery, quality assurance testing, advisory engineering services, component kit production, small component assembly and e-commerce and electronic data interchange to a broad spectrum of customers. The Company's comprehensive supply chain management solutions are designed to reduce customer procurement and management costs and enhance overall production or installation efficiencies. Inventory management services are frequently provided under customer contracts for periods in excess of one year and include the interfacing of Anixter and customer information systems and the maintenance of dedicated distribution facilities. These services

are provided exclusively in connection with the sales of products, and as such, the price of such services are included in the price of the products delivered to the customer.

Through a combination of its service capabilities and a portfolio of products from industry-leading manufacturers, Anixter is a leading global distributor of data, voice, video and security network communication products and the largest North American distributor of specialty wire and cable products. In addition, Anixter is a leading distributor of "C" Class inventory components which are incorporated into a wide variety of end-use applications and include screws, bolts, nuts, washers, pins, rings, fittings, springs, electrical connectors and similar small parts, the majority of which are specialized or highly engineered for particular customer applications.

Customers

The Company sells products to over 100,000 active customers. These customers are international, national, regional and local companies that include end users of the Company's products, installers, integrators and resellers of the Company's products as well as OEMs who use the Company's products as a component of their end product. Customers for the Company's products cover all industry groups including manufacturing, telecommunications, internet service providers, finance, education, healthcare, transportation, utilities, aerospace and defense and government as well as contractors, installers, system integrators, value-added resellers, architects, engineers and wholesale distributors. The Company's customer base is well-diversified with no single customer accounting for more than 3% of sales and no single end-market industry group accounting for more than 11% of sales.

Products

Anixter sells over 425,000 products. These products include communications (voice, data, video and security) products used to connect personal computers, peripheral equipment, mainframe equipment, security equipment and various networks to each other. These products consist of an assortment of transmission media (copper and fiber optic cable), connectivity products, support and supply products, and security surveillance and access control products. These products are incorporated into enterprise networks, physical security networks, central switching offices, web hosting sites and remote transmission sites. In addition, Anixter provides electrical wire and cable products, including electrical and electronic wire and cable, control and instrumentation cable and coaxial cable that is used in a wide variety of maintenance, repair and construction-related applications. The Company also provides a wide variety of electrical and electronic wire and cable products, fasteners and other small components that are used by original equipment manufacturers in manufacturing a wide variety of products.

Suppliers

The Company sources products from over 7,000 suppliers. However, approximately 30% of Anixter's dollar volume purchases in 2008 were from its five largest suppliers. An important element of Anixter's overall business strategy is to develop and maintain close relationships with its key suppliers, which include the world's leading manufacturers of communication cabling, connectivity, support and supply products, electrical wire and cable and fasteners. Such relationships emphasize joint product planning, inventory management, technical support, advertising and marketing. In support of this strategy, Anixter generally does not compete with its suppliers in product design or manufacturing activities. Anixter also generally does not sell private label products that are either one of Anixter's brands or a brand name exclusive to Anixter.

The Company's typical distribution agreement includes the following significant terms:

- a non-exclusive right to re-sell products to any customer in a geographical area (typically defined as a country);
- usually cancelable upon 90 days notice by either party for any reason;
- no minimum purchase requirements, although pricing may change with volume on a prospective basis; and
- the right to pass through the manufacturer's warranty to Anixter's customers.

Distribution and Service Platform

Anixter cost-effectively serves its customers' needs through its proprietary computer systems, which connect most of its warehouses and sales offices throughout the world. The systems are designed for sales support, order entry, inventory status, order tracking, credit review and material management. Customers may also conduct

business through Anixter's e-commerce platform, one of the most comprehensive, user-friendly and secure websites in the industry.

Anixter operates a series of large, modern, regional warehouses in key geographic locations in North America, Europe and Emerging Markets that provide for cost-effective, reliable storage and delivery of products to its customers. Anixter has designated 14 warehouses as regional warehouses. Collectively these facilities store approximately 37% of Anixter's inventory. In certain cities, some smaller warehouses are also maintained to maximize transportation efficiency and to provide for the local needs of customers. This network of warehouses and sales offices consists of 159 locations in the United States, 18 in Canada, 37 in the United Kingdom, 43 in Continental Europe, 26 in Latin America, 18 in Asia and 4 in Australia/New Zealand.

Anixter has also developed close relationships with certain freight, package delivery and courier services to minimize transit times between its facilities and customer locations. The combination of its information systems, distribution network and delivery partnerships allows Anixter to provide a high level of customer service while maintaining a reasonable level of investment in inventory and facilities.

Employees

At January 2, 2009 the Company employed 8,645 people. Approximately 41% of the employees are engaged in sales or sales-related activities, 40% are engaged in warehousing and distribution operations and 19% are engaged in support activities, including inventory management, information services, finance, human resources and general management. Less than three percent of the Company's employees are covered by collective bargaining agreements.

Competition

Given the Company's role as an aggregator of many different types of products from many different sources and because these products are sold to many different industry groups, there is no well-defined industry group against which the company competes. The Company views the competitive environment as highly fragmented with hundreds of distributors and manufacturers that sell products directly or through multiple distribution channels to end users or other resellers. There is significant competition within each end market and geography served that creates pricing pressure and the need for constant attention to improve services. Competition is based primarily on breadth of products, quality, services, price and geographic proximity. Anixter believes that it has a significant competitive advantage due to its comprehensive product and service offerings, highly-skilled workforce and global distribution network. The Company believes its global distribution platform provides a competitive advantage to serving multinational customers' needs. The Company's operations and logistics platform gives it the ability to ship orders from inventory for delivery within 24 to 48 hours to all major global markets. In addition, the Company has common systems and processes throughout much of its operations in 52 countries that provide its customers and suppliers with global consistency.

Anixter enhances its value proposition to both key suppliers and customers through its specifications and testing facilities and numerous quality assurance certification programs such as ISO 9001 and QSO 9000. The Company uses its testing facilities in conjunction with suppliers to develop product specifications and to test quality compliance. At its data network-testing lab located at the Company's suburban Chicago headquarters, the Company also works with customers to design and test various product configurations to optimize network design and performance specific to the customers' needs. At its various regional quality labs, the Company offers OEMs a comprehensive range of mechanical testing and materials characterization for product testing and failure investigation.

Most of the Company's competitors are privately held, and as a result, reliable competitive information is not available.

Contract Sales and Backlog

The Company has a number of customers who purchase products under long-term (generally three to five year) contractual arrangements. In such circumstances, the relationship with the customer typically involves a high degree of material requirements planning and information systems interfaces and, in some cases, may require the maintenance of a dedicated distribution facility or dedicated personnel and inventory at, or in close proximity to, the customer site to meet the needs of the customer. Such contracts do not generally require the customer to purchase

any minimum amount of goods from the Company, but would require that materials acquired by Anixter as a result of joint material requirements planning between the Company and the customer be purchased by the customer.

Generally, backlog orders, excluding contractual customers, represent approximately four weeks of sales and ship to customers within 30 to 60 days from order date. The Company's operations and logistics platform gives it the ability to ship orders from inventory stock for delivery within 24 to 48 hours to all major global markets.

Seasonality

The operating results are not significantly affected by seasonal fluctuations except for the impact resulting from variations in the number of billing days from quarter to quarter. Consecutive quarter sales from the third to fourth quarters are generally lower due to the holidays and lower number of billing days as compared to other consecutive quarter comparisons. As the Company's fastener business grows, the Company expects seasonal fluctuations to increase slightly, as the first and second quarter are somewhat stronger in the fastener business, due to third and fourth quarter seasonal and holiday plant shutdowns among original equipment manufacturer customers.

(d) Financial Information about Geographic Areas

For information concerning foreign and domestic operations and export sales see Note 6. "Income Taxes" and Note 9. "Business Segments" in the Notes to the Consolidated Financial Statements.

(e) Available Information

The Company maintains an Internet website at http://www.anixter.com that includes links to the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to these reports. These forms are available without charge as soon as reasonably practical following the time they are filed with or furnished to the Securities and Exchange Commission ("SEC"). Shareholders and other interested parties may request email notifications of the posting of these documents through the Investor Relations section of the Company's website.

The Company's Internet website also contains corporate governance information including corporate governance guidelines; audit, compensation and nomination and governance committee charters; nomination process for directors; and the Company's business ethics and conduct policy.

ITEM 1A. RISK FACTORS.

The following factors could materially adversely affect the Company's operating results and financial condition. Although the Company has tried to discuss key factors, please be aware that other risks may prove to be important in the future. New risks may emerge at any time, and the Company cannot predict those risks or estimate the extent to which they may affect the Company's financial performance.

A change in sales strategy or financial viability of the Company's suppliers could adversely affect the Company's sales or earnings.

Most of the Company's agreements with suppliers are terminable by either party on short notice for any reason. The Company currently sources products from over 7,000 suppliers. However, approximately 30% of the Company's dollar volume purchases in 2008 were from its five largest suppliers. If any of these suppliers changed its sales strategy to reduce its reliance on distribution channels, or decided to terminate its business relationship with the Company, sales and earnings could be adversely affected until the Company was able to establish relationships with suppliers of comparable products. Although the Company believes its relationships with these key suppliers are good, they could change their strategies as a result of a change in control, expansion of their direct sales force, changes in the marketplace or other factors beyond the Company's control, including a key supplier becoming financially distressed.

The Company's foreign operations are subject to political, economic and currency risks.

The Company derives approximately 41% of its revenues from sales outside of the United States. Economic and political conditions in some of these markets may adversely affect the Company's results of operations, cash flows and financial condition in these markets. The Company's results of operations and the value of its foreign

assets are affected by fluctuations in foreign currency exchange rates, and different legal, tax, accounting and regulatory requirements.

The Company has risks associated with inventory.

The Company must identify the right product mix and maintain sufficient inventory on hand to meet customer orders. Failure to do so could adversely affect the Company's sales and earnings. However, if circumstances change (for example, an unexpected shift in market demand, pricing or customer defaults) there could be a material impact on the net realizable value of the Company's inventory. To guard against inventory obsolescence, the Company has negotiated various return rights and price protection agreements with certain key suppliers. The Company also maintains an inventory valuation reserve account against diminution in the value or salability of the Company's inventory. However, there is no guaranty that these arrangements will be sufficient to avoid write-offs in excess of the Company's reserves in all circumstances.

The Company's operating results are affected by copper prices.

The Company's operating results have been affected by changes in copper prices, which is a major component in the electrical wire and cable products sold by the Company. As the Company's purchase costs with suppliers change to reflect the changing copper prices, its mark-up to customers remains relatively constant, resulting in higher or lower sales revenue and gross profit depending upon whether copper prices are increasing or decreasing.

The Company has risks associated with the integration of acquired businesses.

The Company's recent growth in sales and earnings is attributable to a combination of organic growth and acquisitions. In connection with recent and future acquisitions, it is necessary for the Company to continue to create a cohesive business from the various acquired properties. This requires the establishment of a common management team to guide the acquired businesses, the conversion of numerous information systems to a common operating system, the establishment of a brand identity for the acquired businesses, the streamlining of the operating structure to optimize efficiency and customer service and a reassessment of the inventory and supplier base to ensure the availability of products at competitive prices. No assurance can be given that these various actions can continue to be completed without disruption to the business, that the various actions can be completed in a short period of time or that anticipated improvements in operating performance can be achieved.

The Company's debt agreements could impose restrictions on its business.

The Company's debt agreements contain certain financial and operating covenants that limit its discretion with respect to certain business matters. These covenants restrict the Company's ability to incur additional indebtedness. As a result of these restrictions, the Company is limited in how it may conduct business and may be unable to compete effectively or take advantage of new business opportunities.

The Company has risks associated with accounts receivable.

Although no single customer accounts for more than 3% of the Company's sales, a payment default by one of its larger customers could have a short-term impact on earnings. Given the current economic environment, the risk that constrained access to capital and general market contractions may heighten exposure of customer default.

The Company may have substantial funding needs in 2009.

The Company's outstanding 3.25% zero coupon convertible notes due 2033 include a right for the holders of those notes to put them to the Company in July 2009 for cash consideration of $170.3 million. The Company also has outstanding an accounts receivable securitization facility which has a 364 day term that ends in September 2009. At the end of 2008, the Company had $195 million of borrowings under this facility. The Company believes that earnings, additional cash flow generated as a result of lower working capital requirements due to expected lower near-term sales growth as a result of the global recession, and approximately $248 million in available, committed, unused credit lines will be sufficient to fund operations, as well as the specific funding needs discussed above. In the event these sources are not sufficient to support the Company's funding needs, the Company may need to access the capital markets and there can be no assurance that, when the Company accesses the capital markets, funding will be available or will be available on favorable terms. This could result in a material increase in interest expense, decrease in profitability or more restrictive covenants.

The Company does not anticipate that it will pursue acquisitions or any significant return of capital to shareholders until such time as the current economic conditions show clear signs of improvement and the capital markets return to a more normalized state of operation.

The Company may be required to record a charge to our earnings if our goodwill becomes impaired.

The Company tests for impairment of goodwill annually at the beginning of the third quarter in accordance with generally accepted accounting standards. When events or changes in circumstances indicate that the carrying value for such assets may not be recoverable, however, the Company reviews its goodwill for impairment on an interim basis. Factors that may be considered a change in circumstances requiring our interim testing include a decline in stock price as compared to the Company's book value per share, future cash flows and slower growth rates. As a result of the dramatic change in the economic and market conditions in the fourth quarter of 2008, including the change in the Company's stock price as compared to its book value per share and the significant disruptions in the global credit markets, the Company performed an interim impairment test for goodwill as of the fiscal year end 2008. The Company did not record any impairment charge as a result of that interim test. However, in connection with future annual or interim tests, the Company may be required to record a non-cash charge to earnings in its financial statements during the period in which any impairment of goodwill is determined, resulting in an impact on the Company's results of operations. See *Note 1. "Summary of Significant Accounting Policies — Goodwill"* in the Notes to the Consolidated Financial Statements for additional information related to impairment of goodwill.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

ITEM 2. PROPERTIES.

The Company's distribution network consists of approximately 237 warehouses in 52 countries with more than 6.5 million square feet. There are 14 regional distribution centers (100,000 — 575,000 square feet), 34 local distribution centers (35,000 — 100,000 square feet) and 189 service centers. Additionally, the Company has approximately 68 sales offices throughout the world. All but 3 of these facilities are leased. No one facility is material to operations, and the Company believes there is ample supply of alternative warehousing space available on similar terms and conditions in each of its markets.

ITEM 3. LEGAL PROCEEDINGS.

In April 2008, the Company voluntarily disclosed to the U.S. Departments of Treasury and Commerce that one of its foreign subsidiaries may have violated U.S. export control laws and regulations in connection with re-exports of goods to prohibited parties or destinations.

The Company has performed a thorough review of its export and re-export transactions and did not identify any other potentially significant violations. The Company has determined appropriate corrective actions. The Company has submitted the results of its review and its corrective action plan to the applicable U.S. government agencies.

Civil penalties may be assessed against the Company in connection with any violations that are determined to have occurred, and based on information currently available, management does not believe that the ultimate resolution of this matter will have a material effect on the business, operations or financial condition of the Company.

From time to time, in the ordinary course of business, the Company and its subsidiaries become involved as plaintiffs or defendants in various legal proceedings. The claims and counterclaims in such litigation, including those for punitive damages, individually in certain cases and in the aggregate, involve amounts that may be material. However, it is the opinion of the Company's management, based upon the advice of its counsel, that the ultimate disposition of pending litigation will not be material.

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

During the fourth quarter of 2008, no matters were submitted to a vote of the security holders.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following table lists the name, age as of February 27, 2009, position, offices and certain other information with respect to the executive officers of the Company. The term of office of each executive officer will expire upon the appointment of his successor by the Board of Directors.

Robert J. Eck, 50	President and Chief Executive Officer of the Company since July 2008; Executive Vice-President — Chief Operating Officer of the Company from September 2007 to July 2008; Executive Vice-President — Enterprise Cabling and Security Systems of Anixter from January 2004 to September 2007; Senior Vice-President — Physical Security and Integrated Supply Solutions of Anixter from 2003 to 2004; Senior Vice-President — Integrated Supply Solutions of Anixter from 2002 to 2003.
Dennis J. Letham, 57	Executive Vice-President — Finance and Chief Financial Officer of the Company since September 2007; Senior Vice-President — Finance and Chief Financial Officer of the Company since January 1995; Chief Financial Officer, Executive Vice-President of Anixter since July 1993.
John A. Dul, 47	Vice-President — General Counsel and Secretary of the Company since November 2002; Assistant Secretary from May 1995 to November 2002; General Counsel and Secretary of Anixter since January 1996.
Terrance A. Faber, 57	Vice-President — Controller of the Company since October 2000.
Philip F. Meno, 50	Vice-President — Taxes of the Company since May 1993.
Nancy C. Ross-Dronzek, 48	Vice-President — Internal Audit of the Company since December 2007 and of Anixter since July 2007. Director — Corporate Audit at The Boeing Company from 2003 to 2007.
Rodney A. Shoemaker, 51	Vice-President — Treasurer of the Company since July 1999.
Rodney A. Smith, 51	Vice-President — Human Resources of the Company since August 2006; Vice-President — Human Resources at UOP, LLC from July 2000 to August 2006.

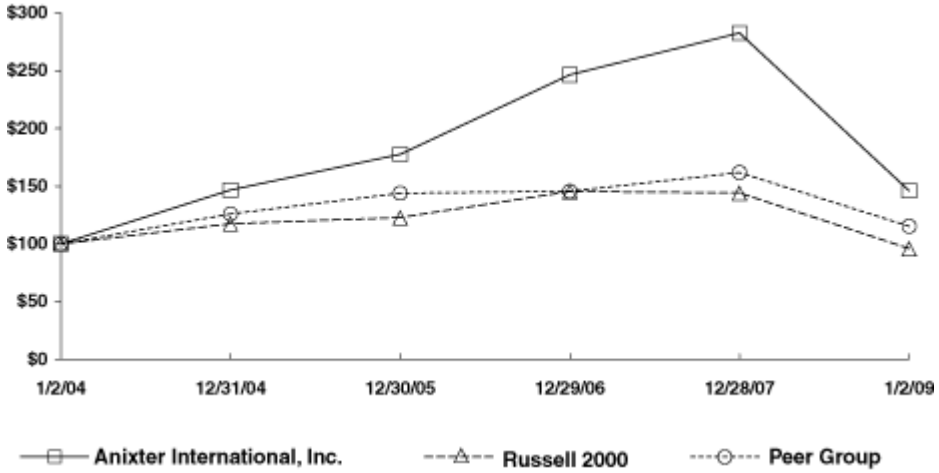
PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Anixter International Inc.'s Common Stock is traded on the New York Stock Exchange under the symbol AXE. Stock price information, dividend information and shareholders of record are set forth in Note 11. "Selected Quarterly Financial Data (Unaudited)" in the Notes to the Consolidated Financial Statements. There have been no sales of unregistered securities.

PERFORMANCE GRAPH

The following graph sets forth the annual changes for the five-year period indicated in a theoretical cumulative total shareholder return of an investment of $100 in Anixter's common stock and each comparison index, assuming reinvestment of dividends. This graph reflects the comparison of shareholder return on the Company's Common Stock with that of a broad market index and a peer group index consistent with the prior year. The Company's Peer Group Index for 2008 consists of the following companies: Agilysys Inc., Arrow Electronics Inc., Avnet Inc., Fastenal Company, W.W. Grainger Inc., Houston Wire and Cable Company, Ingram Micro, MSC Industrial Direct Co. Inc., Park Ohio Holdings Corp., Richardson Electronics Ltd., Tech Data Corp, and WESCO International, Inc. This peer group was selected based on a review of publicly available information about these companies and the Company's determination that they are engaged in distribution businesses similar to that of the Company.



* $100 invested on 1/2/04 in stock or index-including reinvestment of dividends.

ITEM 6. SELECTED FINANCIAL DATA.

	Fiscal Year				
	2008	2007	2006	2005	2004
	(In millions, except per share amounts)				
Selected Income Statement Data:					
Net sales	**$6,136.6**	$5,852.9	$4,938.6	$3,847.4	$3,275.2
Operating incomes [a]	**391.9**	439.1	337.1	189.4	138.0
Interest expense and other, net [b]	**(73.8)**	(41.6)	(34.1)	(30.8)	(16.7)
Extinguishment of debt [c]	**—**	—	—	(1.2)	(0.7)
Income before extraordinary gain [a,b,c,e]	**195.7**	253.5	209.3	90.0	73.6
Extraordinary gain, net [d]	**—**	—	—	—	4.1
Net income [a,b,c,d,e]	**$ 195.7**	$ 253.5	$ 209.3	$ 90.0	$ 77.7
Basic income per share:					
Income before extraordinary gain	**$ 5.52**	$ 6.79	$ 5.36	$ 2.37	$ 2.00
Net income	**$ 5.52**	$ 6.79	$ 5.36	$ 2.37	$ 2.11
Diluted income per share:					
Income before extraordinary gain	**$ 5.07**	$ 6.00	$ 4.86	$ 2.22	$ 1.90
Net income	**$ 5.07**	$ 6.00	$ 4.86	$ 2.22	$ 2.01
Dividends declared per common share [f]	**$ —**	$ —	$ —	$ 4.00	$ 1.50
Selected Balance Sheet Data:					
Total assets [b,g]	**$3,091.7**	$3,016.2	$2,566.2	$2,012.1	$1,706.6
Total short-term debt [h]	**$ 249.5**	$ 84.1	$ 212.3	$ 1.0	$ 0.1
Total long-term debt [b,h]	**$ 917.5**	$ 937.2	$ 597.0	$ 625.1	$ 412.4
Stockholders' equity [f,g]	**$1,035.8**	$1,047.8	$ 962.0	$ 706.4	$ 763.0
Book value per diluted share	**$ 26.81**	$ 24.82	$ 22.33	$ 17.30	$ 19.75
Weighted-average diluted shares	**38.6**	42.2	43.1	40.8	38.6
Year-end outstanding shares	**35.3**	36.3	39.5	38.4	37.4
Other Financial Data:					
Working capital [b]	**$1,350.9**	$1,439.0	$1,097.8	$ 932.6	$ 815.3
Capital expenditures	**$ 32.7**	$ 36.1	$ 24.8	$ 15.0	$ 14.5
Depreciation and amortization of intangibles	**$ 34.6**	$ 30.8	$ 24.0	$ 21.6	$ 19.1

In August, September and October of 2008, the Company acquired QSN, QSM, Sofrasar, Camille Gergen and World Class for $74.6 million, $4.2 million, $20.7 million, $19.4 million and $61.4 million, respectively, inclusive of legal and advisory fees. In May of 2007, April of 2007, October of 2006, May of 2006, July of 2005, and June of 2004, the Company acquired Eurofast, TSS, MFU, IMS, Infast, and Distribution Dynamics Inc. for $26.9 million, $8.3 million, $61.2 million, $28.8 million, $71.8 million and $32.9 million, respectively, inclusive of legal and advisory fees. As a result of the acquisitions described above, sales in the year of acquisition were favorably affected in 2008, 2007, 2006, 2005 and 2004 by $87.7 million, $125.5 million, $182.0 million, $163.8 million and $142.7 million, respectively, as compared to the prior year. Operating income was favorably affected in 2008, 2007, 2006, 2005 and 2004 by $3.1 million, $12.1 million, $5.1 million, $2.3 million and $3.4 million, respectively, as compared to the prior year. The acquisitions were accounted for as purchases and the results of operations of the acquired businesses are included in the consolidated financial statements from the dates of acquisition.

Notes:

(a) For the year ended January 2, 2009, operating income includes $4.2 million of expense ($0.07 per diluted share) related to the retirement of our former Chief Executive Officer, $24.1 million ($0.38 per diluted share) related to receivable losses from customer bankruptcies, $2.0 million ($0.04 per diluted share) related to the inventory lower of cost or market adjustments resulting from sharply lower copper prices, and $8.1 million ($0.14 per diluted share) primarily related to personnel severance costs related to staffing reductions and exit costs associated with leased facilities that the Company incurred to re-align its business in connection with current market conditions. For the year ended December 29, 2006, operating income includes a favorable sales tax-

related settlement in Australia which reduced operating expenses by $2.2 million ($0.04 per diluted share). For the year ended December 31, 2004, operating income includes net favorable adjustments to cost of sales of $10.2 million ($0.16 per diluted share) arising primarily from a revised agreement with a third party that eliminated the Company's potential liability under an old contract, an impairment charge of $1.8 million ($0.03 per diluted share) to write down to fair value the value assigned to a trade name and unfavorable expenses of $5.2 million ($0.09 per diluted share) related to the relocation of the Company's largest distribution facility, severance costs associated with staffing reductions in Europe and acquisition-related charges.

(b) In 2006, the Company recorded interest income of $6.9 million ($0.10 per diluted share) as a result of tax settlements in the U.S. and Canada. In the fourth quarter of 2000, the Company incurred an $8.8 million charge ($0.12 per diluted share) relating to the discount on the initial non-recourse sale of accounts receivable to Anixter Receivables Corporation ("ARC"), an unconsolidated wholly owned special purpose corporation in connection with an accounts receivable securitization program. 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 had been recouped. Due to the accounting consolidation of ARC at the end of the third quarter of 2004, the Company recovered the remaining $6.4 million ($0.10 per diluted share) of discount costs during the fourth quarter of 2004. As a result of the consolidation of ARC, working capital, total assets and debt increased in 2004 by approximately $222.2 million, $168.3 million and $161.8 million, respectively.

(c) On June 28, 2005, the Company retired all of its remaining convertible notes due 2020 for $69.9 million and recorded a charge of $1.2 million ($0.02 per diluted share) related to the write-off of deferred financing costs. In 2004, the Company recorded a charge of $0.7 million ($0.01 per diluted share) related to the write-off of deferred financing costs associated with the early termination and refinancing of the Company's $275.0 million revolving credit facility.

(d) An extraordinary gain of $4.1 million ($0.11 per diluted share) was recorded in 2004 associated with the receipt of $4.7 million of cash for a 1983 matter related to Itel Corporation, the predecessor of the Company.

(e) For the year ended January 2, 2009, net income includes a pre-tax loss of $18.0 million, $13.1 million, net of tax ($0.34 per diluted share) related to foreign exchange losses due to both a sharp change in the relationship between the U.S. dollar and all of the major currencies in which the Company conducts its business and, for several weeks, highly volatile conditions in the foreign exchange markets. For the year ended January 2, 2009, net income also includes a pre-tax loss of $6.5 million, $4.0 million, net of tax ($0.10 per diluted share) related to the decline in the cash surrender value inherent in a series of Company owned life insurance policies associated with the Company sponsored deferred compensation program and $1.6 million ($0.04 per diluted share) of net tax benefits related to the reversal of valuation allowances associated with certain foreign net operating loss carryforwards in the first quarter of 2008. For the year ended December 28, 2007, the Company recorded $11.8 million ($0.28 per diluted share) of net income primarily related to foreign tax benefits as well as a tax settlement in the U.S. For the year ended December 29, 2006, the Company recorded $27.0 million ($0.63 per diluted share) of net income primarily related to tax settlements in the U.S. and Canada and the initial establishment of deferred taxes associated with its foreign operations. For the year ended December 30, 2005, net income includes a reduction in tax expense of $1.4 million ($0.03 per diluted share) related to a favorable income tax ruling in Europe and an additional tax provision of $7.7 million ($0.19 per diluted share) related to the repatriation of accumulated foreign earnings.

(f) Stockholders' equity reflects treasury stock purchases of $104.6 million and $244.8 million for the year ended January 2, 2009 and December 28, 2007, respectively, all of which have been retired. The Company did not purchase any treasury shares in 2006, 2005 or 2004. As of December 30, 2005 and December 31, 2004, stockholders' equity reflects the 2005 and 2004 special dividends declared of $4.00 and $1.50 per common share, respectively, as a return of excess capital to shareholders. Dividends declared in 2005 and 2004 were approximately $156.1 million and $55.8 million, respectively.

(g) On December 30, 2006 (the beginning of fiscal 2007 for the Company), the provisions of FIN 48 were adopted. As a result of the implementation of FIN 48, the Company recorded a $0.9 million increase in the liability for unrecognized tax benefits, which was accounted for as a reduction to the December 30, 2006 opening balance of retained earnings. In 2006, upon the adoption of Financial Accounting Standards Board ("FASB") Statement of Financial Accounting Standard ("SFAS") No. 158, *Employer's Accounting for Defined Benefit Pension and Other Postretirement Plans* (an amendment of FASB Statements No. 87, 88, 106, and 132(R)) ("SFAS No. 158")

the Company recorded the amount of its unfunded pension liability on its balance sheet resulting in an increase of $25.9 million in total pension liabilities. The pension liability adjustment was offset by a net reduction in stockholders' equity of $19.0 million and deferred tax assets of $6.9 million. In accordance with SFAS No. 158, the financial statements for periods prior to the date of adoption have not been restated.

(h) At January 2, 2009, December 28, 2007 and December 29, 2006, short-term debt primarily consists of the accounts receivable securitization facility. During the first quarter of 2007, the Company issued $300 million of convertible senior notes due 2013. During the first quarter of 2005, the Company's primary operating subsidiary, Anixter Inc., issued $200 million of 5.95% Senior Notes due 2015, which are fully and unconditionally guaranteed by the Company. For more information on short-term and long-term debt, see Note 4. "Debt" in the Notes to the Consolidated Financial Statements.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following Management's Discussion and Analysis of Financial Condition and Results of Operations 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. These statements can be identified by the use of forward-looking terminology such as "believe," "expects," "intends," "anticipates," "completes," "estimates," "plans," "projects," "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 under Item 1A. "Risk Factors." The information contained in this financial review should be read in conjunction with the consolidated financial statements, including the notes thereto, on pages 36 to 70 of this Report.

This report includes certain financial measures computed using non-Generally Accepted Accounting Principles ("non-GAAP") components as defined by the Securities and Exchange Commission ("SEC"). The Company believes this information is useful to investors in order to provide a better understanding of the organic growth trends of the Company on a comparable basis. Management does not use these non-GAAP financial measures for any purpose other than the reason stated above.

Acquisition of Businesses

In August of 2008, the Company acquired the assets and operations of QSN Industries, Inc. ("QSN") and all of the outstanding shares of Quality Screw de Mexico SA ("QSM"). QSN is based near Chicago, Illinois and QSM is based in Aguascalientes, Mexico. In the fiscal month of September 2008, the Company acquired all of the outstanding shares of Sofrasar SA ("Sofrasar") and partnership interests and shares in Camille Gergen GmbH & Co, KG and Camille Gergen Verwaltungs GmbH (collectively "Gergen") from the Gergen family and management of the entities. Sofrasar is headquartered in Sarreguemines, France and Gergen is based in Dillingen, Germany. In October of 2008, the Company acquired all the assets and operations of World Class Wire & Cable Inc. ("World Class"), a Waukesha, Wisconsin based distributor of electrical wire and cable. The Company paid approximately $180.3 million in cash and assumed approximately $18.7 million in debt for the five companies.

In April and May of 2007, respectively, the Company acquired all of the outstanding shares of Total Supply Solutions Limited ("TSS"), a Manchester, U.K.-based fastener distributor, and Eurofast SAS ("Eurofast"), an aerospace fastener distributor based in France. The Company paid approximately $35.2 million for these businesses.

In May and October of 2006, respectively, the Company acquired all of the outstanding shares of IMS, Inc. ("IMS"), a wire and cable distributor in the U.S., and MFU Holding S.p.A. ("MFU"), a fastener distributor based in Italy. The Company also acquired a small company in Eastern Europe during 2006. The Company paid approximately $93.8 million for these businesses ($90.5 million in 2006 and additional payments of $3.3 million in 2007) and assumed debt of $5.8 million.

As a result of the acquisitions described above, sales were favorably affected in 2008 and 2007 by $87.7 million and $125.5 million, respectively, as compared to the prior year. Operating income was favorably affected in 2008 and 2007 by $3.1 million and $12.1 million, respectively, as compared to the prior year.

All of the acquisitions described herein were funded by cash generated from operations, additional borrowings or a combination thereof. These acquisitions were accounted for as purchases and their respective results of operations are included in the consolidated financial statements from the dates of acquisition. Had these acquisitions occurred at the beginning of the year of each acquisition, the Company's operating results would not have been significantly different. Intangible amortization expense is expected to be approximately $10.6 million per year for the next five years.

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, office furniture and fixtures and leasehold improvements, since the Company operates almost entirely from leased facilities. Therefore, in any given reporting period, the amount of cash consumed or generated by operations will primarily be due to changes in working capital as a result of the rate of sales increase or decline.

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. In periods when sales are decreasing, the Company will have improved cash flows due to reduced working capital requirements. During such periods, the Company will use the expanded cash flow to reduce the amount of leverage in its capital structure until such time as sales growth resumes.

Liquidity is an area of intense focus throughout the investment community and the Company believes it has a strong liquidity position. During 2008, the Company generated $125.0 million of cash flow from operations which along with net borrowings of $196.3 million was used to fund capital expenditures of $32.7 million, acquisitions of $180.3 million and share repurchases of $104.6 million. At the end of the year the Company's debt-to-total capital ratio was 53.0%, above our target range of 45% to 50%. Certain debt agreements entered into by the Company's operating subsidiaries contain various restrictions, including restrictions on payments to the Company. These restrictions have not had, nor are expected to have, an adverse impact on the Company's ability to meet its cash obligations. At the end of fiscal 2008, the Company had $248.2 million of available borrowing capacity under its existing bank agreements.

While the Company's ongoing strategy remains consistent and focused on the long term, the evolving macro environment necessitated a shift in management's immediate focus in the fourth quarter. The Company moved from concentrating primarily on sales and earnings growth to focusing on cost and working capital management. This shift in emphasis recognizes that with appropriate working capital management adjustments to address the slower economic environment, the Company's business can be a strong generator of cash.

With an expectation that global recession conditions will persist for some portion or all of 2009, the Company anticipates that 2009 sales will be less than those reported for 2008. As a result, the improved cash flow that will be derived from a combination of earnings and lower working capital requirements will be used to reduce borrowings and provide improved liquidity. The Company believes that earnings, additional cash flow generated as a result of lower working capital requirements due to expected lower near-term sales growth as a result of the global recession, and approximately $248 million in available, committed, unused credit lines will be sufficient to fund operations, as well as the potential put of its 3.25% zero coupon convertible Notes due 2033 in July 2009 for $170.3 million or an inability to renew its accounts receivable securitization facility in September 2009. At the end of 2008, the Company had $195 million of borrowings under this facility. The Company does not anticipate that it will pursue acquisitions or any significant return of capital to shareholders until such time as the current economic conditions show clear signs of improvement and the capital markets return to a more normalized state of operation.

Cash Flow

Year ended January 2, 2009: Net cash provided by operating activities was $125.0 million in 2008 compared to $138.2 million in 2007. The decrease in cash provided by operating activities was primarily due to lower net income offset by less incremental working capital requirements in 2008 than 2007 due to a lower level of organic sales growth.

Consolidated net cash used in investing activities increased to $212.7 million in 2008 from $73.9 million in 2007. The Company spent $180.3 million (net of cash acquired) in 2008 to acquire QSN, QSM, Sofrasar, Gergen and World Class. During 2007, the Company made additional payments of $3.3 million related to the businesses acquired in 2006 and spent $35.2 million (net of cash acquired) to purchase TSS and Eurofast. Capital expenditures decreased $3.4 million to $32.7 million during 2008 from $36.1 million in 2007. Capital expenditures are expected to be approximately $30.0 million in 2009 as the Company continues to invest in the consolidation of certain acquired facilities in North America and Europe, invests in system upgrades and new software to support its infrastructure and warehouse equipment to meet expanding growth of the business.

Net cash provided by financing activities was $110.8 million in 2008 compared to net cash used of $73.0 million in 2007. In 2008, the Company increased borrowings, primarily bank revolving lines of credit and borrowings under the accounts receivable securitization facility by $196.3 million compared to a decrease of $112.8 million in 2007. The Company repurchased approximately 1.7 million of its outstanding common shares

during 2008 at a total cost of $104.6 million. Cash from the excess income tax benefit associated with employee stock plans was $10.2 million in 2008 compared to $16.3 million in 2007. Proceeds from the issuance of common stock relating to the exercise of stock options were $10.1 million in 2008 compared to $11.7 million in 2007. In 2008, the Company incurred $0.5 million of issuance costs in connection with amending its accounts receivable securitization facility. In 2007, the Company issued $300 million of 1% Convertible Senior Notes due 2013 ("Notes due 2013") and amended its accounts receivable securitization and revolving credit facilities. Issuance costs related to the Notes due 2013 and amendments to the accounts receivable securitization and revolving credit facilities totaled $8.5 million in 2007. The net proceeds of $292.5 million from the 2007 issuance of the Notes due 2013 were primarily used to purchase shares of the Company's common stock ($110.4 million) and fund the net cost of the purchased call option and sold warrant transactions ($36.8 million) which were entered into concurrently with the issuance of the Notes due 2013. Prior to the note offering described above, the Company purchased shares of its common stock at a total cost of $52.3 million. During the fourth quarter of 2007, the Company purchased additional shares of its common stock at a total cost of $82.1 million ($3.0 million of which was accrued at year end 2007).

Year ended December 28, 2007: Net cash provided by operating activities was $138.2 million in 2007, compared to $40.0 million net cash used in operating activities in 2006. The increase in cash provided by operating activities was primarily related to changes in working capital (accounts receivable, inventory, accounts payable and other current assets and liabilities). In 2007, working capital changes represented a use of operating cash of $139.8 million as compared to $286.8 million in 2006. Net income also contributed to the increase in cash provided by operating activities. Net income increased $44.2 million in 2007 as compared to 2006.

Consolidated net cash used in investing activities decreased to $73.9 million in 2007 from $115.3 million in 2006. The Company spent $90.5 million (net of cash acquired) in 2006 to acquire MFU, IMS and a small business in Eastern Europe. During 2007, the Company made additional payments of $3.3 million related to the businesses acquired in 2006 and spent $35.2 million (net of cash acquired) to purchase TSS and Eurofast. Capital expenditures increased $11.1 million to $36.1 million during 2007 from $25.0 million in 2006 as the Company continued to invest in the consolidation of certain acquired facilities in North America and Europe, invested in system upgrades and new software to support its infrastructure and warehouse equipment to meet expanding growth of the business.

Net cash used in financing activities was $73.0 million in 2007 compared to net cash provided by financing activities of $184.4 million in 2006. In 2007, the Company issued the Notes due 2013 and amended its accounts receivable securitization and revolving credit facilities. Issuance costs related to the Notes due 2013 and amendments to the accounts receivable securitization and revolving credit facilities totaled $8.5 million in 2007. The net proceeds of $292.5 million from the issuance of the $300.0 million Notes due 2013 were used to purchase shares of the Company's common stock ($110.4 million) and fund the net cost of the purchased call option and sold warrant transactions ($36.8 million) which were entered into concurrently with the issuance of the Notes due 2013. Prior to the note offering described above, the Company purchased shares of its common stock at a total cost of $52.3 million. During the fourth quarter of 2007, the Company purchased additional shares of its common stock at a total cost of $82.1 million ($3.0 million of which was accrued at year end 2007). In 2007, the Company decreased borrowings, primarily bank revolving lines of credit and borrowings under the accounts receivable securitization facility, by $112.8 million compared to an increase of $157.2 million in 2006. Proceeds from the issuance of common stock relating to the exercise of stock options were $11.7 million in 2007 compared to $16.1 million in 2006. The 2007 and 2006 cash provided by financing activities include $16.3 million and $12.0 million, respectively, of cash from the income tax benefit associated with employee stock plans.

Financings

Convertible Notes

The Company's $300.0 million Notes due 2013 pay interest semiannually at a rate of 1.00% per annum. The Notes due 2013 will be convertible, at the holders option, at an initial conversion rate of 15.753 shares per $1,000 principal amount of Notes due 2013, equivalent to a conversion price of $63.48 per share, which represented a 15 percent conversion premium based on the last reported sale price of $55.20 per share of the Company's common stock on the date of issue. The Notes due 2013 are convertible, under certain circumstances (as described in the Notes to the Consolidated Financial Statements), into 4,725,900 shares of the Company's common stock, subject to customary anti-dilution adjustments. Upon conversion, holders will receive cash up to the principal amount, and any excess conversion value will be delivered, at the Company's election in cash, common stock or a combination of cash and common stock. Based on the Company's stock price at the end of 2008, the Notes due 2013 are not

currently convertible. Concurrent with the issuance of the Notes due 2013, the Company entered into a convertible note hedge transaction, comprised of a purchased call option and a sold warrant, with an affiliate of one of the initial purchasers. The transaction will generally have the effect of increasing the conversion price of the Notes due 2013.

The Company's 3.25% zero coupon Convertible Notes due 2033 ("Notes due 2033") have an aggregate principal amount at maturity of $369.1 million. The principal amount at maturity of each note due 2033 is $1,000. Based on the Company's stock price at the end of 2008, the Notes due 2033 are not currently convertible. However, at the end of 2007, the Notes due 2033 were convertible based on the Company's stock price. In periods when the Notes due 2033 are convertible, any conversion will be settled in cash up to the accreted principal amount. If the conversion value exceeds the accreted principal amount of the Notes due 2033 at the time of conversion, the amount in excess of the accreted value will be settled in stock. The Company may redeem the Notes due 2033, in whole or in part, on or after July 7, 2011 for cash at the accreted value. Additionally, holders may require the Company to purchase, in cash, all or a portion of their Notes due 2033 on the following dates:

- July 7, 2009 at a price equal to $461.29 per Convertible Note due 2033;
- July 7, 2011 at a price equal to $492.01 per Convertible Note due 2033;
- July 7, 2013 at a price equal to $524.78 per Convertible Note due 2033;
- July 7, 2018 at a price equal to $616.57 per Convertible Note due 2033;
- July 7, 2023 at a price equal to $724.42 per Convertible Note due 2033; and
- July 7, 2028 at a price equal to $851.13 per Convertible Note due 2033.

The Notes due 2013 and the Notes due 2033 are structurally subordinated to the indebtedness of Anixter Inc. Although the Notes due 2033 were convertible at the end of 2007 and holders may require the Company to purchase their Notes due 2033 on July 7, 2009 for $170.3 million, they were classified as long-term at January 2, 2009 and December 28, 2007 as the Company had the intent and ability to refinance the accreted value under existing long-term financing agreements. The book value of the Notes due 2033 was $167.5 million and $162.2 million at January 2, 2009 and December 28, 2007, respectively.

For further information regarding the convertible notes, see Note 2. "Income Per Share" and Note 4. "Debt" in the notes to the consolidated financial statements.

Revolving Lines of Credit

At the end of fiscal 2008, the Company had approximately $248 million in available, committed, unused credit lines with financial institutions that have investment-grade or above credit ratings. As such, the Company expects to have access to this availability based on its assessment of the viability of the associated financial institutions which are party to these agreements. Long-term borrowings under the following credit facilities totaled $250.0 million and $275.0 million at January 2, 2009 and December 28, 2007, respectively.

At January 2, 2009, the Company's primary liquidity source is the $450 million (or the equivalent in Euro), 5-year revolving credit agreement at Anixter Inc. maturing in April of 2012. At January 2, 2009, long-term borrowings under this facility were $218.2 million as compared to $242.9 million of outstanding long-term borrowings at December 28, 2007. The pricing on the first $350 million of borrowings is LIBOR plus 60 basis points and the facility fee payable is 15 basis points. The pricing for the additional $100 million of borrowings is LIBOR plus 82.5 basis points and the facility fee payable is 17.5 basis points. Facility fees totaled $0.7 million in both 2008 and 2007 and $0.8 million in 2006 and were included in interest expense in the consolidated results of operations.

The agreement, which is guaranteed by the Company, contains financial covenants that restrict the amount of leverage and set a minimum fixed charge coverage ratio. The Company is in compliance with all of these covenant ratios and believes that there is adequate margin between the covenant ratios and the actual ratios given the current trends of the business. Under the leverage ratio, as of January 2, 2009, the total availability of all revolving lines of credit at Anixter Inc. would be permitted to be borrowed. See Exhibit 10.24 to this Annual Report on Form 10-K for definitions of the covenant ratios.

Anixter Canada Inc.'s $40.0 million (Canadian dollar) unsecured revolving credit facility, maturing in April of 2012, is used for general corporate purposes. The Canadian dollar-borrowing rate under the agreement is the Banker Acceptance/Canadian Dollar Offered Rate ("BA/CDOR") plus the applicable bankers' acceptance fee (currently 75.0 basis points) for Canadian dollar advances or the prime rate plus the applicable margin (currently 15.0 basis points). The borrowing rate for U.S. dollar advances is the base rate plus the applicable margin. In addition, standby fees on the unadvanced balance are currently 15.0 basis points. At January 2, 2009 and December 28, 2007,

$16.4 million and $20.4 million (U.S. dollar) was borrowed, respectively, under the facility and included in long-term debt outstanding.

Excluding the primary revolving credit facility and the $40.0 million (Canadian dollar) facility at January 2, 2009 and December 28, 2007, certain subsidiaries had long-term borrowings under other bank revolving lines of credit and miscellaneous facilities of $15.4 million and $11.7 million, respectively.

Notes Due 2015

Anixter Inc. has $200.0 million of Senior Notes due 2015 ("Notes due 2015"), which are fully and unconditionally guaranteed by the Company. Interest of 5.95% on the Notes due 2015 is payable semi-annually on March 1 and September 1 of each year.

Short-term Borrowings

As of January 2, 2009 and December 28, 2007, the Company's short-term debt outstanding was $249.5 million and $84.1 million, respectively. Short-term debt consists primarily of the funding related to the accounts receivable securitization facility, as the program is set to expire in September 2009.

Anixter's accounts receivable securitization program was renewed in September 2008. The renewal increased the size of the facility from $225.0 million to $255.0 million. Under Anixter's accounts receivable securitization program, the Company sells, on an ongoing basis without recourse, a majority of the accounts receivable originating in the United States to Anixter Receivables Corporation ("ARC"), a wholly-owned, bankruptcy-remote special purpose entity. The assets of ARC are not available to creditors of Anixter in the event of bankruptcy or insolvency proceedings. ARC in turn sells an interest in these receivables to a financial institution for proceeds of up to $255.0 million. ARC is consolidated for accounting purposes only in the financial statements of the Company. The average outstanding funding extended to ARC during 2008 and 2007 was approximately $144.3 million and $112.9 million, respectively.

Shelf Registration

On September 22, 2008, the Company and its primary operating subsidiary, Anixter Inc., filed a shelf registration statement with the Securities and Exchange Commission to offer from time to time Anixter Inc. debt securities, guaranteed by the Company. The registration became effective immediately.

Interest Expense

Consolidated interest expense was $48.0 million, $45.2 million and $38.8 million for 2008, 2007, and 2006, respectively. The increase in interest expense is primarily due to a combination of higher debt levels as a result of debt assumed in recent acquisitions, the working capital requirements associated with organic growth, the repurchase of shares completed during 2008 as well as an additional 53rd week in fiscal 2008. Partially offsetting the increase in borrowings have been refinancings, particularly the issuance of $300.0 million of 1% senior convertible notes in the first quarter of 2007, that have lowered the Company's average cost of borrowings. Interest rates on approximately 68.5% of the Company's borrowings were fixed (either by their terms or through hedging contracts) at the end of 2008. The weighted-average cost of borrowings declined to 4.0% in 2008 from 4.4% and 5.3% in 2007 and 2006, respectively. The Company's debt-to-total capitalization at January 2, 2009 was 53.0% as compared to 49.4% at December 28, 2007. The impact of interest rate agreements was minimal in 2008, 2007 and 2006.

Contractual Cash Obligations and Commitments

The Company has the following contractual cash obligations as of January 2, 2009:

	Payments due by period						
	2009	2010	2011	2012	2013	Beyond 2013	Total
	(In millions)						
Debt [a]	$249.5	$ 1.7	$ 0.3	$411.1	$300.0	$204.4	$1,167.0
Contractual Interest [b]	32.9	27.8	41.9	19.0	12.6	15.3	149.5
Purchase Obligations [c]	401.4	147.2	31.1	1.2	—	—	580.9
Operating Leases	61.8	51.7	42.1	34.1	25.8	84.8	300.3
Deferred Compensation Liability [d]	1.2	2.9	3.9	2.5	2.2	27.0	39.7
Pension Plans [e]	11.1	—	—	—	—	—	11.1
Total Obligations	$757.9	$231.3	$119.3	$467.9	$340.6	$331.5	$2,248.5

Notes:

a *Included in debt are capital lease obligations of $0.7 million, of which approximately $0.2 million are due in each period from 2009 to 2011. The securitization program is set to expire within one year of January 2, 2009 and the outstanding balance of $195.0 million was classified as short-term. At January 2, 2009, Anixter had $243.6 million of borrowings under its long-term revolving credit facilities maturing in April of 2012. Although the Notes due 2033 were not convertible at the end of 2008, holders of the Notes due 2033 may require the Company to purchase, in cash, all or a portion of their convertible notes in July 2009 at the accreted value. The Company has the intent and ability to refinance the accreted value of the Notes due 2033 with existing long-term financing agreements available at January 2, 2009. The book value of the Notes due 2033 was $167.5 million and will accrete to $186.5 million in April of 2012 when the Company's long-term revolving credit facilities mature. The $300.0 million Notes due 2013 were not convertible at the end of 2008. The $200.0 million Notes due 2015 are reflected in the column Beyond 2013.*

b *Interest payments on debt outstanding at January 2, 2009 through maturity. For variable rate debt, the Company computed contractual interest payments based on the borrowing rate at January 2, 2009.*

c *Purchase obligations primarily consist of purchase orders for products sourced from unaffiliated third party suppliers, in addition to commitments related to various capital expenditures. Many of these obligations may be cancelled with limited or no financial penalties.*

d *A non-qualified deferred compensation plan was implemented on January 1, 1995. The plan provides for benefit payments upon retirement, death, disability, termination or other scheduled dates determined by the participant. At January 2, 2009, the deferred compensation liability was $39.7 million. In an effort to ensure that adequate resources are available to fund the deferred compensation liability, the Company has purchased variable, separate account life insurance policies on the plan participants with benefits accruing to the Company. At January 2, 2009, the cash surrender value of these company life insurance policies was $28.4 million.*

e *The majority of the Company's various 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 the plans. The Company's policy is to fund these plans as required by the Employee Retirement Income Security Act, the Internal Revenue Service and local statutory law. At January 2, 2009, the current portion of the Company's pension liability of $80.8 million was $0.4 million. The Company currently estimates that it will be required to contribute $11.1 million to its foreign and domestic pension plans in 2009. The Company also is expected to make $4.5 million of discretionary contributions to its domestic plans in 2009. Due to the future impact of various market conditions, rates of return and changes in plan participants, the Company cannot provide a meaningful estimate of its future contributions beyond 2009.*

Income Taxes

Various foreign subsidiaries of the Company had aggregate cumulative net operating loss ("NOL") carryforwards for foreign income tax purposes of approximately $106.5 million at January 2, 2009, which are subject to various provisions of each respective country. Approximately $16.2 million of this amount expires between 2009 and 2018, and $90.3 million of the amount has an indefinite life. Of the $106.5 million NOL carryforwards of foreign subsidiaries, $71.8 million relates to losses that have already provided a tax benefit in the U.S. due to rules permitting flow-through of such losses in certain circumstances. Without such losses included, the cumulative NOL carryforwards at January 2, 2009 were approximately $34.7 million, which are subject to various provisions of each respective country. Approximately $10.7 million of this amount expires between 2009 and 2018 and $24.0 million of the amount has an indefinite life. The deferred tax asset and valuation allowance have been adjusted to reflect only the carryforwards for which the Company has not taken a tax benefit in the United States.

Results of Operations

Executive Overview and Outlook

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 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. For further information, see Item 1A. "Risk Factors."

In 2008, recessionary economic conditions produced decelerating year-on-year growth rates from those of the past few years. The Company nonetheless reported record sales for the year of $6,136.6 million, which was an increase of 4.8% versus the prior year. This growth was aided by acquisitions that added $87.7 million to sales offset by a slightly stronger U.S. dollar throughout the year that decreased sales by $1.1 million. Excluding acquisitions and foreign exchange effects, sales in 2008 were up 3.4% versus the prior year. While the Company experienced solid growth during the first half of 2008, recessionary economic conditions negatively impacted sales growth rates during the second half of the year. Although the sales growth in the third and fourth quarters of 2008 was modest due to a challenging global economic environment, sequential organic sales declined approximately 3% between the third and fourth quarters of 2008 which is consistent with historical and expected sequential organic sales trends between these two periods.

Although fiscal 2008 was challenging due to the recessionary economic conditions, progress was made on the Company's major initiatives during 2008. Specifically, the Company made progress on the initiatives to grow the Company's security business, drive organic growth in the OEM supply business, initiate a factory automation network sales effort, add to the supply chain services offering, enlarge the geographic presence of the electrical wire and cable business, expand the Company's product offering and continue to expand business in the Emerging Markets.

Operating income in 2008 was $391.9 million versus $439.1 million in 2007. Operating margins were 6.4% in 2008 as compared to 7.5% in 2007. While operating earnings through the first nine months showed year-on-year growth and operating margins approximated the record operating margins achieved for all of 2007, an acceleration of the macro economic decline in the fourth quarter resulted in a number of negatives. A significant slowdown in sales activity in the last few months of 2008 produced operating de-leveraging in the fourth quarter that resulted in a decline in operating margins of approximately 90 basis points as compared to the first nine months of the year. Operating income was further impacted by the following pre-tax charges in 2008:

- The Company recorded a non-cash charge in North America of $4.2 million ($2.6 million, net of tax) related to amendments made to the employment contract of the Company's recently retired Chief Executive Officer ("CEO") which extended the terms of his non-competition and non-solicitation restrictions in exchange for extended vesting and termination provisions of previously granted equity awards.
- Deteriorating credit markets and economic conditions resulted in two large customer bankruptcies, NetVersant Solutions Inc. and Nortel Networks Inc., which resulted in bad debt losses of $23.4 million ($14.4 million, net of tax) in North America and $0.7 million ($0.5 million, net of tax) in Europe.

- In response to the substantially lower sales levels during the fourth quarter, the Company undertook a series of actions that resulted in the recognition of $2.7 million of expense ($1.7 million, net of tax) in North America and $5.4 million ($3.7 million, net of tax) in Europe related to severance costs and facility lease write-offs. These actions are expected to reduce future operating costs by approximately $14.7 million annually.
- During the fourth quarter, the Company also recorded a $2.0 million lower of cost or market inventory adjustment ($1.4 million, net of tax) in Europe with respect to certain wire and cable product lines where the depth of current inventory positions likely exceed market inventory levels such that it is probable that by the time the Company sells through its current inventory of those products it will not be able to realize a profit on those products.

Excluding the items outlined above of $38.4 million, operating income in 2008 was $430.3 million, which represents a slight decrease of 2.0% as compared to 2007, while operating margins were 7.0% versus 7.5% in 2007.

In addition to the after-tax impact of $24.3 million for the above mentioned items, net income for 2008 was also impacted by the following items:

- In 2008, the Company recorded foreign exchange losses of $18.0 million ($13.1 million after-tax) due to both a sharp change in the relationship between the U.S. dollar and all of the major currencies in which the Company conducts its business and, for several weeks, a period of highly volatile conditions in the foreign exchange markets. Specifically, during the latter part of 2008 the U.S. dollar reversed its multi-year slide against the world's major currencies, with as much as, or more than, a 20 percent change in value against individual foreign currencies in the period of one month. While the Company has had historically effective hedging programs to mitigate exchange risk in its foreign operations this extreme volatility presented the Company with unprecedented challenges in managing this risk.
- The combined effect of valuation declines in both the equity and bond markets resulted in a $6.5 million decline ($4.0 million, net of tax) in the cash surrender value inherent in a series of Company owned life insurance policies associated with the Company sponsored deferred compensation program.
- Net tax benefits of $1.6 million related to the reversal of valuation allowances associated with certain net operating loss carryforwards in the first quarter of 2008.

As a result of these items and the above outlined items affecting operating income (collectively, the "2008 Unusual Items"), net income in 2008 was $195.7 million, or $5.07 per diluted share, compared to $253.5 million, or $6.00 per diluted share, in the prior year period. Prior year net income included $11.8 million of net income related to foreign tax benefits and finalization of prior year tax returns. Excluding the 2008 Unusual Items, net income would have been $235.5 million as compared to 2007 net income of $241.7 million, exclusive of the identified tax benefits.

Diluted earnings per share for fiscal 2008, inclusive of $1.03 per diluted share related to the 2008 Unusual Items, declined 15.5% to $5.07 per diluted share from $6.00 per diluted share in the prior year, which included a benefit of $0.28 per diluted share related to foreign taxes and finalization of prior year tax returns. Excluding the effect of the 2008 Unusual Items, net income per diluted share would have been $6.10 as compared to the $5.73 per diluted share in 2007, exclusive of the identified tax benefits.

Primarily as a result of the Company's share repurchases during the last year, the diluted weighted-average common shares declined by 8.5% during 2008 versus the corresponding prior year period which produced a favorable impact on net income per diluted share of $0.22.

The Company's operating results can be affected by changes in prices of commodities, primarily copper, which are components in some of the products sold. Generally, as the costs of current inventory purchases increase due to higher commodity prices, the Company's mark-up percentage to customers remains relatively constant, this inflationary effect results in higher sales revenue and gross profit. In addition, existing inventory purchased at previously lower prices and sold as prices increase results in a higher gross profit margin. Conversely, a decrease in commodity prices in a short period of time would have the opposite effect, negatively affecting financial results. Over the past three years, the Company has benefited from historically high copper prices on its financial performance. Importantly, however, there is no exact measure of the effect of higher copper prices, as there are thousands of transactions in any given quarter, each of which has various factors involved in the individual pricing decisions. Market-based copper prices averaged approximately $3.13 per pound during 2008 ($3.59 per pound

during the first three quarters of the year and $1.76 during the fourth quarter of the year) compared to $3.23 per pound in 2007. Despite the significant drop in spot market prices for copper in the fourth quarter of 2008, for the full year, copper price fluctuations had a limited impact on product prices. While certain products in certain markets dropped in price to reflect the lower raw material costs, for much of the market, pricing in the final months of the year continued to reflect higher priced copper content in inventory throughout the supply chain. As the supply chain replaces it current high priced inventory with newer inventory that reflects more current lower copper prices, the deflationary effects of this will be seen more dramatically beginning in 2009.

2009 Outlook

As we look to 2009, there are a number of factors that will likely lead to the Company reporting lower sales and earnings than in 2008. In late 2008, the U.S. dollar strengthened considerably against most foreign currencies. With approximately 36 percent of the Company's 2008 sales denominated in currencies other than the U.S. dollar it is expected that, if exchange rates stay at their comparative 2008 year-end levels, then reported 2009 sales and earnings from our foreign operations will translate to lower amounts than reported in 2008. In addition, in the fourth quarter of 2008, the average spot price of copper dropped by about 50 percent from the average level of the first three quarters of 2008. While this drop in spot prices had little effect on fourth quarter 2008 results, it is assumed that, if the average spot price for copper remains near the 2008 year-end level through 2009, it will have deflationary effects on our reported electrical wire and cable sales, and the earnings associated with those sales, throughout the coming year. Lastly, the consensus economic forecasts are for a decline in global Gross Domestic Product ("GDP") in 2009 versus 2008, but with considerable variation in opinion on how the year-on-year comparisons will trend by quarter.

The combination of the above factors creates considerable uncertainty about the outlook for the full year of 2009 with the level of uncertainty increasing later in the year because of a lack of visibility on these key factors. Further, significant changes in foreign exchange rates, copper prices and the GDP outlook during 2009 may either negatively or positively affect reported sales and earnings depending on the direction and degree of change in these factors. As of the date of this filing, the near term outlook is somewhat clearer given the comparative stability of foreign exchange rates and copper prices to those seen at year-end. As such, the Company expects that first quarter sales and operating income will show year-on-year declines that are greater than those seen in the fourth quarter 2008 year-on-year comparisons, exclusive of the unusual expense items reported in the fourth quarter of 2008. The greater decline in sales and operating income are anticipated to be largely due to the deflationary effects of the fourth quarter declines in copper prices being reflected in product prices beginning in the first quarter.

2008 versus 2007

Consolidated Results of Operations

	Years Ended		
	January 2, 2009	December 28, 2007	Percent Change
		(In millions)	
Net sales	$ 6,136.6	$ 5,852.9	4.8%
Gross profit	$ 1,442.8	$ 1,413.3	2.1%
Operating expenses	$ 1,050.9	$ 974.2	7.9%
Operating income	$ 391.9	$ 439.1	(10.7%)

Net Sales: The Company's net sales during 2008 increased $283.7 million, or 4.8%, to $6,136.6 million from $5,852.9 million in 2007. A series of recently-completed acquisitions accounted for $87.7 million of the increase while slightly unfavorable effects of foreign exchange rates on a year-to-date basis reduced sales $1.1 million. Excluding the acquisitions and the favorable effects of foreign exchange rates, the Company's net sales increased $197.1 million, or approximately 3.4%, in 2008 as compared to the prior year. The factors driving the Company's organic growth were consistent with those the Company has seen during the past couple of years. The Company experienced strong year-on-year sales in the emerging markets, North America OEM supply business and strong growth in the European wire and cable business outside the U.K. The Company also experienced continued success in expanding its presence in the security market and geographic expansion of its electrical wire and cable presence in Europe.

Gross Margins: Gross margins decreased in 2008 to 23.5% from 24.1% in 2007 mainly due to the effects of lower supplier volume incentives that resulted from lower year-on-year sales growth rates and a sales mix shift.

Operating Expenses: Operating expenses increased $76.7 million, or 7.9%, in 2008 from 2007. The 2008 operating expenses include $36.4 million related to the 2008 Unusual Items and $22.6 million related to a series of recently-completed acquisitions. Changes in foreign exchange rates decreased operating expenses by $3.6 million as compared to the corresponding period in 2007. In addition, the extra 53rd week in 2008 increased operating expenses an estimated $6.5 million as fiscal 2007 was a 52 week fiscal year. Excluding the operating expenses related to the 2008 Unusual Items, acquisitions, the effects of foreign exchange rates and the extra 53rd week in fiscal 2008, operating expenses increased approximately $14.8 million, or 1.5%, primarily due to variable costs associated with the 3.4% organic growth in sales. The low rate of expense growth also reflects the benefit of lower management incentive expense due to the Company's earnings being less than the incentive plan targets. Core operating expenses remain very tightly controlled relative to sales growth so that the Company can continue to invest in its strategic initiatives which include growing the security business, expanding the geographic presence of the electrical wire and cable business in Continental Europe and the Middle East, developing a presence in the industrial automation market, adding to our supply chain services offering and continuing to expand business in the Emerging Markets.

Operating Income: Operating margins were 6.4% in 2008 as compared to 7.5% in 2007. Operating income of $391.9 million decreased $47.2 million, or 10.7%, in 2008 as compared to $439.1 million in 2007. Excluding the 2008 Unusual Items of $38.4 million identified previously that relate to operating income, the decline in operating income would have been $8.8 million, representing a decline of 2.0% from the prior year, while operating margins would have been 7.0% as compared to 7.5% in 2007. Recent acquisitions and favorable foreign exchange effects added $3.1 million and $5.2 million, respectively to operating income. Excluding the 2008 Unusual Items, acquisitions and the favorable effects of foreign exchange rates, operating income decreased $17.1 million, or 3.9%, in 2008 as compared to 2007 as the effects of lower gross margins exceeded the benefits of good expense management.

Interest Expense: Consolidated interest expense was $48.0 million in 2008 as compared to $45.2 million in 2007. The weighted-average debt outstanding in 2008 was $1,165.5 million as compared to $1,030.6 million in 2007. The increase is driven by the working capital requirements associated with strong organic growth over the past year, the repurchase of approximately 8.0% of the Company's outstanding shares during the last year and a series of recently-completed acquisitions. With the interest rates on approximately 68.5% of the Company's borrowings fixed, average cost of borrowings were 4.0% in 2008 as compared to 4.4% in 2007.

Other, net:

	Years Ended	
	January 2, 2009	December 28, 2007
	(In millions)	
Foreign exchange (loss) gain	$ (18.0)	$ 1.9
Cash surrender value of life insurance policies	(6.5)	1.4
Other	(1.3)	0.3
	$ (25.8)	$ 3.6

In 2008, the Company recorded foreign exchange losses of $18.0 million due to both a sharp change in the relationship between the U.S. dollar and all of the major currencies in which the Company conducts its business and, for several weeks, a period of highly volatile conditions in the foreign exchange markets. Specifically, during the latter part of 2008, the U.S. dollar reversed its multi-year slide against the world's major currencies, with as much as, or more than, a 20 percent change in value against individual foreign currencies in the period of one month. While the Company has had historically effective hedging programs to mitigate exchange risk in its foreign operations, this extreme volatility presented the Company with unprecedented challenges in managing this risk. Further, the combined effect of declines in both the equity and bond markets resulted in a $6.5 million decline in the cash surrender value inherent in a series of Company owned life insurance policies associated with the Company sponsored deferred compensation program. In 2007, the Company recorded other interest income related to tax settlements in the U.S. and Canada.

Income Taxes: The consolidated tax provision decreased to $122.4 million in 2008 from $144.0 million in 2007, primarily due to a decrease in income before taxes. The effective tax rate for 2008 was 38.5% as compared to 36.2% in 2007. During 2008 and 2007, the Company recorded tax benefits of $1.6 million and $11.5 million,

respectively, primarily related to foreign tax benefits as well as a tax settlement in the U.S. Excluding the tax benefits recorded in the years ended January 2, 2009 and December 28, 2007, the Company's tax rate was 39.0% and 39.1%, respectively. The year-on-year change in the core effective tax rate reflects changes in the country level mix of pre-tax earnings.

Net Income: Including the 2008 Unusual Items, net income in 2008 was $195.7 million, or $5.07 per diluted share, compared to $253.5 million, or $6.00 per diluted share, in the prior year period, which included $11.8 million of net income related to foreign tax benefits and finalization of prior year tax returns. Excluding the 2008 Unusual Items, net income would have been $235.5 million as compared to 2007 net income of $241.7 million, exclusive of the identified tax benefits. Diluted earnings per share for fiscal 2008, inclusive of $1.03 per diluted share related to the 2008 Unusual Items, declined 15.5% to $5.07 per diluted share from $6.00 per diluted share in the prior year, which included a benefit of $0.28 per diluted share related to foreign taxes and finalization of prior year tax returns. Excluding the effect of the 2008 Unusual Items, net income per diluted share would have been $6.10, or 6.5% higher, as compared to the $5.73 per diluted share in 2007, exclusive of the identified tax benefits.

North America Results of Operations

	Years Ended		
	January 2, 2009	December 28, 2007	Percent Change
		(In millions)	
Net sales	$ 4,280.1	$ 4,106.3	4.2%
Gross profit	$ 999.1	$ 981.7	1.8%
Operating expenses	$ 684.0	$ 636.7	7.4%
Operating income	$ 315.1	$ 345.0	(8.7%)

Net Sales: North America net sales in 2008 increased 4.2% to $4,280.1 million from $4,106.3 million in 2007. Excluding the incremental sales of $38.2 million as a result of the acquisition of QSN and World Class and the favorable effects of foreign exchange rate changes of $3.5 million, North America net sales were $4,238.4 million in 2008, which represents an increase of $132.1 million, or approximately 3.2%, over the corresponding period in 2007.

Sales of enterprise cabling and security solutions in North America of $2,250.2 million increased $11.2 million in 2008, or 0.5%, from $2,239.0 million in 2007. The increase was primarily due to strong growth in the security market of 19.0% offset by a decline in larger enterprise cabling projects due to challenging economic conditions. Foreign exchange rates on Canadian enterprise cabling and security solutions sales did not impact sales growth versus the prior year. Including World Class sales of $9.3 million, North America electrical wire and cable sales of $1,505.5 million increased $98.7 million, or 7.0%, in 2008 from $1,406.8 million in 2007. The increase was achieved despite a difficult comparison to very strong sales in the year ago period, as project activity, particularly in the energy and natural resources vertical end markets, remained strong. Favorable foreign exchange rates on Canadian electrical wire and cable sales accounted for $3.9 million of the sales growth in 2008. Excluding the effects of foreign exchange rates and the acquisition of World Class, electrical wire and cable sales were up $85.6 million, or approximately 6.1%, in 2008 as compared to 2007. Including QSN sales of $28.9 million, the OEM supply business sales of $533.3 million increased 16.2%, or $74.2 million, from $459.1 million in 2007. Excluding the QSN sales and $0.2 million of unfavorable effects of foreign exchange rates, sales increased 9.9% in 2008 as compared to the prior year with strong sales growth to aerospace and defense and the addition of new industrial customers offset weakness with certain existing customers in the industrial portion of this market who have experienced production slowdowns that have negatively impacted the Company's sales.

Gross Margins: Gross margins decreased to 23.3% in 2008 from 23.9% in 2007 mainly due to the effects of lower supplier volume incentives that resulted from lower year-on-year sales growth rates, pricing pressure from rising steel and specialty metal prices in the Company's OEM supply business and pricing pressure on certain products sold in the North American wire and cable market during the first quarter.

Operating Expenses: Including the 2008 Unusual Items that related to North America of $30.3 million, operating expenses increased $47.3 million, or 7.4%, in 2008 as compared to 2007. The acquisitions of World Class and QSN added $10.9 million to operating expenses while foreign exchange rate changes decreased operating expenses by $0.1 million. Excluding the 2008 Unusual Items, the effects of changes in foreign exchange rates and

acquisitions, operating expenses were $6.2 million higher than 2007, which represents an increase of 1.0% relative to the 3.2% organic growth in sales.

Operating Income: Operating margins were 7.4% and 8.4% in 2008 and 2007, respectively. Operating income decreased $29.9 million, or 8.7%, in 2008 as compared to the prior year. The acquisitions of World Class and QSN increased operating income $1.1 million while favorable foreign exchange rate changes added $0.4 million to operating income. Excluding the 2008 Unusual Items impacting operating income that related to North America of $30.3 million, acquisitions and the favorable effects of foreign exchange rates, operating income decreased $1.1 million in 2008, or 0.3%, as compared to the prior year primarily due to lower gross margins. Operating margins, excluding the 2008 Unusual Items, decreased to 8.1% from the operating margins of 8.4% reported in 2007, primarily due to the above described pressures on gross margins.

Europe Results of Operations

	Years Ended		
	January 2, 2009	December 28, 2007	Percent Change
		(In millions)	
Net sales	$ 1,309.4	$ 1,274.4	2.7%
Gross profit	$ 323.9	$ 331.0	(2.1%)
Operating expenses	$ 288.0	$ 270.4	6.5%
Operating income	$ 35.9	$ 60.6	(40.7%)

Net Sales: When compared to the corresponding period in 2007, Europe net sales for 2008 increased 2.7% to $1,309.4 million, including $46.2 million due to recent acquisitions. Unfavorable foreign exchange rate changes caused sales to decline by $6.0 million in 2008 as compared to the prior year. Excluding acquisitions and the effects of foreign exchange rate changes, Europe net sales were $1,269.2 million in 2008, which represents a decrease of $5.2 million, or approximately 0.4%, as compared to 2007. The Company's efforts to expand its presence in the electrical wire and cable market in Europe resulted in sales of $253.6 million in 2008 as compared to $210.9 million in 2007, an increase of 20.2%. Exclusive of $4.9 million of unfavorable foreign exchange effects, sales in the European electrical wire and cable market were 22.5% higher than 2007. Further, the Company's efforts to expand its geographic presence of its wire and cable business outside the United Kingdom resulted in sales increasing $38.8 million, or 51.9%, to $113.5 million in fiscal 2008 as compared sales of $74.7 million in 2007. Excluding the effects of favorable foreign exchange rate changes of $5.9 million primarily related to changes in the Euro, wire and cable sales outside the United Kingdom increased $32.8 million in 2008, or 44.0%, as compared to 2007. Europe OEM supply sales in 2008 of $607.9 million increased $21.5 million, or 3.7%, from $586.5 million in 2007. Exclusive of $14.8 million of unfavorable foreign exchange effects primarily related to changes in the British Pound and the sales of $46.2 million from recent acquisitions, sales in the European OEM supply business were 1.7% lower in 2008 as compared to 2007. The enterprise cabling and security solutions sales growth in Europe continues to be affected by challenging economic conditions. Enterprise cabling and security solutions sales in Europe decreased by 6.1% to $447.9 million in 2008, as compared to sales of $477.1 million in 2007. Exclusive of $13.7 million of favorable foreign exchange effects primarily related to changes in the Euro, sales in the Europe enterprise cabling and security solutions market were 9.0% lower in 2008 as compared to 2007.

Gross Margins: Gross margins decreased to 24.7% in 2008 from 26.0% in 2007. The decline in gross margins is primarily due to the effects of lower supplier volume incentives that resulted from lower year-on-year sales growth rates and lower gross margins in the OEM supply business versus the prior year due to pricing pressure from rising steel and specialty metal prices.

Operating Expenses: Including the 2008 Unusual Items that related to Europe of $6.1 million, operating expenses increased $17.6 million, or 6.5% in 2008 as compared to 2007. Recent acquisitions increased operating expenses by $10.6 million, while foreign exchange rate changes decreased operating expenses by $3.8 million. Excluding the 2008 Unusual Items, the effects of changes in foreign exchange rates and acquisitions, operating expenses were $4.7 million higher than 2007, which represents an increase of 1.7% relative to the 0.4% organic decline in sales.

Operating Income: Operating margins were 2.7% in 2008 as compared to 4.8% in 2007. Lower operating margins on declining sales generated a decrease in operating income of $24.7 million, or 40.7%, in 2008 as compared to 2007. Recent acquisitions and favorable foreign exchange rates added $1.7 million and $4.8 million,

respectively, to operating income. Excluding the 2008 Unusual Items impacting operating income that related to Europe of $8.1 million, acquisitions and the favorable effects of foreign exchange rates, operating income decreased $23.1 million in 2008, or 38.1%, as compared to the prior year. Operating margins, excluding the 2008 Unusual Items, decreased to 3.4% from the operating margins of 4.8% reported in 2007, due to a combination of the above described pressures on gross margins and increases in operating expenses. The decline in European operating profit is due to a very challenging economic environment particularly in the U.K.

Emerging Markets Results of Operations

	Years Ended		
	January 2, 2009	December 28, 2007	Percent Change
	(In millions)		
Net sales	$ 547.1	$ 472.2	15.9%
Gross profit	$ 119.8	$ 100.6	19.2%
Operating expenses	$ 78.9	$ 67.1	17.6%
Operating income	$ 40.9	$ 33.5	22.3%

Net Sales: Emerging Markets (Asia Pacific and Latin America) net sales in 2008 increased 15.9% to $547.1 million from $472.2 million in 2007. Excluding the incremental sales of $3.3 million related to the acquisition of QSM and $1.4 million favorable impact from changes in foreign exchange rates, the Emerging Markets net sales growth was 14.9%. Asia Pacific sales of $161.9 million increased 6.3% in 2008 from $152.2 million in 2007. Exclusive of the $5.4 million favorable impact from foreign exchange rate changes, Asia Pacific sales increased $4.3 million as growth in day-to-day business was offset by lower project volume. Inclusive of the $3.3 million of sales related to the acquisition of QSM and $4.0 million related to the unfavorable impact from changes in foreign exchange rates, Latin America sales of $385.2 million increased $65.2 million, or 20.4%, in 2008 compared to 2007. Excluding the acquisition and foreign exchange rate impact, Latin America sales increased $65.9 million, or 20.6%, in 2008 compared to the prior year. The Company continues to experience overall economic growth in most countries which, combined with increased market penetration and expanding product lines, drove good year-over-year growth.

Gross Margins: During 2008, Emerging Markets gross margins increased to 21.9% from 21.3% in the corresponding period in 2007, primarily due to a favorable product mix.

Operating Expenses: Operating expenses increased $11.8 million in 2008, or 17.6% compared to the prior year. QSM added $1.0 million to operating expenses while favorable foreign exchange rate changes increased operating expenses by $0.3 million in 2008 as compared to the prior year. Excluding the acquisition and foreign exchange rate impact, operating expenses increased $10.5 million, or 15.6%, as the company continues to invest in initiatives to increase market penetration and expand product lines.

Operating Income: Emerging Markets operating income increased $7.4 million, or 22.3%, in 2008 compared to 2007. Primarily as a result of the sales growth and higher gross margins, operating margins increased to 7.5% from 7.1% in 2007. The acquisition of QSM increased operating income $0.4 million while foreign exchange rate changes had minimal impact on operating income.

2007 versus 2006

Consolidated Results of Operations

	Years Ended		
	December 28, 2007	December 29, 2006	Percent Change
	(In millions)		
Net sales	$ 5,852.9	$ 4,938.6	18.5%
Gross profit	$ 1,413.3	$ 1,199.3	17.8%
Operating expenses	$ 974.2	$ 862.2	13.0%
Operating income	$ 439.1	$ 337.1	30.3%

Net Sales: The Company’s net sales during 2007 increased $914.3 million, or 18.5%, to $5,852.9 million from $4,938.6 million in 2006. A series of recently-completed acquisitions accounted for $125.5 million of the increase

while favorable effects of foreign exchange rates contributed $139.3 million to sales. Excluding the acquisitions and the favorable effects of foreign exchange rates, the Company's net sales increased $649.5 million, or approximately 13.2%, in 2007 as compared to the prior year. The factors driving the Company's strong organic growth were consistent with those the Company has seen during the past couple of years. The Company experienced solid growth in larger project business, as it relates to data center builds in the enterprise cabling market and particularly within the energy/natural resources customers in the electrical and electronic wire and cable market. The Company also continues to experience strong growth in security and OEM supply sales.

Gross Margins: Gross margins decreased in 2007 to 24.1% from 24.3% in 2006 mainly due to lower copper price volatility.

Operating Expenses: Operating expenses increased $112.0 million, or 13.0%, in 2007 from 2006. A series of recently-completed acquisitions have increased operating expenses by $32.1 million, while changes in foreign exchange rates increased operating expenses by $24.4 million. Excluding the acquisitions and the effects from changes in foreign exchange rates, operating expenses increased approximately $55.5 million, or 6.4%, primarily due to variable costs associated with the 13.2% organic growth in sales. Included in the 2007 operating expenses are $3.5 million of expenses incurred in Europe in conjunction with the consolidation of certain facilities and reductions in staff.

Operating Income: As a result of very strong sales growth and tight expense controls, operating margins were 7.5% in 2007 as compared to 6.8% in 2006. Improved operating margins on higher sales generated an increase in operating income of $102.0 million, or 30.3%, in 2007 as compared to 2006. Recent acquisitions accounted for $12.1 million of the increase while favorable foreign exchange added $8.9 million to operating income. Excluding the acquisitions and the favorable effects of foreign exchange rates, operating income increased $81.0 million, or 24.0%, in 2007 as compared to 2006.

Interest Expense: Consolidated interest expense was $45.2 million in 2007 as compared to $38.8 million in 2006. The weighted-average long-term debt balance in 2007 was $1,030.6 million as compared to $728.1 million in 2006. The increase is driven by the working capital requirements associated with strong organic growth over the past year, the repurchase of approximately 10.8% of the Company's outstanding shares during 2007 and a series of recently-completed acquisitions. Partially offsetting the increase in borrowings have been refinancings, particularly the issuance of $300.0 million of 1% senior convertible notes in the first quarter of 2007 that have lowered the Company's average cost of borrowings. With the interest rates on approximately 77% of the Company's borrowings fixed, its average cost of borrowings was 4.4% in 2007 as compared to 5.3% in the prior year.

Other, net:

	Years Ended	
	December 28, 2007	December 29, 2006
	(In millions)	
Foreign exchange gain (loss)	$ 1.9	$ (2.7)
Cash surrender value of life insurance policies	1.4	2.8
Other	0.3	4.6
	$ 3.6	$ 4.7

Primarily due to the strengthening of the Canadian dollar, British pound and Brazilian real, changes in foreign exchange rates resulted in a gain of $1.9 million in 2007 compared to a loss of $2.7 million in 2006. In 2006, the Company recorded interest income related to tax settlements in the U.S. and Canada.

Income Taxes: The consolidated tax provision increased to $144.0 million in 2007 from $93.7 million in 2006, primarily due to an increase in income before taxes. The effective tax rate for 2007 is 36.2% as compared to 30.9% in 2006. During 2007, the Company recorded tax benefits of $11.5 million primarily related to foreign tax benefits as well as a tax settlement in the U.S. During 2006, the Company recorded tax benefits of $22.8 million primarily related to the tax settlements and the initial establishment of deferred tax assets associated with its foreign operations. Excluding the tax benefits recorded in the years ended December 28, 2007 and December 29, 2006, the Company's tax rate was 39.1% and 38.4%, respectively.

Net Income: As a result of the above, net income for 2007 was $253.5 million compared with $209.3 million in 2006.

North America Results of Operations

	Years Ended		
	December 28, 2007	December 29, 2006	Percent Change
	(In millions)		
Net sales	$ 4,106.3	$ 3,611.7	13.7%
Gross profit	$ 981.7	$ 873.2	12.4%
Operating expenses	$ 636.7	$ 596.7	6.7%
Operating income	$ 345.0	$ 276.5	24.8%

Net Sales: When compared to 2006, North America net sales in 2007 increased 13.7% to $4,106.3 million from $3,611.7 million in 2006. Excluding the IMS sales for the first five months of 2007 (IMS was acquired in May of 2006) of $20.1 million and the favorable effects of foreign exchange rate changes of $36.0 million, North America net sales were $4,050.2 million in the year ended December 28, 2007, which represents an increase of $438.5 million, or approximately 12.1%, over 2006.

Sales of enterprise cabling and security solutions in North America of $2,239.0 million increased $250.9 million in 2007, or 12.6%, from $1,988.1 million in 2006. The increase represents improved demand from both new and existing customers, continued strong growth in the security market, an expanded supply chain services offering and product line expansion. Favorable foreign exchange rates on Canadian sales accounted for $11.7 million of the sales growth versus the prior year. North America electrical and electronic wire and cable sales of $1,406.8 million increased $194.5 million, or 16.0%, in 2007 from $1,212.3 million in 2006. The increase is due to a combination of increased demand, especially with larger projects from both new and existing customers, and the acquisition of IMS (which added approximately $20.1 million to sales). Foreign exchange rates on Canadian sales accounted for $23.3 million of the year-on-year sales growth. Excluding the acquisition of IMS and foreign exchange, electrical and electronic wire and cable sales of $1,363.4 million were up $151.1 million, or approximately 12.5%, in 2007 from $1,212.3 million in 2006. In the OEM supply business, sales increased 10.7%, or $44.4 million, with strong sales growth to aerospace and defense customers.

Gross Margins: Gross margins decreased to 23.9% in 2007 from 24.2% in 2006 due to a higher mix of large projects and a decline in the inventory gains realized from the fluctuations of copper prices.

Operating Expenses: Operating expenses increased $40.0 million, or 6.7%, in 2007 from 2006. The acquisition of IMS increased operating expenses by $3.9 million, while foreign exchange rate changes increased operating expenses by $4.9 million. Excluding IMS and the effects from changes in foreign exchange rates, operating expenses increased approximately $31.2 million, or 5.2%, primarily due to variable costs associated with the 12.1% organic growth in sales.

Operating Income: As a result of the sales growth of 13.7% and better leveraging of the expense structure, operating margins were 8.4% in 2007 as compared to 7.7% in 2006. Improved operating margins on higher sales generated an increase in operating income of $68.5 million, or 24.8%, in 2007 as compared to 2006. The IMS acquisition accounted for $2.0 million of the increase while favorable foreign exchange rate changes added $3.6 million to operating income. Excluding IMS and the favorable effects of foreign exchange rates, operating income increased $62.9 million, or 22.8%, in 2007 as compared to 2006.

Europe Results of Operations

	Years Ended		
	December 28, 2007	December 29, 2006	Percent Change
	(In millions)		
Net sales	$ 1,274.4	$ 980.4	30.0%
Gross profit	$ 331.0	$ 251.6	31.6%
Operating expenses	$ 270.4	$ 214.5	26.0%
Operating income	$ 60.6	$ 37.1	63.6%

Net Sales: When compared to 2006, Europe net sales for 2007 increased 30.0% to $1,274.4 million, including $105.4 million due to recent acquisitions and $92.5 million due to favorable foreign exchange rate changes. Excluding acquisitions and the favorable effects of foreign exchange rate changes, Europe net sales were $1,076.5 million in 2007, which represents an increase of $96.1 million, or approximately 9.8%, over 2006. This organic growth reflects solid sales growth in the OEM supply business, large project growth, especially in the electrical wire and cable market, an expanding base of global account projects, continued progress in expanding the geographical scope of the electrical wire and cable business and strong growth in the Middle East. More specifically, the Company's efforts to expand its presence in the electrical wire & cable market in Europe resulted in sales of $211.9 million in 2007 as compared to $154.2 million in the prior year. Exclusive of $16.2 million of favorable foreign exchange effects, sales in the European electrical wire & cable market were 26.9% higher than 2006.

Gross Margins: Gross margins increased to 26.0% in 2007 from 25.7% in 2006. The increase is due to the rapid growth associated with higher margin OEM supply sales, both organic and acquired, and better sourcing with suppliers that has improved gross margins.

Operating Expenses: Operating expenses increased $55.9 million, or 26.0%, in 2007 from 2006. Recent acquisitions increased operating expenses by $28.2 million, while foreign exchange rate changes increased operating expenses by $18.1 million. Excluding acquisitions and the effects from changes in foreign exchange rates, operating expenses increased approximately $9.6 million, or 4.4%, primarily due to variable costs associated with the 9.8% organic growth in sales. Included in the operating expenses are $3.5 million of expenses incurred in Europe in conjunction with the consolidation of certain facilities and reductions in staff.

Operating Income: As a result of the sales growth of 30.0% and better leveraging of the expense structure, operating margins were 4.8% in 2007 as compared to 3.8% in 2006. This improvement in operating margins reflects the operating leverage the Company gained as a result of organic sales growth and acquisitions. Improved operating margins on higher sales generated an increase in operating income of $23.5 million, or 63.6%, in 2007 as compared to 2006. The recent acquisitions accounted for $10.1 million of the increase while favorable foreign exchange rate changes added $4.3 million to operating income. Excluding acquisitions and the favorable effects of foreign exchange rates, operating income increased $9.1 million, or 24.6%, in 2007 as compared to 2006. Operating income in 2007 was, however, negatively impacted by the $3.5 million of expenses incurred in conjunction with the consolidation of certain facilities and reductions in staff, which had a favorable effect on earnings through lower operating expenses.

Emerging Markets Results of Operations

	Years Ended		
	December 28, 2007	December 29, 2006	Percent Change
	(In millions)		
Net sales	$ 472.2	$ 346.5	36.3%
Gross profit	$ 100.6	$ 74.5	35.0%
Operating expenses	$ 67.1	$ 51.0	31.6%
Operating income	$ 33.5	$ 23.5	42.4%

Net Sales: Emerging Markets (Asia Pacific and Latin America) net sales in 2007 increased 36.3% to $472.2 million from $346.5 million in 2006. Excluding the $10.8 million favorable impact from changes in foreign exchange rates, the Emerging Markets net sales growth was 33.2%. Asia Pacific sales grew 61.8%, while Latin America sales increased 26.8% in 2007 compared to 2006. The sales growth in Emerging Markets reflects an expanding base of global account business and strong project demand.

Gross Margins: During the year ended December 28, 2007, Emerging Markets gross margins decreased to 21.3% from 21.5% in the corresponding period in 2006, primarily due to larger projects at lower margins.

Operating Expenses: Operating expenses increased $16.1 million (inclusive of $1.4 million due to changes in foreign exchange rates) in 2007, or 31.6% compared to 2006. Results in 2006 were affected by a favorable sales tax-related settlement in Australia, which reduced operating expenses by $2.2 million. Excluding the sales tax-related settlement, operating expenses in 2007 increased $13.9 million, or 26.1%, from 2006.

Operating Income: Emerging Markets operating income increased $10.0 million, or 42.4%, in 2007 compared to 2006. Primarily as a result of the sales growth and resulting leveraging of the expense structure, operating margins increased in 2007 to 7.1% from 6.2% (excluding the favorable effect of a sales tax-related settlement of $2.2 million) in 2006. Exchange rate changes had a $1.0 million favorable impact on operating income.

Critical Accounting Policies and Estimates

The Company believes that the following are critical areas of accounting that either require significant judgment by management or may be affected by changes in general market conditions outside the control of management. As a result, changes in estimates and general market conditions could cause actual results to differ materially from future expected results. Historically, the Company's estimates in these critical areas have not differed materially from actual results.

Allowance for Doubtful Accounts: At January 2, 2009 and December 28, 2007, the Company reported net accounts receivable of $1,051.7 million and $1,215.9 million, respectively. Each quarter the Company segregates the doubtful receivable balances into the following major categories and determines the bad debt reserve required as outlined below:

- Customers that are no longer paying their balances are reserved based on the historical write-off percentages;
- Risk accounts are individually reviewed and the reserve is based on the probability of potential default. The Company continually monitors payment patterns of customers, investigates past due accounts to assess the likelihood of collection and monitors industry and economic trends to estimate required allowances; and
- The outstanding balance for customers who have declared bankruptcy is reserved at the estimated net realizable value.

If circumstances related to the above factors change, the Company's estimates of the recoverability of amounts due to the Company could be reduced/increased by a material amount.

Inventory Obsolescence: At January 2, 2009 and December 28, 2007, the Company reported inventory of $1,153.3 million and $1,065.0 million, respectively. Each quarter the Company reviews the excess inventory and makes an assessment of the realizable value. There are many factors that management considers in determining whether or not or the amount by which a reserve should be established. These factors include the following:

- Return or rotation privileges with vendors;
- Price protection from vendors;
- Expected future usage;
- Whether or not a customer is obligated by contract to purchase the inventory;
- Current market pricing;
- Historical consumption experience; and
- Risk of obsolescence.

If circumstances related to the above factors change, there could be a material impact on the net realizable value of the inventory.

Pension Expense: SFAS No. 87, *Employers' Accounting for Pensions* ("SFAS No. 87") and the policies used by the Company generally reduce the recognition of actuarial gains and losses in the net benefit cost, as any significant actuarial gains/losses are amortized over the remaining service lives of the plan participants. These actuarial gains and losses are mainly attributable to the return on plan assets that differ from that assumed, changes in the obligation different from that assumed due to changes in the discount rate, plan demographic changes and other assumptions.

A significant element in determining the Company's net periodic benefit cost in accordance with SFAS No. 87 is the expected return on plan assets. In 2008, the Company assumed that the weighted-average expected long-term rate of return on plan assets would be 7.66%. This expected return on plan assets is included in the net periodic benefit cost for the fiscal year ended 2008. As a result of the combined effect of valuation declines in both the equity and bond markets, the plan assets produced an actual loss of approximately 17% in 2008 as compared to an actual return of 6% in 2007. As a result, the fair value of plan assets declined to $229.9 million at the end of fiscal 2008 from $306.7 million at the end of fiscal 2007. When the difference between the expected return and the actual return on plan assets is significant, the difference is amortized into expense over the service lives of the plan participants. These amounts are reflected on the balance sheet through charges to Other Comprehensive Income.

The measurement date for all plans of the Company is December 31st. Accordingly, at the end of each fiscal year, the Company determines the discount rate to be used to discount the plan liabilities. The discount rate reflects the current rate at which the pension liabilities could be effectively settled at the end of the year. In estimating this rate at the end of 2008 and 2007, the Company reviewed rates of return on relevant market indices, specifically, the Citigroup pension liability index. These rates are adjusted to match the duration of the liabilities associated with the pension plans. At January 2, 2009 and December 28, 2007, the Company determined the consolidated weighted average rate of all plans to be 6.12% and 6.03%, respectively, and used this rate to measure the projected benefit obligation at the end of each respective fiscal year end. As a result of the change in the discount rate as well as changes in foreign exchange rates, the projected benefit obligation declined to $310.7 million at the end of fiscal 2008 from $346.6 million at the end of fiscal 2007. As a result of the change in asset values and the projected benefit obligation, the Company's consolidated net pension liability was $80.8 million at the end of 2008, up from $39.9 million at the end of 2007.

Based on the consolidated weighted average discount rate at the beginning of 2008 and 2007 (6.03% and 5.55%, respectively), the Company recognized a consolidated pre-tax net periodic cost of $10.5 million in 2008, down slightly from $10.6 million in 2007. The Company estimates its 2009 net periodic cost to increase by approximately 60% due to the large difference between the 2008 expected return and the 2008 actual return on plan assets which will result in additional amortization of actuarial gains and losses in 2009.

Due to its long duration, the pension liability is very sensitive to changes in the discount rate. As a sensitivity measure, the effect of a 50-basis-point decline in the assumed discount rate would result in an increase in the 2009 pension expense of approximately $2.5 million and an increase in the projected benefit obligations at January 2, 2009 of $27.2 million.

Goodwill and Indefinite-Lived Intangible Assets: On an annual basis and in accordance with SFAS No. 142, *Goodwill and other Intangible Assets* ("SFAS No. 142"), the Company tests for goodwill impairment annually using a two-step process, unless there is a triggering event, in which case a test would be performed at the time that such triggering event occurs. The first step is to identify a potential impairment by comparing the fair value of a reporting unit with its carrying amount. For all periods presented, the Company's reporting units are consistent with its operating segments. The estimates of fair value of a reporting unit are determined based on a discounted cash flow analysis. A discounted cash flow analysis requires the Company to make various judgmental assumptions, including assumptions about future cash flows, growth rates and discount rates. The assumptions about future cash flows and growth rates are based on the forecast and long-term business plans of each operating segment. Discount rate assumptions are based on an assessment of the risk inherent in the future cash flows of the respective reporting units. If necessary, the second step of the goodwill impairment test compares the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination.

The Company's goodwill impairment analysis is performed annually at the beginning of the third quarter. However, as a result of the dramatic change in the economic and market conditions in the fourth quarter of 2008, including the change in the Company's stock price as compared to the Company's book value per share as well as the significant disruptions in the global credit markets, the Company performed an interim impairment test as of fiscal year end 2008. The Company's annual and interim impairment tests did not result in an impairment charge for goodwill.

However, if market conditions deteriorate further from current conditions during 2009, in particular, if the Company's share price is below or approximates its book value per share, or if other conditions cause a significant change in any one reporting unit's fair value, the Company may need to reassess goodwill impairment at a period other than its annual impairment test. Subsequent reviews of goodwill could result in a non-cash impairment charge related to goodwill during 2009. As of January 2, 2009, the Company does not have any material indefinite-lived intangible assets subject to the provisions of SFAS No. 142.

Our intangible assets include definite-lived intangibles which are primarily related to customer relationships. The impairment test for these intangible assets is conducted when impairment indicators are present. The Company continually evaluates whether events or circumstances have occurred that would indicate the remaining estimated useful lives of its intangible assets warrant revision or that the remaining balance of such assets may not be recoverable. The Company uses an estimate of the related undiscounted cash flows over the remaining life of the asset in measuring whether the asset is recoverable.

Deferred Tax Assets: The Company maintains valuation allowances to reduce deferred tax assets if it is more likely than not that some portion or all of the deferred tax asset will not be realized. Changes in valuation allowances are included in the Company's tax provision in the period of change. In determining whether a valuation allowance is warranted, management evaluates factors such as prior earnings history, expected future earnings, carryback and carryforward periods, and tax strategies that could potentially enhance the likelihood of realization of a deferred tax asset. The reliability assessments made at a given balance sheet date are subject to change in the future, particularly if earnings of a particular subsidiary are significantly higher or lower than expected, or if management takes operational or tax planning actions that could impact the future taxable earnings of a subsidiary.

Reserves for Uncertain Tax Positions: In the normal course of business, the Company is audited by federal, state and foreign tax authorities, and is periodically challenged regarding the amount of taxes due. These challenges relate to the timing and amount of deductions and the allocation of income among various tax jurisdictions. Management believes the Company's tax positions comply with applicable tax law and the Company intends to defend its positions. In evaluating the exposure associated with various tax filing positions, the Company records reserves for uncertain tax positions, based upon the technical support for the positions, the Company's past audit experience with similar situations and potential interest and penalties related to the matters. Management believes these reserves represent the best estimate of the amount that the Company will ultimately be required to pay to settle the matters. The Company's effective tax rate in a given period could be impacted if, upon final resolution with taxing authorities, the Company prevailed in positions for which reserves have been established, or was required to pay amounts in excess of established reserves.

As of January 2, 2009, the aggregate amount of global income tax reserves and related interest recorded in current taxes payable was approximately $9.0 million. These reserves cover a wide range of issues and involve numerous different taxing jurisdictions. The single largest item ($3.5 million) relates to a dispute with the state of Wisconsin concerning income taxes payable upon the 1993 sale of a short-line railroad that operated solely within such state. Other significant exposures for which reserves exist include, but are not limited to, a variety of foreign jurisdictional transfer pricing disputes and foreign withholding tax issues related to inter-company transfers and services.

New Accounting Pronouncements

For information about recently issued accounting pronouncements, see Note 1. "Summary of Significant Accounting Policies" in the Notes to the Consolidated Financial Statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Company is exposed to the impact of fluctuations in foreign currencies and interest rate changes, as well as changes in the market value of its financial instruments. The Company periodically enters into derivatives in order to minimize these risks, but not for trading purposes. The Company's strategy is to negotiate terms for its derivatives and other financial instruments to be perfectly effective, such that the change in the value of the derivative perfectly offsets the impact of the underlying hedged item. The Company's counterparties to its derivative contracts have investment-grade or above credit ratings. The Company expects the credit worthiness of its counterparties to remain intact through the term of the transactions. The Company regularly monitors the credit worthiness of its counterparties to ensure no issues exist which could affect the value of the derivatives. Any resulting gains or losses from hedge ineffectiveness are reflected directly in income. During periods of volatile changes in foreign exchange rates, the Company can be subject to significant foreign exchange gains and losses since there is a time lag between when the Company incurs the foreign exchange exposure and when the Company has the information to properly hedge the exposure.

The Company's foreign currency denominated sales were 36% in 2008 and 2007 and 34% in 2006. The Company's exposure to currency rate fluctuations primarily relate to Canada (Canadian dollar) and Europe (Euro and British Pound). The Company also has exposure to currency rate fluctuations related to more volatile markets such as Argentina (Peso), Australia (Dollar), Brazil (Real), Chile (Peso), Colombia (Peso), Mexico (Peso), and Venezuela (Bolivar).

The Company's investments in several subsidiaries are recorded in currencies other than the U.S. dollar. As these foreign currency denominated investments are translated at the end of each period during consolidation, fluctuations of exchange rates between the foreign currency and the U.S. dollar increase or decrease the value of those investments. These fluctuations and the results of operations for foreign subsidiaries, where the functional currency is not the U.S. dollar, are translated into U.S. dollars using the average exchange rates during the year,

while the assets and liabilities are translated using period-end exchange rates. The related translation adjustments are recorded in a separate component of Stockholders' Equity, "Foreign currency translation," which is a component of other comprehensive income. Gains and losses from foreign currency transactions are included in "Other, net" in the consolidated statements of operations. Borrowings are raised in certain foreign currencies to minimize the exchange rate fluctuation risk.

As of January 2, 2009 and December 28, 2007, the Company had a significant amount of assets and liabilities denominated in currencies other than the functional currency of the reporting entity. The absolute value of these assets and liabilities at January 2, 2009 and December 28, 2007, was approximately $95.2 million and $131.3 million, respectively. The Company has purchased short-term foreign currency forward contracts to minimize the effect of fluctuating foreign currencies. At January 2, 2009 and December 28, 2007, the notional amount of the foreign currency forward contracts outstanding was approximately $87.1 million and $87.0 million, respectively. The fair value of these contracts are recorded as an asset of $0.1 million and a liability of $0.2 million at January 2, 2009 and December 28, 2007, respectively.

As of January 2, 2009 and December 28, 2007, the Company utilized interest rate agreements that effectively fix or cap, for a period of time, the GBP London Interbank Offered Rate ("GBP-LIBOR"), the EUR Interbank Offered Rate ("EUR-IBOR") and the Bankers Acceptance/Canadian Dollar Offered Rate ("BA/CDOR") components of the interest rates on a portion of its floating-rate obligations denominated in those currencies. At January 2, 2009, the Company had interest rate swap agreements outstanding with a notional amount of GBP 30 million, Euro 50 million (two Euro 25 million agreements) and $20 million Canadian dollars. At December 28, 2007, the Company had interest rate swap agreements outstanding with a notional amount of GBP 30 million, Euro 25 million and $30 million Canadian dollars. The GBP-LIBOR swap agreements obligate the Company to pay a fixed rate of approximately 4.6% through July 2012. The BA/CDOR swap agreement obligates the Company to pay a fixed rate of approximately 4.2% through December 2010 and the EUR-IBOR swap agreements obligate the Company to pay a fixed rate of approximately 4.7% and 3.3% through July 2010 and November 2011, respectively.

As of January 2, 2009 and December 28, 2007, as a result of these agreements along with fixed rate borrowing agreements, the interest rate on approximately 68.5% and 77.5% of debt obligations, respectively, was fixed. The fair market value of outstanding interest rate agreements, which is the estimated amount that the Company would pay to transfer the interest rate agreements (i.e., exit price), was $4.9 million and $1.0 million at January 2, 2009 and December 28, 2007, respectively. The impact of interest rate agreements to interest expense was minimal in 2008, 2007 and 2006. The Company does not enter into interest rate transactions for speculative purposes.

The Company prepared sensitivity analyses of its derivatives and other financial instruments assuming a 10% adverse change in interest rates and a 10% adverse change in the foreign currency contracts outstanding. Holding all other variables constant, the hypothetical adverse changes would have increased interest expense by $2.2 million and $2.0 million in 2008 and 2007, respectively, and decreased the value of foreign currency forward contracts by $8.2 million and $8.9 million in 2008 and 2007, respectively. If there were a 10 percent adverse change in the exchange rates, the Company would record a foreign exchange loss of approximately $0.8 million.

The Company's fixed rate debt primarily consists of the Senior Notes and convertible debt instruments (specifically, the Notes due 2013 and Notes due 2033). The combined estimated fair market value of the Company's outstanding fixed rate debt (senior notes and convertible debt) at January 2, 2009 and December 28, 2007 was $564.7 million and $873.2 million, respectively. The decrease in the fair market value is due to the decrease in the Company's stock price during 2008.

The Company's Notes due 2015 bear interest at a fixed rate of 5.95%. Therefore, changes in interest rates do not affect interest expense incurred on the Notes due 2015 but interest rates do affect the fair value. If interest rates were to increase by 10%, the fair market value of the Notes due 2015 would decrease by 4.7% and 4.4% for 2008 and 2007, respectively. If interest rates were to decrease by 10%, the fair market value of the fixed rate debt would increase by 4.7% and 4.6% for 2008 and 2007, respectively. As of January 2, 2009 and December 28, 2007, the fair value of the fixed-rate debt instruments was $168.1 million and $179.3 million, respectively.

The Company has outstanding debt that may be converted into the Company's common stock. Accordingly, the price of its common stock may affect the fair value of the Company's convertible debt. The estimated fair value of the Company's outstanding convertible debt decreased to $396.6 million at January 2, 2009 from $693.9 million at December 28, 2007 due to the decrease in the Company's stock price during 2008. A hypothetical 10% decrease

in the price of the Company's common stock from the price at January 2, 2009 and December 28, 2007 would have reduced the fair value of its then outstanding convertible debt by $39.7 million and $69.4 million, respectively.

Changes in the market value of the Company's debt do not affect the reported results of operations unless the Company is retiring such obligations prior to their maturity. This analysis did not consider the effects of a changed level of economic activity that could exist in such an environment and certain other factors. Further, in the event of a change of this magnitude, management would likely take actions to further mitigate its exposure to possible changes. However, due to the uncertainty of the specific actions that would be taken and their possible effects, this sensitivity analysis assumes no changes in the Company's financial structure.

See Note 1. "Summary of Significant Accounting Policies" ("Interest rate agreements" and "Foreign currency forward contracts") and Note 5. "Debt" to the Notes to the Consolidated Financial Statements for further detail on interest rate agreements and outstanding debt obligations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
Anixter International Inc.:

We have audited the accompanying consolidated balance sheets of Anixter International Inc. as of January 2, 2009 and December 28, 2007 and the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended January 2, 2009. Our audits also included the financial statement schedules listed in the Index at Item 15(a)(2). These financial statements and schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Anixter International Inc. at January 2, 2009 and December 28, 2007, and the consolidated results of its operations and its cash flows for each of the three years in the period ended January 2, 2009, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedules, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Anixter International Inc.'s internal control over financial reporting as of January 2, 2009, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 26, 2009 expressed an unqualified opinion thereon.

ERNST & YOUNG LLP

Chicago, Illinois
February 26, 2009

ANIXTER INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share amounts)

	Years Ended		
	January 2, 2009	December 28, 2007	December 29, 2006
Net sales	$ 6,136.6	$ 5,852.9	$ 4,938.6
Cost of operations:			
Cost of goods sold	4,693.8	4,439.6	3,739.3
Operating expenses	1,050.9	974.2	862.2
Total costs and expenses	5,744.7	5,413.8	4,601.5
Operating income	391.9	439.1	337.1
Other (expense) income:			
Interest expense	(48.0)	(45.2)	(38.8)
Other, net	(25.8)	3.6	4.7
Income before income taxes	318.1	397.5	303.0
Income tax expense	122.4	144.0	93.7
Net income	$ 195.7	$ 253.5	$ 209.3
Net income per share:			
Basic	$ 5.52	$ 6.79	$ 5.36
Diluted	$ 5.07	$ 6.00	$ 4.86

See accompanying notes to the consolidated financial statements.

ANIXTER INTERNATIONAL INC.

CONSOLIDATED BALANCE SHEETS
(In millions, except share amounts)

	January 2, 2009	December 28, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	$ 65.3	$ 42.2
Accounts receivable (less allowances of $29.4 and $25.6 in 2008 and 2007, respectively)	1,051.7	1,215.9
Inventories	1,153.3	1,065.0
Deferred income taxes	41.3	37.6
Other current assets	32.8	18.2
Total current assets	2,344.4	2,378.9
Property and equipment, at cost	260.3	235.2
Accumulated depreciation	(174.3)	(157.1)
Net property and equipment	86.0	78.1
Goodwill	458.6	403.2
Other assets	202.7	156.0
	$3,091.7	$ 3,016.2
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 582.1	$ 654.8
Short-term debt	249.5	84.1
Accrued expenses	161.9	201.0
Total current liabilities	993.5	939.9
Long-term debt	917.5	937.2
Other liabilities	144.9	91.3
Total liabilities	2,055.9	1,968.4
Stockholders' equity:		
Common stock — $1.00 par value, 100,000,000 shares authorized, 35,322,126 and 36,335,448 shares issued and outstanding in 2008 and 2007, respectively	35.3	36.3
Capital surplus	181.3	145.2
Retained earnings	908.2	815.4
Accumulated other comprehensive (loss) income:		
Foreign currency translation	(49.3)	58.1
Unrecognized pension liability	(36.9)	(8.7)
Unrealized (loss) gain on derivatives, net	(2.8)	1.5
Total accumulated other comprehensive (loss) income	(89.0)	50.9
Total stockholders' equity	1,035.8	1,047.8
	$3,091.7	$ 3,016.2

See accompanying notes to the consolidated financial statements.

ANIXTER INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Years Ended		
	January 2, 2009	December 28, 2007	December 29, 2006
Operating activities:			
Net income	$ 195.7	$ 253.5	$ 209.3
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation	24.9	22.9	19.3
Stock-based compensation	18.2	11.9	10.5
Amortization of intangible assets	9.7	7.9	4.7
Accretion of zero coupon convertible notes	5.3	5.2	5.1
Amortization of deferred financing costs	2.2	1.8	0.8
Deferred income taxes	(3.2)	(1.5)	(3.1)
Excess income tax benefit from employee stock plans	(10.2)	(16.3)	(12.0)
Changes in current assets and liabilities:			
Accounts receivable	87.8	(151.8)	(200.1)
Inventories	(141.8)	(112.6)	(159.5)
Accounts payable and other current assets and liabilities, net	(68.8)	124.6	72.8
Other, net	5.2	(7.4)	12.2
Net cash provided by (used in) operating activities	125.0	138.2	(40.0)
Investing activities:			
Acquisition of businesses, net of cash acquired	(180.3)	(38.5)	(90.5)
Capital expenditures	(32.7)	(36.1)	(25.0)
Other	0.3	0.7	0.2
Net cash used in investing activities	(212.7)	(73.9)	(115.3)
Financing activities:			
Proceeds from borrowings	1,119.1	807.6	685.6
Repayment of borrowings	(922.8)	(920.4)	(528.4)
Purchases of common stock for treasury	(104.6)	(241.8)	—
Excess income tax benefit from employee stock plans	10.2	16.3	12.0
Proceeds from issuance of common stock	10.1	11.7	16.1
Payment of cash dividend	(0.7)	(1.1)	(0.8)
Deferred financing costs	(0.5)	(8.5)	(0.1)
Bond proceeds	—	300.0	—
Purchased call option	—	(88.8)	—
Proceeds from sale of warrant	—	52.0	—
Net cash provided by (used in) financing activities	110.8	(73.0)	184.4
Increase (decrease) in cash and cash equivalents	23.1	(8.7)	29.1
Cash and cash equivalents at beginning of year	42.2	50.9	21.8
Cash and cash equivalents at end of year	$ 65.3	$ 42.2	$ 50.9

See accompanying notes to the consolidated financial statements.

ANIXTER INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In millions)

	Common Stock		Capital	Retained	Accumulated Other Comprehensive	Comprehensive
	Shares	Amount	Surplus	Earnings	Income (Loss)	Income
Balance at December 30, 2005	38.4	$ 38.4	$ 79.6	$ 594.0	$ (5.6)	
Net income	—	—	—	209.3	—	$ 209.3
Other comprehensive income:						
Foreign currency translation	—	—	—	—	24.9	24.9
Change in fair market value of derivatives, net of tax of $0.7	—	—	—	—	1.6	1.6
Minimum pension liability, net of tax of $2.0	—	—	—	—	4.3	4.3
Comprehensive income						$ 240.1
Adjustment to initially apply FASB Statement No. 158, net of tax of $10.0 (See Note 7.)	—	—	—	—	(19.0)	
Issuance of common stock and related tax benefits	1.1	1.1	33.4	—	—	
Balance at December 29, 2006	39.5	$ 39.5	$113.0	$ 803.3	$ 6.2	
Adjustment to initially apply FIN 48 (See Note 6.)	—	—	—	(0.9)	—	
Net income	—	—	—	253.5	—	$ 253.5
Other comprehensive income:						
Foreign currency translation	—	—	—	—	34.7	34.7
Changes in unrealized pension cost, net of tax of $5.9	—	—	—	—	10.9	10.9
Change in fair market value of derivatives, net of tax of $0.4	—	—	—	—	(0.9)	(0.9)
Comprehensive income						$ 298.2
Purchase and retirement of treasury stock	(4.3)	(4.3)	—	(240.5)	—	
Purchased call option and sold warrant, net of tax of $34.1 (See Note 4.)	—	—	(2.7)	—	—	
Issuance of common stock and related tax benefits	1.1	1.1	34.9	—	—	
Balance at December 28, 2007	36.3	$ 36.3	$145.2	$ 815.4	$ 50.9	
Net income	—	—	—	195.7	—	$ 195.7
Other comprehensive loss:						
Foreign currency translation	—	—	—	—	(107.4)	(107.4)
Changes in unrealized pension cost, net of tax of $19.0	—	—	—	—	(28.2)	(28.2)
Change in fair market value of derivatives, net of tax of $1.7	—	—	—	—	(4.3)	(4.3)
Comprehensive income						$ 55.8
Purchase and retirement of treasury stock	(1.7)	(1.7)	—	(102.9)	—	
Issuance of common stock and related tax benefits	0.7	0.7	36.1	—	—	
Balance at January 2, 2009	35.3	$ 35.3	$181.3	$ 908.2	$ (89.0)	

See accompanying notes to the consolidated financial statements.

ANIXTER INTERNATIONAL INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: Anixter International Inc. ("the Company"), formerly known as Itel Corporation, which was incorporated in Delaware in 1967, is engaged in the distribution of communications and specialty wire and cable products, fasteners and small parts through Anixter Inc. and its subsidiaries (collectively "Anixter").

Basis of presentation: The consolidated financial statements include the accounts of Anixter International Inc. and its subsidiaries. The Company's fiscal year ends on the Friday nearest December 31 and included 53 weeks in 2008 and 52 weeks in both 2007 and 2006. Certain amounts have been reclassified to conform to the current year presentation.

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents: Cash equivalents consist of short-term, highly liquid investments that mature within three months or less. Such investments are stated at cost, which approximates fair value.

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 history of write-offs and collections. A receivable is considered past due if payments have not been received within the agreed upon invoice terms. In 2008, deteriorating credit markets and economic conditions resulted in two large customer bankruptcies which resulted in bad debt losses of $24.1 million. As a result, the provision for doubtful accounts was $37.0 million in 2008 as compared to $11.5 million and $10.7 million in 2007 and 2006, respectively. Write-offs are deducted from the allowance account when the receivables are deemed uncollectible.

Inventories: Inventories, consisting primarily of finished goods, are stated at the lower of cost or market. Cost is determined using the average-cost method. The Company has agreements with some of its vendors that provide a right to return products. This right is typically limited to a small percentage of the Company's total purchases from that vendor. Such rights provide that the Company can return slow-moving product and the vendor will replace it with faster-moving product chosen by the Company. Some vendor agreements contain price protection provisions that require the manufacturer to issue a credit in an amount sufficient to reduce the Company's current inventory carrying cost down to the manufacturer's current price. The Company considers these agreements in determining its reserve for obsolescence.

Property and equipment: At January 2, 2009, net property and equipment consisted of $59.0 million of equipment and computer software and approximately $27.0 million of buildings and leasehold improvements. At December 28, 2007, net property and equipment consisted of $54.9 million of equipment and computer software and approximately $23.2 million of buildings and leasehold improvements. Equipment and computer software are recorded at cost and depreciated by applying the straight-line method over their estimated useful lives, which range from 3 to 10 years. Leasehold improvements are depreciated over the useful life or over the term of the related lease, whichever is shorter. Upon sale or retirement, the cost and related depreciation are removed from the respective accounts and any gain or loss is included in income. Maintenance and repair costs are expensed as incurred. Depreciation expense charged to operations was $24.9 million, $22.9 million and $19.3 million in 2008, 2007 and 2006, respectively.

Costs for software developed for internal use are accounted for in accordance with the American Institute of Certified Public Accountants' Statement of Position No. 98-1 ("SOP 98-1"), *Accounting for Costs of Computer Software Developed or Obtained for Internal Use.* Costs that are incurred in the preliminary project stage are expensed as incurred. Once the capitalization criteria of SOP 98-1 have been met, external direct costs of materials and services consumed in developing or obtaining internal-use computer software, payroll and payroll-related costs for employees who are directly associated with and who devote time to the internal-use computer software project (to the extent of their time spent directly on the project) and interest costs incurred when developing computer software for internal use are capitalized. At January 2, 2009 and December 28, 2007, capitalized costs, net of

ANIXTER INTERNATIONAL INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

accumulated amortization, for software developed for internal use was approximately $9.9 million and $4.1 million, respectively, or approximately 12% and 5% of property, plant and equipment, net, respectively.

Goodwill: Goodwill is the excess of cost over the fair value of the net assets of businesses acquired. On an annual basis and in accordance with Financial Accounting Standards Board ("FASB") Statement of Financial Accounting Standard ("SFAS") No. 142, *Goodwill and other Intangible Assets* ("SFAS No. 142"), the Company tests for goodwill impairment annually using a two-step process, unless there is a triggering event, in which case a test would be performed at the time that such triggering event occurs. The first step is to identify a potential impairment by comparing the fair value of a reporting unit with its carrying amount. For all periods presented, the Company's reporting units are consistent with its operating segments. The estimates of fair value of a reporting unit are determined based on a discounted cash flow analysis. A discounted cash flow analysis requires the Company to make various judgmental assumptions, including assumptions about future cash flows, growth rates and discount rates. The assumptions about future cash flows and growth rates are based on the forecast and long-term business plans of each operating segment. Discount rate assumptions are based on an assessment of the risk inherent in the future cash flows of the respective reporting units. If necessary, the second step of the goodwill impairment test compares the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination.

The Company's goodwill impairment analysis is performed annually at the beginning of the third quarter. However, as a result of the dramatic change in the economic and market conditions in the fourth quarter of 2008, including the change in the Company's stock price as compared to the Company's book value per share as well as the significant disruptions in the global credit markets, the Company performed an interim impairment test as of fiscal year end 2008. The Company's annual and interim impairment tests did not result in an impairment charge for goodwill or definite-lived intangible assets in the years presented. The Company currently expects the carrying amount to be fully recoverable.

Intangible assets: Intangible assets primarily consist of customer relationships that are being amortized over periods ranging from 8 to 15 years. The Company continually evaluates whether events or circumstances have occurred that would indicate the remaining estimated useful lives of its intangible assets warrant revision or that the remaining balance of such assets may not be recoverable. The Company uses an estimate of the related undiscounted cash flows over the remaining life of the asset in measuring whether the asset is recoverable. At January 2, 2009 and December 28, 2007, the Company's gross carrying amount of intangible assets subject to amortization was $117.1 million and $81.7 million, respectively. Accumulated amortization was $28.3 million and $21.3 million at January 2, 2009 and December 28, 2007, respectively. Intangible amortization expense is expected to be approximately $10.6 million per year for the next five years.

Interest rate agreements: The Company uses interest rate swaps to reduce its exposure to adverse fluctuations in interest rates. The objective of the currently outstanding interest rate swaps (cash flow hedges) is to convert variable interest to fixed interest associated with forecasted interest payments resulting from revolving borrowings in the U.K., continental Europe and Canada. Changes in the value of the interest rate swaps are expected to be highly effective in offsetting the changes attributable to fluctuations in the variable rates. When entered into, these financial instruments were designated as hedges of underlying exposures (interest payments associated with the U.K., continental Europe and Canadian borrowings) attributable to changes in the respective benchmark rates. The interest rate swaps were revalued at current interest rates, with the changes in valuation reflected directly in other comprehensive income, net of deferred taxes. The offsetting gain/loss is recorded as a derivative asset or liability, net of accrued interest.

As of January 2, 2009 and December 28, 2007, the Company utilized interest rate agreements that effectively fix or cap, for a period of time, the GBP London Interbank Offered Rate ("GBP-LIBOR"), the EUR Interbank Offered Rate ("EUR-IBOR") and the Bankers Acceptance/Canadian Dollar Offered Rate ("BA/CDOR") components of the interest rates on a portion of its floating-rate obligations denominated in those currencies. At January 2, 2009, the Company had interest rate swap agreements outstanding with a notional amount of GBP 30 million, Euro 50 million (two Euro 25 million agreements) and $20 million Canadian dollars. At December 28, 2007, the

ANIXTER INTERNATIONAL INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Company had interest rate swap agreements outstanding with a notional amount of GBP 30 million, Euro 25 million and $30 million Canadian dollars. The GBP-LIBOR swap agreements obligate the Company to pay a fixed rate of approximately 4.6% through July 2012. The BA/CDOR swap agreement obligates the Company to pay a fixed rate of approximately 4.2% through December 2010 and the EUR-IBOR swap agreements obligate the Company to pay a fixed rate of approximately 4.7% and 3.3% through July 2010 and November 2011, respectively.

As of January 2, 2009 and December 28, 2007, as a result of these agreements along with fixed rate borrowing agreements, the interest rate on approximately 68.5% and 77.5% of debt obligations, respectively, was fixed. The fair market value of outstanding interest rate agreements, which is the estimated amount that the Company would pay to transfer the interest rate agreements (i.e., exit price), was $4.9 million and $1.0 million at January 2, 2009 and December 28, 2007, respectively. The impact of interest rate agreements to interest expense was minimal in 2008, 2007 and 2006. The Company does not enter into interest rate transactions for speculative purposes.

Foreign currency forward contracts: The Company uses foreign currency forward contracts to reduce its exposure to adverse fluctuations in foreign exchange rates. When entered into, these financial instruments are designated as hedges of underlying exposures. The Company does not enter into derivative financial instruments for trading purposes.

The Company purchased foreign currency forward contracts to minimize the effect of fluctuating foreign currency denominated accounts (fair value hedges) on its reported income. The forward contracts were revalued at current foreign exchange rates, with the changes in valuation reflected directly in income offsetting the transaction gain/loss recorded on the foreign currency denominated accounts. The net impact of these foreign currency forward contracts on the income statement was insignificant in 2008, 2007 and 2006. At January 2, 2009 and December 28, 2007, the notional amount of the foreign currency forward contracts outstanding was approximately $87.1 million and $87.0 million, respectively. The fair value of these contracts are recorded as an asset of $0.1 million and a liability of $0.2 million at January 2, 2009 and December 28, 2007, respectively.

Foreign currency translation: The results of operations for foreign subsidiaries, where the functional currency is not the U.S. dollar, are translated into U.S. dollars using the average exchange rates during the year, while the assets and liabilities are translated using period-end exchange rates. The related translation adjustments are recorded in a separate component of Stockholders' equity, "Foreign currency translation." Gains and losses from foreign currency transactions are included in "Other, net" in the consolidated statements of operations. The Company recognized $18.0 million in net foreign exchange losses in 2008, $1.9 million in net foreign exchange gains in 2007 and $2.7 million in net foreign exchange losses in 2006.

Revenue recognition: Sales to customers, resellers and distributors and related cost of sales are recognized upon transfer of title, which generally occurs upon shipment of products, when the price is fixed and determinable and when collectibility is reasonably assured. In connection with the sales of its products, the Company often provides certain supply chain services. These services are provided exclusively in connection with the sales of products, and as such, the price of such services are included in the price of the products delivered to the customer. The Company does not account for these services as a separate element, as the services do not have stand-alone value and cannot be separated from the product element of the arrangement. There are no significant post-delivery obligations associated with these services.

In those cases where the Company does not have goods in stock and delivery times are critical, product is purchased from the manufacturer and drop-shipped to the customer. The Company generally takes title to the goods when shipped by the manufacturer and then bills the customer for the product upon transfer of the title to the customer.

Advertising and sales promotion: Advertising and sales promotion costs are expensed as incurred. Advertising and promotion costs were $12.7 million, $12.2 million and $11.4 million in 2008, 2007 and 2006, respectively. The majority of the Company's advertising and sales promotion costs are recouped through various cooperative advertising programs with vendors.

Shipping and handling fees and costs: The Company includes shipping and handling fees billed to customers in net sales. Shipping and handling costs associated with outbound freight are included in operating expenses in the

consolidated statements of operations, which were $105.3 million, $109.3 million and $99.4 million for the years ended 2008, 2007 and 2006, respectively.

Income taxes: Deferred taxes are recognized for the future tax effects of temporary differences between financial and income tax reporting based upon enacted tax laws and rates. The Company maintains valuation allowances to reduce deferred tax assets if it is more likely than not that some portion or all of the deferred tax asset will not be realized. The Company records reserves for uncertain tax positions in accordance with FASB Interpretation No. 48.

Stock-based compensation: In accordance with SFAS No. 123 (Revised 2004), *Share-Based Payment* ("SFAS No. 123(R)"), the Company measures the cost of all employee share-based payments to employees, including grants of employee stock options, using a fair-value-based method. Compensation costs for the plans have been determined based on the fair value at the grant date using the Black-Scholes option pricing model and amortized on a straight-line basis over the respective vesting period representing the requisite service period.

In accordance with SFAS No. 123(R), the Company has classified the tax benefits received associated with employee stock compensation as both an operating and a financing cash flow item in its consolidated statement of cash flows for the fiscal years ended January 2, 2009, December 28, 2007 and December 29, 2006.

Other, net: The following represents the components of other, net as reflected in the Company's Consolidated Statements of Operations at the end of fiscal 2008, 2007 and 2006:

	Years Ended		
	January 2, 2009	December 28, 2007	December 29, 2006
		(In millions)	
Foreign exchange (loss) gain	$ (18.0)	$ 1.9	$ (2.7)
Cash surrender value of life insurance policies	(6.5)	1.4	2.8
Other	(1.3)	0.3	4.6
	$ (25.8)	$ 3.6	$ 4.7

Recently issued accounting pronouncements: In June 2006, the FASB issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109* ("FIN 48"). The recognition and disclosure provisions of FIN 48 were effective for the Company on December 30, 2006 (the beginning of fiscal 2007 for the Company). Accordingly, the cumulative effect of applying FIN 48 to preexisting tax positions of $0.9 million has been recorded as a decrease in the December 30, 2006 opening balance of retained earnings. See Note 6. "Income Taxes" for further discussion of the effect of adopting FIN 48 on the Company's consolidated financial statements.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* ("SFAS No. 157"). SFAS No. 157 defines fair value, establishes a framework for measuring fair value and expands the disclosures about fair value measurements but does not change existing guidance as to whether or not an instrument is carried at fair value. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 (fiscal 2008 for the Company), and interim periods within those fiscal years. The adoption of SFAS No. 157 did not have a material impact on the Company's consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* ("SFAS No. 159"). SFAS No. 159 permits entities to elect to measure financial instruments and other eligible items at fair value at specified election dates. SFAS No. 159 allows entities to report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. SFAS No. 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007 (fiscal 2008 for the Company). The adoption of SFAS No. 159 did not have a material impact on the Company's consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141(R), *"Business Combinations"* ("SFAS No. 141(R)"), which replaces SFAS No. 141 and establishes principles and requirements for how an acquirer recognizes and

ANIXTER INTERNATIONAL INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

measures in its financial statements the identifiable assets acquired, the liabilities assumed, any non controlling interest in the acquiree and the goodwill acquired. SFAS No. 141(R) also establishes disclosure requirements which will enable users to evaluate the nature and financial effects of the business combination. SFAS No. 141(R) is effective as of the beginning of an entity's fiscal year that begins after December 15, 2008, which will be fiscal year 2009 for the Company. The Company does not anticipate the provisions of SFAS No. 141(R) will have a material impact on its consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities, an amendment of Financial Accounting Standards Board Statement No. 133* ("SFAS No. 161"). The objective of this Statement is to expand the disclosure requirements in SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities* ("SFAS No. 133") and provide an enhanced understanding of why an entity uses derivative instruments, how the entity accounts for derivative instruments and related hedged items and how derivative instruments and related hedged items affect the entity's financial statements. SFAS No. 161 is effective as of the beginning of an entity's fiscal year or interim period that begins after November 15, 2008, which will be fiscal year 2009 for the Company. The Company does not anticipate the provisions of SFAS No. 161 will have a material impact on its consolidated financial statements.

In May 2008, the FASB issued Staff Position No. APB 14-1, *Accounting for Convertible Debt Instruments that May be Settled in Cash Upon Conversion (Including Partial Cash Settlement)* ("FSP APB 14-1"). FSP APB 14-1 requires that the liability and equity components of convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement) be separately accounted for in a manner that reflects an issuer's nonconvertible debt borrowing rate. The FSP APB 14-1 requires bifurcation of a component of the debt, classification of that component in equity and the accretion of the resulting discount on the debt to be recognized as part of interest expense in the Company's consolidated statement of operations. FSP APB 14-1 is effective for financial statements issued for fiscal years beginning after December 15, 2008 (fiscal 2009 for the Company), and interim periods within those fiscal years. Retrospective application is required to be applied to the terms of the instruments as they existed for all periods presented.

The Company has assessed the impact of adopting FSP APB 14-1 and expects to adjust its reported amounts for fiscal years 2008, 2007 and 2006 as follows:

CONSOLIDATED STATEMENTS OF OPERATIONS IMPACT

	Year Ended January 2, 2009		
	As Reported	Adjustment	As Adjusted
	(In millions, except per share data)		
Interest expense	$ (48.0)	$ (12.6)	$ (60.6)
Income tax expense	$ 122.4	$ (4.8)	$ 117.6
Net income	$ 195.7	$ (7.8)	$ 187.9
Net income per share:			
Basic	$ 5.52	$ (0.22)	$ 5.30
Diluted	$ 5.07	$ (0.20)	$ 4.87

ANIXTER INTERNATIONAL INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Year Ended December 28, 2007		
	As Reported	Adjustment	As Adjusted
	(In millions, except per share data)		
Interest expense	$ (45.2)	$ (13.0)	$ (58.2)
Income tax expense	$ 144.0	$ (5.0)	$ 139.0
Net income	$ 253.5	$ (8.0)	$ 245.5
Net income per share:			
Basic	$ 6.79	$ (0.21)	$ 6.58
Diluted	$ 6.00	$ (0.19)	$ 5.81

	Year Ended December 29, 2006		
	As Reported	Adjustment	As Adjusted
	(In millions, except per share data)		
Interest expense	$ (38.8)	$ (4.9)	$ (43.7)
Income tax expense	$ 93.7	$ (1.9)	$ 91.8
Net income	$ 209.3	$ (3.0)	$ 206.3
Net income per share:			
Basic	$ 5.36	$ (0.08)	$ 5.28
Diluted	$ 4.86	$ (0.07)	$ 4.79

CONSOLIDATED BALANCE SHEETS IMPACT

	Year Ended January 2, 2009		
	As Reported	Adjustment	As Adjusted
	(In millions)		
Other assets	$ 202.7	$ (29.3)	$ 173.4
Total assets	$ 3,091.7	$ (29.3)	$ 3,062.4
Long-term debt	$ 917.5	$ (65.0)	$ 852.5
Other liabilities	$ 144.9	$ (1.3)	$ 143.6
Total liabilities	$ 2,055.9	$ (66.3)	$ 1,989.6
Capital surplus	$ 181.3	$ 62.3	$ 243.6
Retained earnings	$ 908.2	$ (25.3)	$ 882.9
Total stockholders’ equity	$ 1,035.8	$ 37.0	$ 1,072.8
Total liabilities and stockholders’ equity	$ 3,091.7	$ (29.3)	$ 3,062.4

ANIXTER INTERNATIONAL INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Year Ended December 28, 2007		
	As Reported	Adjustment	As Adjusted
		(In millions)	
Other assets	$ 156.0	$ (34.8)	$ 121.2
Total assets	$ 3,016.2	$ (34.8)	$ 2,981.4
Long-term debt	$ 937.2	$ (78.1)	$ 859.1
Other liabilities	$ 91.3	$ (1.4)	$ 89.9
Total liabilities	$ 1,968.4	$ (79.5)	$ 1,888.9
Capital surplus	$ 145.2	$ 62.2	$ 207.4
Retained earnings	$ 815.4	$ (17.5)	$ 797.9
Total stockholders' equity	$ 1,047.8	$ 44.7	$ 1,092.5
Total liabilities and stockholders' equity	$ 3,016.2	$ (34.8)	$ 2,981.4

NOTE 2. INCOME PER SHARE

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

	Years Ended		
	January 2, 2009	December 28, 2007	December 29, 2006
	(In millions, except per share data)		
Basic Income per Share:			
Net income	$ 195.7	$ 253.5	$ 209.3
Weighted-average common shares outstanding	35.4	37.3	39.1
Net income per basic share	$ 5.52	$ 6.79	$ 5.36
Diluted Income per Share:			
Net income	$ 195.7	$ 253.5	$ 209.3
Weighted-average common shares outstanding	35.4	37.3	39.1
Effect of dilutive securities:			
Stock options and units	0.8	1.2	1.5
Convertible notes due 2033	2.4	3.3	2.5
Convertible senior notes due 2013	—	0.4	—
Weighted-average common shares outstanding	38.6	42.2	43.1
Net income per diluted share	$ 5.07	$ 6.00	$ 4.86

The Convertible Notes due 2013 ("Notes due 2013") were originally issued in February of 2007. Upon conversion, holders will receive cash up to the principal amount, and any excess conversion value will be delivered, at the Company's election in cash, common stock or a combination of cash and common stock. The Company's average stock price for fiscal 2008 did not exceed the conversion price of $63.48 and, therefore, were not dilutive. As a result of the Company's average stock price exceeding the conversion price for fiscal 2007, 0.4 million additional shares related to the Notes due 2013 were included in the diluted weighted-average common shares outstanding for the year ended December 28, 2007.

The Convertible Notes due 2033 ("Notes due 2033") were originally issued in July of 2003. Based on the Company's stock price at the end of 2008, the Notes due 2033 are not currently convertible. However, at the end of 2007, the Notes due 2033 were convertible based on the Company's stock price. In periods when the Notes due 2033 are convertible, any conversion will be settled in cash up to the accreted principal amount. If the conversion value exceeds the accreted principal amount of the Notes due 2033 at the time of conversion, the amount in excess of the accreted value will be settled in stock.

ANIXTER INTERNATIONAL INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

As a result of the average conversion value exceeding the average accreted principal during 2008, 2007 and 2006, the Company included 2.4 million, 3.3 million and 2.5 million additional shares, respectively, related to the Notes due 2033 in the diluted weighted average common shares outstanding.

In 2008, 2007 and 2006, the Company issued 0.7 million, 1.0 million and 1.1 million shares, respectively, due to stock option exercises and vesting of stock units.

Primarily as a result of the Company's share repurchases during the last year, the diluted weighted-average common shares outstanding declined 8.5% during the year ended January 2, 2009, as compared to the prior year. The reduction in the diluted weighted-average common shares outstanding produced a favorable impact on net income per diluted share of $0.22 in the year ended January 2, 2009.

NOTE 3. ACCRUED EXPENSES

Accrued expenses consisted of the following:

	January 2, 2009	December 28, 2007
	(In millions)	
Salaries and fringe benefits	$ 71.7	$ 83.8
Other accrued expenses	90.2	117.2
Total accrued expenses	$ 161.9	$ 201.0

NOTE 4. DEBT

Certain debt agreements entered into by the Company's subsidiaries contain various restrictions. The Company has guaranteed substantially all of the debt of its subsidiaries. Aggregate annual maturities of debt at January 2, 2009 were as follows: 2009 — $249.5 million; 2010 — $1.7 million; 2011 — $0.3 million; 2012 — $411.1 million; 2013 — $300.0 million; and $204.4 million thereafter. The estimated fair value of the Company's debt at January 2, 2009 and December 28, 2007 was $1,062.1 million and $1,229.9 million, respectively, based on public quotations and current market rates. Interest paid in 2008, 2007 and 2006 was $40.7 million, $36.7 million and $32.4 million, respectively. The Company's weighted-average borrowings outstanding were $1,165.4 million and $1,030.6 million for the fiscal years ending January 2, 2009 and December 28, 2007, respectively. The Company's weighted-average cost of borrowings was 4.0%, 4.4% and 5.3% for the years ended January 2, 2009, December 28, 2007 and December 29, 2006, respectively.

Debt is summarized below:

	January 2, 2009	December 28, 2007
	(In millions)	
Long-term debt:		
Convertible senior notes due 2013	$ 300.0	$ 300.0
Revolving lines of credit and other	250.0	275.0
Senior notes due 2015	200.0	200.0
Convertible notes due 2033	167.5	162.2
Total long-term debt	917.5	937.2
Short-term debt	249.5	84.1
Total debt	$ 1,167.0	$ 1,021.3

ANIXTER INTERNATIONAL INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Convertible Senior Notes Due 2013

On February 16, 2007, the Company completed a private placement of $300.0 million principal amount of Notes due 2013. In May 2007, the Company registered the Notes due 2013 and shares of the Company's common stock issuable upon conversion of the Notes due 2013 for resale by certain selling security holders.

The Notes due 2013 pay interest semiannually at a rate of 1.00% per annum. The Notes due 2013 will be convertible, at the holders option, at an initial conversion rate of 15.753 shares per $1,000 principal amount of Notes due 2013, equivalent to a conversion price of $63.48 per share, which represents a 15 percent conversion premium based on the last reported sale price of $55.20 per share of the Company's common stock on February 12, 2007. The Notes due 2013 are convertible, under certain circumstances (as described below), into 4,725,900 shares of the Company's common stock, subject to customary anti-dilution adjustments. Upon conversion, holders will receive cash up to the principal amount, and any excess conversion value will be delivered, at the Company's election in cash, common stock or a combination of cash and common stock. Based on the Company's stock price at the end of 2008, the Notes due 2013 are not currently convertible.

Net proceeds from this offering were approximately $292.5 million after deducting discounts, commissions and expenses. Concurrent with the issuance of the Notes due 2013, the Company entered into a convertible note hedge transaction, comprised of a purchased call option and a sold warrant, with an affiliate of one of the initial purchasers. The transaction will generally have the effect of increasing the conversion price of the Notes due 2013. The net cost to the Company was approximately $36.8 million. Concurrent with the sale of these convertible notes, the Company also repurchased 2 million shares of common stock at a cost of $110.4 million ($55.20 per share) with the net proceeds from the issuance of the Notes due 2013. The remaining proceeds from the transactions were used for general corporate purposes, including reducing funding under the Company's accounts receivable securitization program and to reduce borrowings under its revolving credit facilities.

The Company paid $88.8 million ($54.7 million net of tax) for a call option that will cover 4,725,900 shares of its common stock, subject to customary anti-dilution adjustments. The purchased call option has an exercise price that is 15% higher than the closing price of $55.20 per share of the Company's common stock at issuance (or $63.48).

Concurrently with purchasing the call option, the Company sold to the counterparty for $52.0 million a warrant to purchase 4,725,900 shares of its common stock, subject to customary anti-dilution adjustments. The sold warrant has an exercise price that is 50% higher than the closing price of $55.20 per share of the Company's common stock at issuance (or $82.80) and may not be exercised prior to the maturity of the notes.

Holders of the Notes due 2013 may convert them prior to the close of business on the business day before the maturity date based on the applicable conversion rate only under the following circumstances:

Conversion Based on Common Stock Price

Holders may convert during any fiscal quarter beginning after March 30, 2007, and only during such fiscal quarter, if the closing price of the Company's common stock for at least 20 trading days in the 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter is more than 130% of the conversion price per share, or $82.52. The conversion price per share is equal to $1,000 divided by the then applicable conversion rate (currently 15.753 shares per $1,000 principal amount).

Conversion Based on Trading Price of Notes

Holders may convert during the five business day period after any period of five consecutive trading days in which the trading price per $1,000 principal amount of Notes due 2013 for each trading day of that period was less than 98% of the product of the closing price of the Company's common stock for each trading day of that period and the then applicable conversion rate.

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Conversion Upon Certain Distributions

If the Company elects to:

- distribute, to all holders of the Company's common stock, any rights entitling them to purchase, for a period expiring within 45 days of distribution, common stock, or securities convertible into common stock, at less than, or having a conversion price per share less than, the closing price of the Company's common stock; or
- distribute, to all holders of the Company's common stock, assets, cash, debt securities or rights to purchase the Company's securities, which distribution has a per share value exceeding 15% of the closing price of such common stock,

holders may surrender their Notes due 2013 for conversion at any time until the earlier of the close of business on the business day prior to the ex-dividend date or the Company's announcement that such distribution will not take place.

Conversion Upon a Fundamental Change

Holders may surrender Notes due 2013 for conversion at any time beginning 15 days before the anticipated effective date of a fundamental change and until the Company makes any required purchase of the Notes due 2013 as a result of the fundamental change. A "fundamental change" means the occurrence of a change of control or a termination of trading of the Company's common stock. Certain change of control events may give rise to a make whole premium.

Conversion at Maturity

Holders may surrender their Notes due 2013 for conversion at any time beginning on January 15, 2013 and ending at the close of business on the business day immediately preceding the maturity date.

The "conversion rate" is 15.753 shares of the Company's common stock, subject to certain customary anti-dilution adjustments. These adjustments consist of adjustments for:

- stock dividends and distributions, share splits and share combinations,
- the issuance of any rights to all holders of the Company's common stock to purchase shares of such stock at an issuance price of less than the closing price of such stock, exercisable within 45 days of issuance,
- the distribution of stock, debt or other assets, to all holders of the Company's common stock, other than distributions covered above, and
- issuer tender offers at a premium to the closing price of the Company's common stock.

The "conversion value" of the Notes due 2013 means the average of the daily conversion values, as defined below, for each of the 20 consecutive trading days of the conversion reference period. The "daily conversion value" means, with respect to any trading day, the product of (1) the applicable conversion rate and (2) the volume weighted average price per share of the Company's common stock on such trading day.

The "conversion reference period" means:

- for Notes due 2013 that are converted during the one month period prior to maturity date of the notes, the 20 consecutive trading days preceding and ending on the maturity date, subject to any extension due to a market disruption event, and
- in all other instances, the 20 consecutive trading days beginning on the third trading day following the conversion date.

The "conversion date" with respect to the Notes due 2013 means the date on which the holder of the Notes due 2013 has complied with all the requirements under the indenture to convert such Notes due 2013.

Revolving Lines of Credit

At the end of fiscal 2008, the Company had approximately $248 million in available, committed, unused credit lines. The Company expects to have access to this availability based on its assessment of the viability of the

associated financial institutions which are party to these agreements. Long-term borrowings under the following credit facilities totaled $250.0 million and $275.0 million at January 2, 2009 and December 28, 2007, respectively.

At January 2, 2009, the Company's primary liquidity source is the $450 million (or the equivalent in Euro), 5-year revolving credit agreement maturing in April of 2012. At January 2, 2009, long-term borrowings under this facility were $218.2 million as compared to $242.9 million of outstanding long-term borrowings at December 28, 2007. The pricing on the first $350 million of borrowings is LIBOR plus 60 basis points and the facility fee payable is 15 basis points. The pricing for the additional $100 million of borrowings is LIBOR plus 82.5 basis points and the facility fee payable is 17.5 basis points. Facility fees totaled $0.7 million in 2008 and 2007 and $0.8 million in 2006. The facility fees were included in interest expense in the consolidated results of operations.

The agreement, which is guaranteed by the Company, contains financial covenants (all of which have been met) that restrict the amount of leverage and set a minimum fixed charge coverage ratio. The Company is in compliance with all of these covenant ratios and believes that there is adequate margin between the covenant ratios and the actual ratios given the current trends of the business. Under the leverage ratio, as of January 2, 2009, the total availability of all revolving lines of credit at Anixter Inc. would be permitted to be borrowed.

Anixter Canada Inc.'s $40.0 million (Canadian dollar) unsecured revolving credit facility, maturing in April of 2012, is used for general corporate purposes. The Canadian dollar-borrowing rate under the agreement is the BA/CDOR plus the applicable bankers' acceptance fee (currently 75.0 basis points) for Canadian dollar advances or the prime rate plus the applicable margin (currently 15.0 basis points). The borrowing rate for U.S. dollar advances is the base rate plus the applicable margin. In addition, standby fees on the unadvanced balance are currently 15.0 basis points. At January 2, 2009 and December 28, 2007, $16.4 million and $20.4 million (U.S. dollar) was borrowed, respectively, under the facility and included in long-term debt outstanding.

Excluding the primary revolving credit facility and the $40.0 million (Canadian dollar) facility at January 2, 2009 and December 28, 2007, certain subsidiaries had long-term borrowings under other bank revolving lines of credit and miscellaneous facilities of $15.4 million and $11.7 million, respectively.

Senior Notes Due 2015

On February 24, 2005, the Company's primary operating subsidiary, Anixter Inc., issued $200.0 million of Senior Notes due 2015 ("Notes due 2015"), which are fully and unconditionally guaranteed by the Company. Interest of 5.95% on the Notes due 2015 is payable semi-annually on March 1 and September 1 of each year. Issuance costs related to the offering were approximately $2.1 million, offset by proceeds of $1.8 million, resulting from entering into an interest rate hedge prior to the offering. Accordingly, net issuance costs of approximately $0.3 million associated with the Notes due 2015 are being amortized through March 1, 2015 using the straight-line method.

The face value outstanding at January 2, 2009 and December 28, 2007 was $200.0 million, which was equal to the book value outstanding at that date.

Convertible Notes Due 2033

The Company's 3.25% zero coupon Notes due 2033 have an aggregate principal amount at maturity of $369.1 million. The principal amount at maturity of each note due 2033 is $1,000. The Notes due 2033 are convertible in any fiscal quarter based on the following conditions:

Conversion Based on Common Stock Price

Holders may surrender these securities for conversion if the sale price of the Company's common stock for at least 20 trading days in a period of 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter is more than 120% of the accreted conversion price per share of common stock on the last day of such preceding fiscal quarter. The accreted conversion price per share as of any day will equal the initial principal amount of this security plus the accrued issue discount to that day, divided by the conversion rate on that day.

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The conversion trigger price per share of the Company's common stock is equal to the accreted conversion price per share of common stock multiplied by 120%. The conversion trigger price for the fiscal quarter beginning July 1, 2033 is $79.64. The foregoing calculation of the conversion trigger price assumes that no future events will occur that would require an adjustment to the conversion rate.

Conversion Based on Credit Rating Downgrade

Holders may also surrender these securities for conversion at any time when the rating assigned to these securities by Moody's is B3 or lower, Standard & Poor's is B+ or lower or Fitch is B+ or lower, the securities are no longer rated by either Moody's or Standard & Poor's, or the credit rating assigned to the securities has been suspended or withdrawn by either Moody's or Standard & Poor's.

Conversion Based upon Notice of Redemption

A holder may surrender for conversion a security called for redemption by the Company at any time prior to the close of business on the second business day immediately preceding the redemption date, even if it is not otherwise convertible at such time. The Company may redeem the Notes due 2033, in whole or in part, on or after July 7, 2011 for cash at the accreted value.

Conversion Based upon Occurrence of Certain Corporate Transactions

If the Company is party to a consolidation, merger or binding share exchange or a transfer of all or substantially all of the Company's assets, a security may be surrendered for conversion at any time from and after the date which is 15 days prior to the anticipated effective date of the transaction until 15 days after the actual effective date of such transaction.

The securities will also be convertible in the event of distributions described in the third, fourth or fifth bullet points below with respect to anti-dilution adjustments, which in the case of the fourth or fifth bullet point have a per share value equal to more than 15% of the sale price of the Company's common stock on the day preceding the declaration date for such distribution.

The "conversion rate" is 15.067 shares of the Company's common stock, subject to certain customary anti-dilution adjustments. These adjustments consists of adjustments for:

- stock dividends and distributions,
- subdivisions, combinations and reclassifications of the Company's common stock,
- the distribution to all holders of the Company's common stock of certain rights to purchase stock, expiring within 60 days, at less than the current sale price,
- the distribution to holders of the Company's common stock of certain stock, the Company's assets (including equity interests in subsidiaries), debt securities or certain rights to purchase the Company's securities, and
- certain cash dividends.

The "conversion value" is equal to the conversion rate multiplied by the average sales price of the Company's common stock for the five consecutive trading days immediately following the conversion date.

Based on the Company's stock price at the end of 2008, the Notes due 2033 are not currently convertible. However at the end of 2007, the Notes due 2033 were convertible based on the Company's stock price. In periods when the Notes due 2033 are convertible, any conversion will be settled in cash up to the accreted principal amount. If the conversion value exceeds the accreted principal amount of the Notes due 2033 at the time of conversion, the amount in excess of the accreted value will be settled in stock. Additionally, holders may require the Company to purchase, in cash, all or a portion of their Notes due 2033 on the following dates:

- July 7, 2009 at a price equal to $461.29 per Convertible Note due 2033;
- July 7, 2011 at a price equal to $492.01 per Convertible Note due 2033;
- July 7, 2013 at a price equal to $524.78 per Convertible Note due 2033;
- July 7, 2018 at a price equal to $616.57 per Convertible Note due 2033;

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- July 7, 2023 at a price equal to $724.42 per Convertible Note due 2033; and
- July 7, 2028 at a price equal to $851.13 per Convertible Note due 2033.

The Notes due 2033 are structurally subordinated to the indebtedness of Anixter. Although the Notes due 2033 were convertible at the end of 2007 and holders may require the Company to purchase their Notes due 2033 on July 7, 2009 for $170.3 million, they were classified as long-term at January 2, 2009 and December 28, 2007 as the Company had the intent and ability to refinance the accreted value under existing long-term financing agreements. The book value of the Notes due 2033 was $167.5 million and $162.2 million at January 2, 2009 and December 28, 2007, respectively.

Short-term Borrowings

As of January 2, 2009 and December 28, 2007, the Company's short-term debt outstanding was $249.5 million and $84.1 million, respectively. Short-term debt consists primarily of the funding related to the accounts receivable securitization facility, as the program is set to expire within one year of January 2, 2009.

Under Anixter's accounts receivable securitization program, the Company sells, on an ongoing basis without recourse, a majority of the accounts receivable originating in the United States to Anixter Receivables Corporation ("ARC"), a wholly-owned, bankruptcy-remote special purpose entity. The assets of ARC are not available to creditors of Anixter in the event of bankruptcy or insolvency proceedings. ARC in turn sells an interest in these receivables to a financial institution for proceeds of up to $255.0 million. ARC is consolidated for accounting purposes only in the financial statements of the Company. The Company amended and restated the accounts receivable securitization facility to allow for borrowings up to $255.0 million from $225.0 million. The issuance costs related to amending and restating the accounts receivable securitization facility totaled $0.5 million in 2008. The average outstanding funding extended to ARC during 2008 and 2007 was approximately $144.3 million and $112.9 million, respectively.

NOTE 5. COMMITMENTS AND CONTINGENCIES

Substantially all of the Company's office and warehouse facilities and equipment are leased under operating leases. A certain number of these leases are long-term operating leases containing rent escalation clauses and expire at various dates through 2027. Most operating leases entered into by the Company contain renewal options.

Minimum lease commitments under operating leases at January 2, 2009 are as follows:

	(In millions)
2009	61.8
2010	51.7
2011	42.1
2012	34.1
2013	25.8
2014 and thereafter	84.8
Total	$ 300.3

Total rental expense was $82.0 million, $74.6 million and $67.1 million in 2008, 2007 and 2006, respectively. Aggregate future minimum rentals to be received under non-cancelable subleases at January 2, 2009 were $4.4 million.

In April 2008, the Company voluntarily disclosed to the U.S. Departments of Treasury and Commerce that one of its foreign subsidiaries may have violated U.S. export control laws and regulations in connection with re-exports of goods to prohibited parties or destinations. The Company has performed a thorough review of its export and re-export transactions and did not identify any other potentially significant violations. The Company has determined appropriate corrective actions. The Company has submitted the results of its review and its corrective action plan to the applicable U.S. government agencies. Civil penalties may be assessed against the Company in connection with

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any violations that are determined to have occurred, and based on information currently available, management does not believe that the ultimate resolution of this matter will have a material effect on the business, operations or financial condition of the Company.

From time to time, in the ordinary course of business, the Company and its subsidiaries become involved as plaintiffs or defendants in various legal proceedings. The claims and counterclaims in such litigation, including those for punitive damages, individually in certain cases and in the aggregate, involve amounts that may be material. However, it is the opinion of the Company's management, based upon the advice of its counsel, that the ultimate disposition of pending litigation will not be material to the Company's financial position and results of operations.

NOTE 6. INCOME TAXES

Taxable Income: Domestic income before income taxes was $208.9 million, $247.4 million and $183.6 million for 2008, 2007 and 2006, respectively. Foreign income before income taxes was $109.2 million, $150.1 million and $119.4 million for 2008, 2007 and 2006, respectively.

Tax Provisions and Reconciliation to the Statutory Rate : The components of the Company's tax expense and the reconciliation to the statutory federal rate are identified below.

Income tax expense (benefit) was comprised of:

	Years Ended		
	January 2, 2009	December 28, 2007	December 29, 2006
		(In millions)	
Current:			
Foreign	$ 40.2	$ 51.1	$ 43.7
State	10.6	13.7	7.9
Federal	74.8	80.7	45.2
	125.6	145.5	96.8
Deferred:			
Foreign	(3.2)	(1.6)	(2.1)
State	—	(0.2)	0.1
Federal	—	0.3	(1.1)
	(3.2)	(1.5)	(3.1)
Income tax expense	$ 122.4	$ 144.0	$ 93.7

Reconciliations of income tax expense to the statutory corporate federal tax rate of 35% were as follows:

	Years Ended		
	January 2, 2009	December 28, 2007	December 29, 2006
		(In millions)	
Statutory tax expense	$ 111.3	$ 139.1	$ 106.1
Increase (reduction) in taxes resulting from:			
State income taxes, net	6.9	8.8	6.5
Foreign tax effects	2.3	4.0	0.8
Audit activity*	(0.1)	(4.4)	(22.8)
Other, net	2.0	(3.5)	3.1
Income tax expense	$ 122.4	$ 144.0	$ 93.7

* *Benefits in 2006 primarily associated with the conclusion of the 1996-1998 examination by the IRS. Benefits in 2007 primarily associated with the conclusion of the 2002-2004 examination. Benefits in 2008 primarily associated with tax return filing differences.*

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Tax Settlements, Adjustments and Payments: In addition to the income tax provisions recorded in each taxing jurisdiction based on its respective statutory income tax rates, the Company recorded the following adjustments and payments associated with income taxes.

During 2008, the Company recorded an income tax benefit of $0.1 million and related interest expense of $0.1 million ($0.1 million net of tax) associated with the settlement of the IRS examination of the tax years 2005 and 2006. Also during 2008, the Company recorded tax benefits of $1.6 million, or $0.04 per diluted share, primarily related to foreign tax benefits.

During 2007, the Company recorded interest income of $0.4 million ($0.3 million net of tax) associated with a tax settlement in the U.S. Also during 2007, the Company recorded an $11.5 million reduction to tax expense primarily related to foreign tax benefits as well as the tax settlement in the U.S. The total effect on the fiscal year 2007 net income was a benefit of $11.8 million, or $0.28 per diluted share.

During 2006, the Company recorded interest income of $6.9 million ($4.2 million net of tax) associated with tax settlements in the U.S. and Canada. Also during 2006, the Company recorded tax benefits of $22.8 million primarily related to the tax settlements and the initial establishment of deferred tax assets associated with its foreign operations. The total effect on the fiscal year 2006 net income was a benefit of $27.0 million, or $0.63 per diluted share.

The Company made net payments for income taxes in 2008, 2007 and 2006 of $141.5 million, $139.8 million and $93.5 million, respectively.

Net Operating Losses: The Company and its U.S. subsidiaries file their federal income tax return on a consolidated basis. As of January 2, 2009, the Company had $0.3 million net operating loss (“NOL”) related to the Infast acquisition, the utilization of which is restricted by the Internal Revenue Code to less than $0.1 million per year over the next eleven years. The Company had no tax credit carryforwards for U.S. federal income tax purposes.

At January 2, 2009, various foreign subsidiaries of the Company had aggregate cumulative NOL carryforwards for foreign income tax purposes of approximately $106.5 million, which are subject to various provisions of each respective country. Approximately $90.3 million of this amount has an indefinite life while $1.0 million of NOL carryforwards expire in 2009. The remaining $7.1 million, $4.5 million and $3.6 million of NOL carryforwards expire during the fiscal years 2010 to 2012, 2013 to 2015 and 2016 to 2018, respectively.

Of the $106.5 million NOL carryforwards of foreign subsidiaries mentioned above, $71.8 million relates to losses that have already provided a tax benefit in the U.S. due to rules permitting flow-through of such losses in certain circumstances. Without such losses included, the cumulative NOL carryforwards at January 2, 2009 were approximately $34.7 million, which are subject to various provisions of each respective country. Approximately $24.0 million of this amount has an indefinite life while $0.1 million of previously benefited NOL carryforwards expire in 2009. The remaining $3.2 million, $3.8 million and $3.6 million of previously benefited NOL carryforwards expire during the fiscal years 2010 to 2012, 2013 to 2015 and 2016 to 2018, respectively.

The deferred tax asset and valuation allowance, shown below relating to foreign NOL carryforwards, have been adjusted to reflect only the carryforwards for which the Company has not taken a tax benefit in the United States. In 2008 and 2007, the Company recorded a valuation allowance related to its foreign NOL carryforwards to reduce the deferred tax asset to the amount that is more likely than not to be realized.

Undistributed Earnings: The undistributed earnings of the Company’s foreign subsidiaries amounted to approximately $343.9 million at January 2, 2009. Historically, the Company has considered those earnings to be indefinitely reinvested and, accordingly, no provision for U.S. federal and state income taxes or any withholding taxes has been recorded. Upon distribution of those earnings in the form of dividends or otherwise, the Company may be subject to both U.S. income taxes (subject to adjustment for foreign tax credits) and withholding taxes payable to the various foreign countries. With respect to the countries that have undistributed earnings as of January 2, 2009, according to the foreign laws and treaties in place at that time, estimated U.S. federal income tax of approximately $10.9 million and various foreign jurisdiction withholding taxes of approximately $10.3 million would be payable upon the remittance of all earnings at January 2, 2009.

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Deferred Income Taxes: Significant components of the Company's deferred tax assets and (liabilities) were as follows (in millions):

	January 2, 2009	December 28, 2007
Property, equipment, intangibles and other	$ (14.5)	$ (20.2)
Accreted interest (Notes due 2033)	(15.5)	(12.0)
Gross deferred tax liabilities	(30.0)	(32.2)
Purchased call option accreted interest (Notes due 2013)	25.0	30.0
Deferred compensation and other postretirement benefits	49.6	27.3
Inventory reserves	21.7	20.6
Foreign NOL carryforwards and other	12.2	15.3
Allowance for doubtful accounts	10.6	8.4
Other	12.7	10.4
Gross deferred tax assets	131.8	112.0
Deferred tax assets, net of deferred tax liabilities	101.8	79.8
Valuation allowance	(11.8)	(15.4)
Net deferred tax assets	$ 90.0	$ 64.4
Net current deferred tax assets	$ 41.3	$ 37.6
Net non-current deferred tax assets	48.7	26.8
Net deferred tax assets	$ 90.0	$ 64.4

Reserves for Uncertain Tax Positions and Jurisdictions Subject to Examinations : On December 30, 2006 (the beginning of fiscal 2007 for the Company), the provisions of FIN 48 were adopted. As a result of the implementation of FIN 48, the Company recorded a $0.9 million increase in the liability for unrecognized tax benefits, which was accounted for as a reduction to the December 30, 2006 opening balance of retained earnings. At December 30, 2006, the total amount of unrecognized tax benefits was $12.1 million ($11.3 million, if recognized, would affect the effective tax rate). During 2007, the Company settled certain income tax audits and reversed a net amount of $4.4 million of unrecognized tax benefits that existed at December 30, 2006. During 2008, the Company accrued interest on the reserves and increased certain reserves for pre-acquisition tax positions related to acquired businesses through goodwill in purchase accounting for a net increase of $1.3 million to the unrecognized tax benefits that existed at December 28, 2007. The Company estimates that of the January 2, 2009 unrecognized tax benefit balance of $9.0 million ($7.2 million, if recognized, would affect the effective tax rate), $5.7 million may be resolved in a manner that would impact the effective rate within the next twelve months.

After the settlements with the Internal Revenue Service ("IRS") in 2006, 2007 and 2008, only the returns for fiscal tax years 2007 and later remain subject to examination by the IRS in the United States, which is the most significant tax jurisdiction for the Company. For most states, fiscal tax years 2005 and later remain subject to examination, although for some states that are currently in the midst of examinations or in various stages of appeal, the period subject to examination ranges back to as early as fiscal tax year 1991. In Canada, the fiscal tax years 2004 and later are still subject to examination, while in the United Kingdom, the fiscal tax years 2003 and later remain subject to examination.

Interest and penalties related to taxes were $1.0 million in 2008 and $0.6 million in 2007. Interest and penalties are reflected in the "Other, net" line in the consolidated statement of operations. Included in the unrecognized tax benefit balance of $9.0 million and $7.7 million at January 2, 2009 and December 28, 2007, respectively, are accruals of $3.1 million and $2.6 million, respectively, for the payment of interest and penalties.

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A reconciliation of the beginning and ending amount of unrecognized tax benefits for fiscal 2007 and 2008 is as follows:

	(In millions)
Balance at December 29, 2006	$ 11.2
Adjustment to apply FIN 48	0.9
Additions for tax positions of prior years	1.6
Reductions for tax positions of prior years	(1.6)
Settlements	(4.4)
Balance at December 28, 2007	7.7
Additions for tax positions of prior years	1.6
Reductions for tax positions of prior years	(0.3)
Balance at January 2, 2009	$ 9.0

As of January 2, 2009, the Company has recorded a current income tax payable of $7.9 million. The aggregate amount of global income tax reserves and related interest recorded in current taxes payable was approximately $9.0 million. The reserves for uncertain tax positions cover a wide range of issues and involve numerous different taxing jurisdictions. The single largest item ($3.5 million) relates to a dispute with the state of Wisconsin concerning income taxes payable upon the 1993 sale of a short-line railroad that operated solely within such state. Other significant exposures for which reserves exist include, but are not limited to, a variety of foreign jurisdictional transfer pricing disputes and foreign withholding tax issues related to inter-company transfers and services.

NOTE 7. PENSION PLANS, POST-RETIREMENT BENEFITS AND OTHER BENEFITS

The Company has various defined benefit and defined contribution pension plans. The defined benefit plans of the Company are the Anixter Inc. Pension Plan, Executive Benefit Plan and Supplemental Executive Retirement Plan (together the “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 IRS and applicable foreign laws. Assets in the various plans consisted primarily of equity securities and fixed income investments.

The investment objective of both the Domestic and Foreign Plans is to ensure, over the long-term life of the plans, an adequate level of assets to fund the benefits to employees and their beneficiaries at the time they are payable. In meeting this objective, Anixter seeks to achieve a high level of total investment return consistent with a prudent level of portfolio risk. The risk tolerance of Anixter indicates an above average ability to accept risk relative to that of a typical defined benefit pension plan as the duration of the projected benefit obligation is longer than the average company. The risk preference indicates a willingness to accept some increases in short-term volatility in order to maximize long-term returns. However, the duration of the fixed income portion of the Domestic Plan approximates the duration of the projected benefit obligation to reduce the effect of changes in discount rates that are used to measure the funded status of the Plan. The measurement date for all plans of the Company is December 31st.

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The Domestic Plans' and Foreign Plans' asset mixes as of January 2, 2009 and December 28, 2007 and the Company's asset allocation guidelines for such plans are summarized as follows:

	Domestic Plans				
	January 2, 2009	December 28, 2007	Allocation Guidelines Min	Target	Max
Large capitalization U.S. stocks	22.7%	30.4%	20%	30%	40%
Small capitalization U.S. stocks	12.1	16.3	15	20	25
International stocks	14.3	20.2	15	20	25
Total equity securities	49.1	66.9		70	
Fixed income investments	47.9	30.3	25	30	35
Other investments	3.0	2.8	—	—	—
	100.0%	100.0%		100%	

	Foreign Plans		
	January 2, 2009	December 28, 2007	Allocation Guidelines Target
Equity securities	42.6%	48.8%	50%
Fixed income investments	56.4	49.6	50
Other investments	1.0	1.6	—
	100.0%	100.0%	100%

Variations between the allocation guidelines and actual asset allocations reflect relative performance differences in asset classes in fiscal 2008, particularly during the final quarter of the year. The pension committees meet regularly to assess investment performance and re-allocate assets that fall outside of its allocation guidelines.

The North American investment policy guidelines are as follows:

- Each asset class is actively managed by one investment manager;
- Each asset class may be invested in a commingled fund, mutual fund, or separately managed account;
- Each manager is expected to be "fully invested" with minimal cash holdings;
- The use of options and futures is limited to covered hedges only;
- Each equity asset manager has a minimum number of individual company stocks that need to be held and there are restrictions on the total market value that can be invested in any one industry and the percentage that any one company can be of the portfolio total. The domestic equity funds are limited as to the percentage that can be invested in international securities;
- The international stock fund is limited to readily marketable securities; and
- The fixed income fund has a duration that approximates the duration of the projected benefit obligations.

The investment policies for the European plans are the responsibility of the various trustees. Generally, the investment policy guidelines are as follows:

- Make sure that the obligations to the beneficiaries of the Plan can be met;
- Maintain funds at a level to meet the minimum funding requirements; and
- The investment managers are expected to provide a return, within certain tracking tolerances, close to that of the relevant market's indices.

The expected long-term rate of return on both the Domestic and Foreign Plans' assets reflects the average rate of earnings expected on the invested assets and future assets to be invested to provide for the benefits included in the projected benefit obligation. The weighted average expected rate of return on plan assets for 2008 is 7.66%.

Included in accumulated other comprehensive income as of January 2, 2009 are the unrecognized prior service cost, unrecognized net transition obligation and unrecognized net actuarial loss of $1.3 million, $0.1 million and

ANIXTER INTERNATIONAL INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

$35.5 million, respectively. Included in accumulated other comprehensive income as of December 28, 2007 are the unrecognized prior service cost and unrecognized net actuarial loss of $2.4 million and $6.3 million, respectively. For the year ended January 2, 2009, the Company reclassified $1.1 million and $2.0 million from unrecognized prior service cost and unrecognized net actuarial loss, respectively, and $0.1 million to transition obligations, as a result of being recognized as components of net periodic pension cost. During the year ended January 2, 2009, the Company adjusted accumulated other comprehensive income by $28.2 million (net of deferred tax benefit of $19.0 million), $31.2 million of which related to additional unrecognized net actuarial loss (net of deferred tax benefit of $20.0 million). The net actuarial loss and prior service cost for the defined benefit pension plan that will be amortized from accumulated other comprehensive income into net periodic benefit costs over the next fiscal year are $3.3 million and $0.2 million, respectively. Amortization of the transition obligation over the next fiscal year will be insignificant.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Pension Benefits					
	Domestic		Foreign		Total	
	2008	2007	2008	2007	2008	2007
	(In millions)					
Change in projected benefit obligation:						
Beginning balance	$ 157.1	$ 158.0	$ 189.5	$ 176.7	$ 346.6	$ 334.7
Service cost	5.8	5.7	5.7	5.8	11.5	11.5
Interest cost	10.3	9.4	10.0	9.4	20.3	18.8
Plan participants contributions	—	—	0.4	0.5	0.4	0.5
Actuarial loss (gain)	18.0	(12.7)	(36.6)	(5.8)	(18.6)	(18.5)
Benefits paid	(3.9)	(3.3)	(5.1)	(5.4)	(9.0)	(8.7)
Foreign currency exchange rate changes	—	—	(40.5)	8.3	(40.5)	8.3
Ending balance	$ 187.3	$ 157.1	$ 123.4	$ 189.5	$ 310.7	$ 346.6
Change in plan assets at fair value:						
Beginning balance	$ 138.2	$ 123.5	$ 168.5	$ 149.2	$ 306.7	$ 272.7
Actual (loss) return on plan assets	(26.0)	8.2	(20.2)	10.2	(46.2)	18.4
Company contributions	6.3	9.8	8.7	7.0	15.0	16.8
Plan participants contributions	—	—	0.4	0.5	0.4	0.5
Benefits paid	(3.9)	(3.3)	(5.1)	(5.4)	(9.0)	(8.7)
Foreign currency exchange rate changes	—	—	(37.0)	7.0	(37.0)	7.0
Ending balance	$ 114.6	$ 138.2	$ 115.3	$ 168.5	$ 229.9	$ 306.7
Reconciliation of funded status:						
Projected benefit obligation	$(187.3)	$(157.1)	$(123.4)	$(189.5)	$(310.7)	$(346.6)
Plan assets at fair value	114.6	138.2	115.3	168.5	229.9	306.7
Funded status	$ (72.7)	$ (18.9)	$ (8.1)	$ (21.0)	$ (80.8)	$ (39.9)
Included in the 2008 and 2007 funded status is accrued benefit cost of approximately $16.5 million and $16.6 million, respectively, related to two non-qualified plans, which cannot be funded pursuant to tax regulations.						
Long-term asset	$ —	$ —	$ 3.0	$ 1.4	$ 3.0	$ 1.4
Short-term liability	(0.4)	(0.3)	—	—	(0.4)	(0.3)
Long-term liability	(72.3)	(18.6)	(11.1)	(22.4)	(83.4)	(41.0)
Funded status	$ (72.7)	$ (18.9)	$ (8.1)	$ (21.0)	$ (80.8)	$ (39.9)
Weighted average assumptions used for measurement of the projected benefit obligation:						
Discount rate	5.90%	6.50%	6.45%	5.63%	6.12%	6.03%
Salary growth rate	4.43%	4.38%	3.66%	3.79%	4.05%	4.08%

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following represents the funded components of net periodic pension cost as reflected in the Company's consolidated statements of operations and the weighted average assumptions used to measure net periodic cost for the years ending January 2, 2009, December 28, 2007 and December 29, 2006:

	Pension Benefits								
	Domestic			Foreign			Total		
	2008	2007	2006	2008	2007	2006	2008	2007	2006
	(In millions)								
Components of net periodic cost:									
Service cost	$ 5.8	$ 5.7	$ 6.4	$ 5.7	$ 5.8	$ 5.3	$ 11.5	$ 11.5	$ 11.7
Interest cost	10.3	9.4	8.5	10.0	9.4	8.2	20.3	18.8	16.7
Expected return on plan assets	(11.8)	(10.7)	(8.9)	(11.0)	(10.0)	(8.4)	(22.8)	(20.7)	(17.3)
Net amortization	0.5	0.7	2.0	0.1	0.3	0.8	0.6	1.0	2.8
Curtailment loss	0.9	—	—	—	—	—	0.9	—	—
Net periodic cost	$ 5.7	$ 5.1	$ 8.0	$ 4.8	$ 5.5	$ 5.9	$ 10.5	$ 10.6	$ 13.9
Weighted average assumption used to measure net periodic cost:									
Discount rate	6.50%	6.00%	5.50%	5.63%	5.14%	5.14%	6.03%	5.55%	5.32%
Expected return on plan assets	8.50%	8.50%	8.50%	6.82%	6.84%	6.56%	7.66%	7.59%	7.44%
Salary growth rate	4.38%	4.48%	4.46%	3.79%	3.75%	3.67%	4.08%	4.15%	4.13%

	Estimated Future Benefit Payments		
	Domestic	Foreign	Total
	(In millions)		
2009	$ 4.7	$ 4.0	$ 8.7
2010	5.9	4.1	10.0
2011	6.3	4.4	10.7
2012	7.4	4.7	12.1
2013	8.3	5.3	13.6
2014-2018	52.9	32.0	84.9
Total	$ 85.5	$ 54.5	$140.0

The accumulated benefit obligation in 2008 and 2007 was $161.3 million and $134.7 million, respectively, for the Domestic Plans and $99.5 million and $151.4 million, respectively, for the Foreign Plans. The Company had five plans in 2008 and six plans in 2007 where the accumulated benefit obligation was in excess of the fair value of plan assets. For pension plans with accumulated benefit obligations in excess of plan assets the aggregate pension accumulated benefit obligation was $163.1 million and $80.4 million for 2008 and 2007, respectively, and aggregate fair value of plan assets was $115.7 million and $65.9 million for 2008 and 2007, respectively.

The Company currently estimates that it will make contributions of approximately $9.4 million to its Domestic Plans and $6.2 million to its Foreign Plans in 2009.

Non-union domestic employees of the Company hired on or after June 1, 2004 earn a benefit under a personal retirement account (cash balance account). Each year, a participant's account receives a credit equal to 2.0% of the participant's salary (2.5% if the participant's years of service at the beginning of the plan year are five or more). Interest earned on the credited amount is not credited to the personal retirement account, but is contributed to the participant's account in the Anixter Inc. Employee Savings Plan. The contribution equals the interest earned on the personal retirement account in the Domestic Plan and is based on the 10-year Treasury note rate as of the last business day of December.

Anixter Inc. adopted the Anixter Inc. Employee Savings Plan effective January 1, 1994. The Plan is a defined-contribution plan covering all non-union domestic employees of the Company. Participants are eligible and encouraged to enroll in the tax-deferred plan on their date of hire, and are automatically enrolled approximately 60 days after their date of hire unless they opt out. The savings plan is subject to the provisions of ERISA. The

Company makes a matching contribution equal to 25% of a participant's contribution, up to 6% of a participant's compensation. The Company also has certain foreign defined contribution plans. The Company's contributions to these plans are based upon various levels of employee participation and legal requirements. The total expense related to defined contribution plans was $4.9 million, $5.2 million and $5.1 million in 2008, 2007 and 2006, respectively.

The Company has no other post-retirement benefits other than the pension and savings plans described herein.

A non-qualified deferred compensation plan was implemented on January 1, 1995. The plan permits selected employees to make pre-tax deferrals of salary and bonus. Interest is accrued monthly on the deferred compensation balances based on the average 10-year Treasury note rate for the previous three months times a factor of 1.4, and the rate is further adjusted if certain financial goals of the Company are achieved. The plan provides for benefit payments upon retirement, death, disability, termination or other scheduled dates determined by the participant. At January 2, 2009 and December 28, 2007, the deferred compensation liability was $39.7 million and $34.2 million, respectively.

Concurrent with the implementation of the deferred compensation plan, the Company purchased variable, separate account life insurance policies on the plan participants with benefits accruing to the Company. To provide for the liabilities associated with the deferred compensation plan and an executive non-qualified defined benefit plan, fixed general account "increasing whole life" insurance policies were purchased on the lives of certain participants. Prior to 2006, the Company paid level annual premiums on the above company-owned policies. The last premium was paid in 2005. Policy proceeds are payable to the Company upon the insured participant's death. At January 2, 2009 and December 28, 2007, the cash surrender value of $28.4 million and $34.8 million, respectively, was recorded under this program and reflected in "Other assets" on the consolidated balance sheets.

NOTE 8. STOCKHOLDERS' EQUITY

A total of 1.2 million shares of the Company's common stock may be issued pursuant to the Company's 2006 Stock Incentive Plan ("Incentive Plan"). At January 2, 2009, there were 1.1 million shares reserved for the Incentive Plan and 0.1 million shares reserved for the previous plans for additional stock option awards or stock grants. Options previously granted under these plans have been granted with exercise prices at, or higher than, the fair market value of the common stock on the date of grant. All options expire ten years after the date of grant. The Company generally issues new shares to satisfy stock option exercises as opposed to adjusting treasury shares. In accordance with SFAS No. 123(R) , the fair value of stock option grants is amortized over the respective vesting period representing the requisite service period.

Preferred Stock

The Company has the authority to issue 15.0 million shares of preferred stock, par value $1.00 per share, none of which was outstanding at the end of 2008 and 2007.

Common Stock

The Company has the authority to issue 100.0 million shares of common stock, par value $1.00 per share, of which 35.3 million shares and 36.3 million shares were outstanding at the end of 2008 and 2007, respectively.

During 2007 and 2006, the market price of the Company's common stock met certain thresholds specified in the bond indenture for the Notes due in 2033 resulting in approximately 4,000 and 5,000 Notes due 2033 being converted, respectively. There were no such conversions during 2008. In the year ended December 28, 2007, the Company delivered approximately $1.7 million of cash and approximately 37,400 shares of common stock at the time of conversion. In the year ended December 29, 2006, the Company delivered approximately $2.1 million of cash and approximately 38,000 shares of common stock at the time of conversion.

ANIXTER INTERNATIONAL INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Stock-Based Compensation

Stock Units

The Company granted 173,792, 164,823 and 232,346 stock units to employees in 2008, 2007 and 2006, respectively, with a weighted-average grant date fair value of $65.24, $62.04 and $46.29 per share, respectively. The grant-date value of the stock units is amortized and converted to outstanding shares of common stock on a one-for-one basis primarily over a four-year or six-year vesting period from the date of grant based on the specific terms of the grant. However, the conversion dates of 14,715 and 28,667 vested units outstanding at the end of 2008 and 2007, respectively, have been deferred until a pre-arranged time selected by certain employees; of these stock units, none were vested at the end of 2008 and 2007. Compensation expense associated with the stock units was $12.0 million, $8.7 million and $8.3 million in 2008, 2007 and 2006, respectively.

The Company's Director Stock Unit Plan allows the Company to pay its non-employee directors annual retainer fees and, at their election, meeting fees in the form of stock units. Currently, these units are granted quarterly and vest immediately. Therefore, the Company includes these units in its common stock outstanding on the date of vesting as the conditions for conversion are met. However, the actual issuance of shares related to all director units are deferred until a pre-arranged time selected by each director. Stock units were granted to eleven directors in 2008 and ten directors in both 2007 and 2006 having an aggregate value at grant date of $2.3 million, $1.6 million and $1.3 million, respectively. Compensation expense associated with the director stock units was $1.8 million, $1.7 million and $1.0 million in 2008, 2007 and 2006, respectively.

The following table summarizes the activity under the director and employee stock unit plans:

	Director Stock Units	Weighted Average Grant Date Value*	Employee Stock Units	Weighted Average Grant Date Value*
	(Units in thousands)			
Balance at December 30, 2005	133.0	$25.77	649.6	$31.62
Granted	28.2	46.91	232.3	46.29
Converted	(31.2)	22.11	(154.1)	27.04
Cancelled	—	—	(29.1)	37.37
Balance at December 29, 2006	130.0	31.24	698.7	37.27
Granted	23.1	68.60	164.8	62.04
Converted	(2.7)	33.24	(204.6)	29.86
Cancelled	—	—	(13.0)	43.04
Balance at December 28, 2007	150.4	36.95	645.9	45.83
Granted	45.1	50.68	173.8	65.24
Converted	(1.6)	37.17	(231.6)	37.81
Cancelled	—	—	(5.5)	52.15
Balance at January 2, 2009	193.9	$40.14	582.6	$54.74

* *Director and employee stock units are granted at no cost to the participants.*

The Company's stock price was $32.17, $62.27 and $54.30 at January 2, 2009, December 28, 2007 and December 29, 2006, respectively. The weighted-average remaining contractual term for outstanding employee units that have not been deferred is 2.4 years.

The aggregate intrinsic value of units converted into stock represents the total pre-tax intrinsic value (calculated using the Company's stock price on the date of conversion multiplied by the number of units converted) that was received by unit holders. The aggregate intrinsic value of units converted into stock for 2008, 2007 and 2006 was $13.3 million, $12.3 million and $8.5 million, respectively.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The aggregate intrinsic value of units outstanding represents the total pre-tax intrinsic value (calculated using the Company's closing stock price on the last trading day of the fiscal year multiplied by the number of units outstanding) that will be received by the unit recipients upon vesting. The aggregate intrinsic value of units outstanding for 2008, 2007 and 2006 was $25.0 million, $49.6 million and $45.0 million, respectively.

Stock units that are convertible at year-end represent the number of employee and director units outstanding which have been deferred until a pre-arranged time selected by each participant. At the end of 2008, 2007 and 2006, there were a combined 208,631, 179,093 and 129,999 of employee and director units convertible, respectively. The aggregate intrinsic value of units convertible represents the total pre-tax intrinsic value (calculated using the Company's closing stock price on the last trading day of the fiscal year multiplied by the number of units convertible) that would have been received by the unit holders. The aggregate intrinsic value of units convertible for 2008, 2007 and 2006 was $6.7 million, $11.2 million and $7.1 million, respectively.

Stock Options

During 2008, 2007 and 2006, the Company granted 230,892, 177,396 and 168,000 stock options, respectively, to employees and began recognizing as compensation expense the amortization of the grant-date fair market value of approximately $5.5 million, $5.0 million and $3.5 million, respectively. These options were granted with four, five or six-year vesting periods representing the requisite service period based on the specific terms of the grant. The weighted-average fair value of the 2008, 2007 and 2006 stock option grants was $23.65, $28.26 and $21.07 per share, respectively, which was estimated at the date of the grants using the Black-Scholes option pricing model with the following assumptions:

	Expected Stock Price Volatility	Risk-Free Interest Rate	Expected Dividend Yield	Average Expected Life
2008 Grants:				
4 year vesting (2 grants)	27.8% and 28%	3.0% and 3.6%	0%	7 years
5 year vesting	27.8%	3.0%	0%	7 years
2007 Grants:				
4 year vesting (2 grants)	29% and 34%	4.4% and 4.5%	0%	7 years
6 year vesting	34%	4.5%	0%	7 years
2006 Grant — 6 year vesting	34%	4.6%	0%	7 years

Primarily due to the change in the population of employees that receive options together with changes in the stock compensation plans (which now include restricted stock units as well as stock options), historical exercise behavior on previous grants do not provide a reasonable estimate for future exercise activity. Therefore, the average expected term was calculated using the Staff Accounting Bulletin No. 107 ("SAB 107") simplified method for estimating the expected term.

ANIXTER INTERNATIONAL INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The Company's compensation expense associated with the stock options in 2008, 2007 and 2006 was $4.4 million, $1.5 million and $1.2 million, respectively. The following table summarizes the activity under the employee option plans (Options in thousands):

	Employee Options	Weighted Average Exercise Price
Balance at December 30, 2005	3,369.6	$ 18.55
Granted	168.0	46.29
Exercised	(945.8)	17.08
Cancelled	(0.7)	22.39
Balance at December 29, 2006	2,591.1	20.89
Granted	177.4	63.43
Exercised	(720.2)	16.28
Cancelled	—	—
Balance at December 28, 2007	2,048.3	26.19
Granted	230.9	65.10
Exercised	(549.4)	18.66
Cancelled	—	—
Balance at January 2, 2009	1,729.8	$ 14.09
Options exercisable at year-end:		
2006	2,423.1	$ 19.13
2007	1,702.9	$ 20.33
2008	1,168.3	$ 20.86

The Company's stock price was $32.17, $62.27 and $54.30 at January 2, 2009, December 28, 2007 and December 29, 2006, respectively. The weighted-average remaining contractual term for options outstanding for 2008 was 3.8 years. The weighted-average remaining contractual term for options exercisable for 2008 was 3.3 years.

The aggregate intrinsic value of options exercised represents the total pre-tax intrinsic value (calculated as the difference between the Company's stock price on the date of exercise and the exercise price, multiplied by the number of options exercised) that was received by the option holders. The aggregate intrinsic value of options exercised for 2008, 2007 and 2006 was $24.4 million, $39.9 million and $31.1 million, respectively.

The aggregate intrinsic value of options outstanding represents the total pre-tax intrinsic value (calculated as the difference between the Company's closing stock price on the last trading day of each fiscal year and the weighted-average exercise price, multiplied by the number of options outstanding at the end of the fiscal year) that could be received by the option holders if such option holders exercised all options outstanding at fiscal year-end. The aggregate intrinsic value of options outstanding for 2008, 2007 and 2006 was $31.3 million, $73.9 million and $86.6 million, respectively.

The aggregate intrinsic value of options exercisable represents the total pre-tax intrinsic value (calculated as the difference between the Company's closing stock price on the last trading day of each fiscal year and the weighted-average exercise price, multiplied by the number of options exercisable at the end of the fiscal year) that would have been received by the option holders had all option holders elected to exercise the options at fiscal year-end. The aggregate intrinsic value of options exercisable for 2008, 2007 and 2006 was $13.2 million, $71.4 million and $85.2 million, respectively.

ANIXTER INTERNATIONAL INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Stock Modification

During 2008, the Company recorded additional stock compensation expense of $4.2 million related to amendments made to the employment contract of the Company's recently retired Chief Executive Officer ("CEO"), which extended the terms of his non-competition and non-solicitation restrictions in exchange for allowing the vesting and termination provisions of previously granted equity awards to run to their original grant term dates rather than expiring 90 days following retirement.

Summary of Non-Vested Shares

The following table summarizes the activity of unvested employee stock units and options:

	Non-vested Shares	Weighted Average Grant Date Fair Value
	(In thousands)	
Non-vested shares at December 28, 2007	962.6	$ 49.40
Granted	404.7	65.16
Vested	(232.4)	39.82
Forfeited	(5.5)	52.15
Non-vested shares at January 2, 2009	1,129.4	$ 57.01

As of January 2, 2009, there was $21.5 million of total unrecognized compensation cost related to unvested stock units and options granted to employees which is expected to be recognized over a weighted average period of 1.9 years.

Purchased Call and Warrant

Concurrently with the issuance of the Notes due 2013 (as more fully described in Note 4. "Debt"), the Company entered into a convertible note hedge transaction, comprised of a purchased call option and a sold warrant, with an affiliate of one of the initial purchasers of the Notes due 2013. The net cost of the purchased call option and the sold warrant was approximately $36.8 million and is reflected in the Company's consolidated financial statements as an increase in deferred tax assets of $34.1 million and a reduction to capital surplus of $2.7 million.

Share Repurchase

During 2008, the Company repurchased 1.7 million shares at an average cost of $59.76 per share. Purchases were made in the open market and financed from cash generated by operations. During 2007, the Company repurchased 4.3 million shares at an average cost of $57.61 per share. Purchases were made in the open market and were financed from cash generated by operations and the net proceeds from the issuance of the Notes due 2013.

NOTE 9. 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 who use the Company's products as a component in their end product. 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. Certain corporate expenses are allocated to the segments based primarily on specific identification, projected sales and estimated use of time. Interest expense and other non-operating items are not allocated to the segments or reviewed on a segment basis.

ANIXTER INTERNATIONAL INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Intercompany transactions are not significant. No customer accounted for more than 3% of sales in 2008. Export sales were insignificant. Segment information for 2008, 2007 and 2006 was as follows:

	North America					
	United States	Canada	Total	Europe	Emerging Markets	Total
	(In millions)					
2008						
Net sales	$3,602.7	$677.4	$4,280.1	$1,309.4	$ 547.1	$6,136.6
Operating income	252.4	62.7	315.1	35.9	40.9	391.9
Depreciation	14.2	1.5	15.7	7.3	1.9	24.9
Amortization of intangibles	3.6	—	3.6	6.1	—	9.7
Tangible long-lived assets	80.5	7.1	87.6	33.0	5.6	126.2
Total assets	1,814.6	247.2	2,061.8	755.7	274.2	3,091.7
Capital expenditures	17.3	3.3	20.6	8.8	3.3	32.7
2007						
Net sales	$3,467.2	$639.1	$4,106.3	$1,274.4	$ 472.2	$5,852.9
Operating income	280.1	64.9	345.0	60.6	33.5	439.1
Depreciation	12.0	1.2	13.2	8.1	1.6	22.9
Amortization of intangibles	2.5	—	2.5	5.4	—	7.9
Tangible long-lived assets	75.2	6.0	81.2	35.2	4.5	120.9
Total assets	1,653.1	267.2	1,920.3	825.0	270.9	3,016.2
Capital expenditures	19.8	3.3	23.1	10.6	2.4	36.1
2006						
Net sales	$3,055.1	$556.6	$3,611.7	$ 980.4	$ 346.5	$4,938.6
Operating income	212.7	63.8	276.5	37.1	23.5	337.1
Depreciation	11.5	1.0	12.5	5.7	1.1	19.3
Amortization of intangibles	2.3	—	2.3	2.4	—	4.7
Tangible long-lived assets	66.1	3.2	69.3	25.2	3.6	98.1
Total assets	1,487.4	218.1	1,705.5	669.9	190.8	2,566.2
Capital expenditures	15.2	0.3	15.5	7.8	1.7	25.0

The following table presents the changes in goodwill allocated to the Company's reportable segments from December 28, 2007 to January 2, 2009:

	North America					
	United States	Canada	Total	Europe	Emerging Markets	Total
	(In millions)					
Balance December 28, 2007	$266.6	$ 16.9	$283.5	$111.8	$ 7.9	$403.2
Acquisition related	65.0	—	65.0	15.3	3.1	83.4
Foreign currency translation	—	(3.3)	(3.3)	(22.1)	(2.6)	(28.0)
Balance January 2, 2009	$331.6	$ 13.6	$345.2	$105.0	$ 8.4	$458.6

ANIXTER INTERNATIONAL INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 10. SUMMARIZED FINANCIAL INFORMATION OF ANIXTER INC.

The Company guarantees, fully and unconditionally, substantially all of the debt of its subsidiaries, which includes Anixter Inc. The Company has no independent assets or operations and all other subsidiaries other than Anixter Inc. are minor.

The following summarizes the financial information for Anixter Inc.:

ANIXTER INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

	January 2, 2009	December 28, 2007
	(In millions)	
Assets:		
Current assets	$ 2,349.8	$ 2,379.0
Property, equipment and capital leases, net	103.5	96.8
Goodwill	458.6	403.2
Other assets	191.8	146.0
	$ 3,103.7	$ 3,025.0
Liabilities and Stockholder's Equity:		
Current liabilities	$ 990.3	$ 935.3
Subordinated notes payable to parent	14.5	112.5
Long-term debt	469.8	495.5
Other liabilities	144.9	90.9
Stockholder's equity	1,484.2	1,390.8
	$ 3,103.7	$ 3,025.0

ANIXTER INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended		
	January 2, 2009	December 28, 2007	December 29, 2006
		(In millions)	
Net sales	$ 6,136.6	$ 5,852.9	$ 4,938.6
Operating income	$ 396.9	$ 444.0	$ 341.5
Income before income taxes	$ 329.1	$ 400.0	$ 307.9
Net income	$ 196.9	$ 250.8	$ 211.7

ANIXTER INTERNATIONAL INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 11. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

The following is a summary of the unaudited interim results of operations and the price range of the common stock composite for each quarter in the years ended January 2, 2009 and December 28, 2007. The Company has never paid regular cash dividends on its common stock. As of February 20, 2009, the Company had 2,691 shareholders of record.

	First Quarter (1)	Second Quarter	Third Quarter	Fourth Quarter (2)
	(In millions, except per share amounts)			
Year ended January 2, 2009				
Net sales	$ 1,471.6	$1,616.8	$1,589.6	$ 1,458.6
Cost of goods sold	1,123.1	1,232.7	1,216.9	1,121.1
Operating income	101.5	121.8	117.9	50.7
Income before income taxes	89.7	107.1	100.7	20.6
Net income	57.7	66.9	61.7	9.4
Net income per basic share	1.61	1.89	1.75	0.27
Net income per diluted share	1.45	1.71	1.58	0.26
Composite stock price range:				
High	72.55	68.46	75.07	60.70
Low	52.26	55.92	54.86	20.97
Close	62.75	59.29	60.81	32.17

(1) First quarter of 2008 net income includes $1.6 million of net tax benefits related to the reversal of valuation allowances associated with certain net operating loss carryforwards.

(2) Fourth quarter of 2008 operating income of $50.7 million was negatively affected by $24.1 million in bad debt losses associated with the bankruptcies of two customers, $8.1 million in severance and lease write-down costs and $2.0 million in inventory markdowns resulting from sharply lower copper prices. In addition to the after tax impact of $21.8 million for these items, net income in the fourth quarter was also negatively impacted by $8.4 million in after tax foreign exchange losses due to much higher than normal levels of exchange rate volatility and $3.0 million, net of tax, in cash surrender value losses on company-owned life insurance policies due to less favorable equity and bond market performance in the fourth quarter.

	First Quarter (3)	Second Quarter (3)	Third Quarter (3)	Fourth Quarter (3)
	(In millions, except per share amounts)			
Year ended December 28, 2007				
Net sales	$ 1,328.7	$ 1,511.5	$1,521.2	$1,491.5
Cost of goods sold	1,010.3	1,148.2	1,154.2	1,126.9
Operating income	90.4	116.1	118.2	114.4
Income before income taxes	80.2	107.4	106.9	103.0
Net income	53.6	64.6	64.8	70.5
Net income per basic share	1.42	1.74	1.73	1.91
Net income per diluted share	1.27	1.53	1.51	1.69
Composite stock price range:				
High	67.44	76.75	88.40	86.99
Low	49.28	65.07	65.25	57.55
Close	65.94	75.21	82.45	62.27

(3) First, second, third and fourth quarter of 2007 net income was positively (negatively) affected by $3.4 million, $(1.4) million, $0.1 million and $9.7 million, respectively as a result of various foreign tax benefits and the finalization of prior year tax returns.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES.

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and the participation of its management, including its principal executive officer and principal financial officer, the Company conducted an evaluation as of January 2, 2009 of the effectiveness of the design and operation of its disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act"). Based on this evaluation, the principal executive officer and the principal financial officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this annual report.

Management's Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). The Company's internal control over financial reporting is designed to provide reasonable assurance to the Company's management and board of directors regarding the preparation and fair presentation of published financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Under the supervision and with the participation of its management, including its principal executive officer and principal financial officer, the Company conducted an evaluation of the effectiveness of its internal control over financial reporting based on the framework in *Internal Control — Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the evaluation under the framework in *Internal Control — Integrated Framework*, the Company's management concluded that its internal control over financial reporting was effective as of January 2, 2009.

Ernst & Young LLP, independent registered public accounting firm, has audited the consolidated financial statements of the Company and the Company's internal control over financial reporting and has included their reports herein.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Board of Directors and Stockholders of Anixter International Inc.:

We have audited Anixter International Inc.'s (the Company) internal control over financial reporting as of January 2, 2009, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Anixter International Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying report on Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Anixter International Inc. maintained, in all material respects, effective internal control over financial reporting as of January 2, 2009, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the balance sheets of Anixter International Inc. as of January 2, 2009 and December 28, 2007, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended January 2, 2009, and our report dated February 26, 2009, expressed an unqualified opinion thereon.

ERNST & YOUNG LLP

Chicago, Illinois
February 26, 2009

ITEM 9B. OTHER INFORMATION.

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

See Registrant's Proxy Statement for the 2009 Annual Meeting of Stockholders — "Election of Directors," "Corporate Governance" and "Section 16(a) Beneficial Ownership Reporting Compliance." The Company's Code of Ethics and changes or waivers, if any, related thereto are located on the Company's website at http://www.anixter.com.

Information regarding executive officers is included as a supplemental item at the end of Part I of this Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION.

See Registrant's Proxy Statement for the 2009 Annual Meeting of Stockholders — "Compensation Discussion and Analysis," "Executive Compensation," "Non-Employee Director Compensation," "Compensation Committee Report" and "Compensation Committee Interlocks and Insider Participation."

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

See Registrant's Proxy Statement for the 2009 Annual Meeting of Stockholders — "Security Ownership of Management," "Security Ownership of Principal Stockholders" and "Equity Compensation Plan Information."

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

See Registrant's Proxy Statement for the 2009 Annual Meeting of the Stockholders — "Certain Relationships and Related Transactions" and "Corporate Governance."

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

See Registrant's Proxy Statement for the 2009 Annual Meeting of Stockholders — "Independent Auditors and their Fees."

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Index to Consolidated Financial Statements, Financial Statement Schedules and Exhibits.

(1) Financial Statements.

The following Consolidated Financial Statements of Anixter International Inc. and Report of Independent Registered Public Accounting Firm are filed as part of this report.

(2) Financial Statement Schedules.

The following financial statement schedules of Anixter International Inc. are filed as part of this report and should be read in conjunction with the Consolidated Financial Statements of Anixter International Inc.:

All other schedules are omitted because they are not required, are not applicable, or the required information is shown in the Consolidated Financial Statements or notes thereto.

(3) Exhibit List.

Each management contract or compensation plan required to be filed as an exhibit is identified by an asterisk (*).

Exhibit No.	Description of Exhibit
(3) Articles of Incorporation and by-laws.	
3.1	Restated Certificate of Incorporation of Anixter International Inc., filed with Secretary of the State of Delaware on September 29, 1987 and Certificate of Amendment thereof, filed with the Secretary of Delaware on August 31, 1995 (Incorporated by reference from Anixter International Inc. Annual Report on Form 10-K for the year ended December 31, 1995, Exhibit 3.1).
3.2	Amended and Restated By-laws of Anixter International Inc. (Incorporated by reference from Anixter International Inc. Current Report on Form 8-K dated November 20, 2008, Exhibit 3.1).
(4) Instruments defining the rights of security holders, including indentures.	
4.1	Indenture dated December 8, 2004, by and between Anixter International Inc. and Bank of New York, as Trustee, with respect to 3.25% zero coupon convertible notes due 2033. (Incorporated by reference from Anixter International Inc. Annual Report on Form 10-K for the year ended December 31, 2004, Exhibit 4.6).
4.2	Indenture related to the 1% Senior Convertible Notes due 2013, dated as of February 16, 2007, between Anixter International Inc. and The Bank of New York Trust Company, N.A., as trustee (including form of 1% Senior Convertible Note due 2013). (Incorporated by reference from Anixter International Inc. Current Report on Form 8-K dated February 12, 2007, Exhibit 4.1).

Exhibit No.	Description of Exhibit
(10) Material contracts.	
10.1	Confirmation of OTC Convertible Note Hedge, dated February 12, 2007, from Merrill Lynch International to Anixter International Inc. (Incorporated by reference from Anixter International Inc. Current Report on Form 8-K dated February 12, 2007, Exhibit 10.2).
10.2	Confirmation of OTC Warrant Transaction, dated February 12, 2007, from Merrill Lynch International to Anixter International Inc. (Incorporated by reference from Anixter International Inc. Current Report on Form 8-K dated February 12, 2007, Exhibit 10.3).
10.3	Purchase Agreement between Mesirow Realty Sale-Leaseback, Inc. ("Buyer") and Anixter-Real Estate, Inc., a subsidiary of the Company ("Seller"). (Incorporated by reference from Anixter International Inc., Quarterly Report on Form 10-Q for the quarterly period ended April 2, 2004, Exhibit 10.1).
10.4*	Anixter International Inc. 1989 Employee Stock Incentive Plan. (Incorporated by reference from Anixter International Inc. Registration Statement on Form S-8, file number 33-38364).
10.5*	Anixter International Inc. 1998 Stock Incentive Plan. (Incorporated by reference from Anixter International Inc. Registration Statement on Form S-8, file number 333-56935, Exhibit 4a).
10.6*	Company's Key Executive Equity Plan, as amended and restated July 16, 1992. (Incorporated by reference from Itel Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1992, Exhibit 10.8).
10.7*	Company's Director Stock Option Plan. (Incorporated by reference from Itel Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1991, Exhibit 10.24).
10.8*	Form of Stock Option Agreement. (Incorporated by reference from Itel Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1992, Exhibit 10.24).
10.9*	Form of Indemnity Agreement with all directors and officers. (Incorporated by reference from Anixter International Inc. Annual Report on Form 10-K for the year ended December 31, 1995, Exhibit 10.24).
10.10*	Anixter International Inc. 1996 Stock Incentive Plan. (Incorporated by reference from Anixter International Inc. Annual Report on Form 10-K for the year ended December 31, 1995, Exhibit 10.26).
10.11*	Form of Stock Option Grant. (Incorporated by reference from Anixter International Inc. Annual Report on Form 10-K for the year ended December 31, 1995, Exhibit 10.27).
10.12*	Anixter Restated Excess Benefit Plan effective January 1, 2009.
10.13*	Forms of Anixter Stock Option, Stockholder Agreement and Stock Option Plan. (Incorporated by reference from Anixter International Inc. Annual Report on Form 10-K for the year ended December 31, 1995, Exhibit 10.29).
10.14*	Anixter 2005 Restated Deferred Compensation Plan.
10.15*	Anixter International 2006 Stock Incentive Plan. (Incorporated by reference from Anixter International Inc. Form 10-Q for the quarterly period ended June 30, 2006, Exhibit 10.1).
10.16*	Anixter International Inc. Management Incentive Plan effective May 20, 2004. (Incorporated by reference from Anixter International Inc. Annual Report on Form 10-K for the year ended December 31, 2004, Exhibit 10.15).
10.17*	(a) Anixter International Inc. 2001 Stock Incentive Plan. (Incorporated by reference from Anixter International Inc. Registration Statement on Form S-8, File number 333-103270, Exhibit 4a). (b) First Amendment to the Anixter International Inc. 2001 Stock Incentive Plan effective May 20, 2004. (Incorporated by reference from Anixter International Inc. Annual Report on Form 10-K for the year ended December 31, 2004, Exhibit 10.18).
10.18*	Anixter International Inc. 2001 Mid-Level Stock Option Plan. (Incorporated by reference from Anixter International Inc. Annual Report on Form 10-K for the year ended January 3, 2003, Exhibit 10.19).
10.19*	Form of Anixter International Inc. Restricted Stock Unit Grant Agreement.
10.20*	Anixter Inc. Amended and Restated Supplemental Executive Retirement Plan with Robert W. Grubbs and Dennis J. Letham, dated January 1, 2009.

Exhibit No.	Description of Exhibit
10.21*	Employment Agreement with Robert W. Grubbs, dated January 1, 2006. (Incorporated by reference from Anixter International Inc. Current Report on Form 8-K dated January 1, 2006, Exhibit 10.1).
10.22*	(a) Employment Agreement with Dennis J. Letham, dated January 1, 2006. (Incorporated by reference from Anixter International Inc. Current Report on Form 8-K dated January 1, 2006, Exhibit 10.2). (b) First Amendment to the Employment Agreement with Dennis J. Letham, dated December 23, 2008.
10.23*	Separation Agreement with Robert W. Grubbs, Jr., dated May 13, 2008. (Incorporated by reference from Anixter International Inc. Current Report on Form 8-K dated May 19, 2008, Exhibit 10.1).
10.24	(a) Amended and Restated Five-Year, $450.0 million, Revolving Credit Agreement, dated April 20, 2007, among Anixter Inc., Bank of America, N.A., as Agent, and other banks named therein. (Incorporated by reference from Anixter International Inc. Current Report on Form 8-K dated April 23, 2007, Exhibit 10.1). (b) First Amendment to Amended and Restated Five-Year, $450.0 million, Revolving Credit Agreement, dated September 26, 2007, among Anixter Inc., Bank of America, N.A., as Administrative Agent, and other banks named therein. (Incorporated by reference from Anixter International Inc. Current Report on Form 8-K dated September 25, 2007, Exhibit 10.1).
10.25	(a) $40.0 million (Canadian dollar) Credit Facility, dated November 18, 2005, among Anixter Canada Inc. and The Bank of Nova Scotia. (Incorporated by reference from Anixter International Inc. Form 10-K for the year ended December 30, 2005, Exhibit 10.24). (b) First Amendment to $40.0 million (Canadian dollar) Credit Facility, dated July 5, 2007, among Anixter Canada Inc. and The Bank of Nova Scotia. (Incorporated by reference from Anixter International Inc. Quarterly Report on Form 10-Q for the quarterly period ended June 29, 2007, Exhibit 10.1).
10.26	(a) Amended and Restated Receivables Sale Agreement dated October 3, 2002, between Anixter Inc. and Anixter Receivables Corporation. (Incorporated by reference from Anixter International Inc. Annual Report on Form 10-K for the year ended January 3, 2003, Exhibit 4.6). (b)Amendment No. 1 to Amended and Restated Receivables Sale Agreement dated October 2, 2003 between Anixter Inc. and Anixter Receivables Corporation. (Incorporated by reference from Anixter International Inc. Annual Report on Form 10-K for the year ended January 2, 2004, Exhibit 4.9). (c)Amendment No. 2 to Amended and Restated Receivables Sale Agreement, dated September 30, 2004 between Anixter Inc. and Anixter Receivables Corporation. (Incorporated by reference from Anixter International Inc. Annual Report on Form 10-K for the year ended December 31, 2004, Exhibit 4.9). (d) Amendment No. 3 to Amended and Restated Receivables Sale Agreement, dated September 24, 2008 between Anixter Inc. and Anixter Receivables Corporation. (Incorporated by reference from Anixter International Inc. Quarterly Report on Form 10-Q for the quarterly period ended September 26, 2008, Exhibit 10.2).
10.27	(a) Amended and Restated Receivables Purchase Agreement dated October 3, 2002, among Anixter Receivables Corporation, as Seller, Anixter Inc., as Servicer, Bank One, NA, as Agent and the other financial institutions named therein. (Incorporated by reference from Anixter International Inc. Annual Report on Form 10-K for the year ended January 3, 2003, Exhibit 4.7). (b) Amendment No. 1 to Amended and Restated Receivables Purchase Agreement dated October 2, 2003 among Anixter Receivables Corporation, as Seller, Anixter Inc., as Servicer, Bank One, NA, as Agent and the other financial institutions named therein. (Incorporated by reference from Anixter International Inc. Annual Report on Form 10-K for the year ended January 2, 2004, Exhibit 4.10). (c) Amendment No. 2 to Amended and Restated Receivables Purchase Agreement, dated September 30, 2004 among Anixter Receivables Corporation, as Seller, Anixter Inc., as Servicer, JP Morgan Chase Bank, NA, as Agent and the other financial institutions named therein. (Incorporated by reference from Anixter International Inc. Annual Report on Form 10-K for the year ended December 31, 2004, Exhibit 4.10). (d) Amendment No. 3 to Amended and Restated Receivables Purchase Agreement, dated September 29, 2005, among Anixter Receivables Corporation, as Seller, Anixter Inc., as Servicer, JP Morgan Chase Bank NA, as Agent and the other financial institutions named therein. (Incorporated by reference from Anixter International Inc. Form 10-K for the year ended December 30, 2005, Exhibit 10.31).

Exhibit No.	Description of Exhibit
	(e) Amendment No. 4 to Amended and Restated Receivables Purchase Agreement, dated September 28, 2006, among Anixter Receivables Corporation, as Seller, Anixter Inc., as Servicer, JP Morgan Chase Bank, NA, as Agent and the other financial institutions named therein. (Incorporated by reference from Anixter International Inc. Form 10-Q for the quarterly period ended September 29, 2006, Exhibit 10.1).
	(f) Amendment No. 5 to Amended and Restated Receivables Purchase Agreement, dated September 27, 2007, among Anixter Receivables Corporation, as Seller, Anixter Inc., as Servicer, JPMorgan Chase Bank, N.A., as Agent and the other financial institutions named therein. (Incorporated by reference from Anixter International Inc. Quarterly Report on Form 10-Q for the quarterly period ended September 28, 2007, Exhibit 10.1).
	(g) Amendment No. 6 to Amended and Restated Receivables Purchase Agreement, dated September 24, 2008, among Anixter Receivables Corporation, as Seller, Anixter Inc., as Servicer, JPMorgan Chase Bank, N.A., as Agent and the other financial institutions named therein. (Incorporated by reference from Anixter International Inc. Quarterly Report on Form 10-Q for the quarterly period ended September 26, 2008, Exhibit 10.1).
(12) Computation of Ratio of Earnings to Fixed Charges.	
12.1	Computation of Ratio of Earnings to Fixed Charges.
(21) Subsidiaries of the Registrant.	
21.1	List of Subsidiaries of the Registrant.
(23) Consents of experts and counsel.	
23.1	Consent of Independent Registered Public Accounting Firm.
(24) Power of attorney.	
24.1	Power of Attorney executed by Lord James Blyth, Linda Walker Bynoe, Robert L. Crandall, Robert W. Grubbs, Robert J. Eck, F. Philip Handy, Melvyn N. Klein, George Muñoz, Stuart M. Sloan, Thomas C. Theobald, Matthew Zell and Samuel Zell.
(31) Rule 13a — 14(a) /15d — 14(a) Certifications.	
31.1	Robert J. Eck, President and Chief Executive Officer, Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Dennis J. Letham, Executive 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 J. Eck, 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, Executive 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.

Copies of other instruments defining the rights of holders of long-term debt of the Company and its subsidiaries not filed pursuant to Item 601(b)(4)(iii) of Regulation S-K and omitted copies of attachments to plans and material contracts will be furnished to the Securities and Exchange Commission upon request.

References made to Anixter International Inc. and Itel Corporation filings can be found at Commission File Number 001-10212.

ANIXTER INTERNATIONAL INC.

SCHEDULE I — CONDENSED FINANCIAL INFORMATION OF REGISTRANT
ANIXTER INTERNATIONAL INC. (PARENT COMPANY)

STATEMENTS OF OPERATIONS

	Years Ended		
	January 2, 2009	December 28, 2007	December 29, 2006
		(In millions)	
Operating loss	$ (3.8)	$ (3.7)	$ (3.2)
Other income (expense):			
Interest (expense) income, including intercompany	(2.3)	8.2	4.6
Other	—	(0.1)	(0.2)
(Loss) income before income taxes and equity in earnings of subsidiaries	(6.1)	4.4	1.2
Income tax benefit	7.7	2.3	—
Income before equity in earnings of subsidiaries	1.6	6.7	1.2
Equity in earnings of subsidiaries	194.1	246.8	208.1
Net income	$ 195.7	$ 253.5	$ 209.3

See accompanying note to the condensed financial information of registrant.

ANIXTER INTERNATIONAL INC.

SCHEDULE I — CONDENSED FINANCIAL INFORMATION OF REGISTRANT
ANIXTER INTERNATIONAL INC. (PARENT COMPANY)

BALANCE SHEETS

	January 2, 2009	December 28, 2007
	(In millions)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 0.1	$ 0.1
Other assets	0.7	0.3
Total current assets	0.8	0.4
Investment in and advances to subsidiaries	1,502.1	1,505.9
Other assets	8.6	10.0
	$ 1,511.5	$ 1,516.3
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable and accrued expenses, due currently	$ 1.9	$ 5.3
Amounts currently due to affiliates, net	6.3	0.7
Long-term debt	467.5	462.2
Other non-current liabilities	—	0.3
Total liabilities	475.7	468.5
Stockholders' equity:		
Common stock	35.3	36.3
Capital surplus	181.3	145.2
Accumulated other comprehensive income	(89.0)	50.9
Retained earnings	908.2	815.4
Total stockholders' equity	1,035.8	1,047.8
	$ 1,511.5	$ 1,516.3

See accompanying note to the condensed financial information of registrant.

ANIXTER INTERNATIONAL INC.

SCHEDULE I — CONDENSED FINANCIAL INFORMATION OF REGISTRANT
ANIXTER INTERNATIONAL INC. (PARENT COMPANY)

STATEMENTS OF CASH FLOWS

	Years Ended		
	January 2, 2009	December 28, 2007	December 29, 2006
		(In millions)	
Operating activities:			
Net income	$ 195.7	$ 253.5	$ 209.3
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Equity in earnings of subsidiaries	(194.1)	(246.8)	(208.1)
Accretion of zero coupon convertible notes	5.3	5.2	5.1
Stock-based compensation	1.8	1.7	1.1
Amortization of deferred financing costs	1.4	1.3	0.1
Deferred income taxes	—	—	1.4
Excess income tax benefits from employee stock plans	—	(0.2)	(1.4)
Intercompany transactions	(0.4)	(6.2)	(7.9)
Income tax benefit	(7.7)	(2.3)	—
Changes in current assets and liabilities	(4.8)	58.7	(20.0)
Net cash (used in) provided by operating activities	(2.8)	64.9	(20.4)
Investing activities	—	—	—
Financing activities:			
Purchase of common stock for treasury	(104.6)	(241.8)	—
Loans (to) from subsidiaries, net	98.0	(90.5)	8.5
Proceeds from issuance of common stock	10.1	11.7	16.1
Payment of cash dividend	(0.7)	(1.1)	(0.8)
Bond proceeds	—	300.0	—
Purchase call option	—	(88.8)	—
Proceeds from sale of warrant	—	52.0	—
Deferred financing costs	—	(7.5)	—
Repayment of borrowings	—	(1.8)	(2.1)
Excess income tax benefits from employee stock plans	—	0.2	1.4
Net cash provided by (used in) financing activities	2.8	(67.6)	23.1
(Decrease) increase in cash and cash equivalents	—	(2.7)	2.7
Cash and cash equivalents at beginning of year	0.1	2.8	0.1
Cash and cash equivalents at end of year	$ 0.1	$ 0.1	$ 2.8

See accompanying note to the condensed financial information of registrant.

ANIXTER INTERNATIONAL INC.

SCHEDULE I — CONDENSED FINANCIAL INFORMATION OF REGISTRANT
ANIXTER INTERNATIONAL INC. (PARENT COMPANY)

NOTE TO THE CONDENSED FINANCIAL INFORMATION OF REGISTRANT

Note A —Basis of Presentation

In the parent company condensed financial statements, the Company's investment in subsidiaries is stated at cost plus equity in undistributed earnings of subsidiaries since the date of acquisition. The Company's share of net income of its unconsolidated subsidiaries is included in consolidated income using the equity method. The parent company financial statements should be read in conjunction with the Company's consolidated financial statements.

ANIXTER INTERNATIONAL INC.

SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

Years ended January 2, 2009, December 28, 2007 and December 29, 2006

Description	Balance at beginning of the period	Charged to income	Charged to other accounts	Deductions	Balance at end of the period
			(In millions)		
Year ended January 2, 2009:					
Allowance for doubtful accounts	$ 25.6	$ 37.0	$ 1.8	$ (35.0)	$ 29.4
Allowance for deferred tax asset	$ 15.4	$ 0.3	$ (3.9)	$ —	$ 11.8
Year ended December 28, 2007:					
Allowance for doubtful accounts	$ 20.6	$ 11.5	$ 0.6	$ (7.1)	$ 25.6
Allowance for deferred tax asset	$ 21.8	$ (0.9)	$ (5.5)	$ —	$ 15.4
Year ended December 29, 2006:					
Allowance for doubtful accounts	$ 19.6	$ 10.7	$ 0.3	$ (10.0)	$ 20.6
Allowance for deferred tax asset	$ 13.1	$ 0.4	$ 8.3	$ —	$ 21.8

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, in the City of Glenview, State of Illinois, on the 27th day of February 2009.

ANIXTER INTERNATIONAL INC.

By: /s/ Dennis J. Letham

Dennis J. Letham
Executive Vice President — Finance and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ Robert J. Eck Robert J. Eck	President and Chief Executive Officer (Principal Executive Officer)	February 27, 2009
/s/ Dennis J. Letham Dennis J. Letham	Executive Vice President — Finance (Principal Financial Officer)	February 27, 2009
/s/ Terrance A. Faber Terrance A. Faber	Vice President — Controller (Principal Accounting Officer)	February 27, 2009
/s/ Lord James Blyth* Lord James Blyth	Director	February 27, 2009
/s/ Linda Walker Bynoe* Linda Walker Bynoe	Director	February 27, 2009
/s/ Robert L. Crandall* Robert L. Crandall	Director	February 27, 2009
/s/ Robert J. Eck* Robert J. Eck	Director	February 27, 2009
/s/ Robert W. Grubbs* Robert W. Grubbs	Director	February 27, 2009
/s/ F. Philip Handy* F. Philip Handy	Director	February 27, 2009
/s/ Melvyn N. Klein* Melvyn N. Klein	Director	February 27, 2009
/s/ George Muñoz* George Muñoz	Director	February 27, 2009
/s/ Stuart M. Sloan* Stuart M. Sloan	Director	February 27, 2009
/s/ Thomas C. Theobald* Thomas C. Theobald	Director	February 27, 2009
/s/ Matthew Zell* Matthew Zell	Director	February 27, 2009
/s/ Samuel Zell* Samuel Zell	Director	February 27, 2009

*By /s/ Dennis J. Letham

Dennis J. Letham *(Attorney in fact)*
Dennis J. Letham, as attorney in fact for each person indicated

EXHIBIT 10.12

ANIXTER INC. EXCESS BENEFIT PLAN

RESTATED EFFECTIVE JANUARY 1, 2009

1. History and Purpose : Anixter Inc. (the "Company") established the Anixter Bros., Inc. Excess Benefit Plan effective as of August 1, 1985. The Anixter Bros., Inc. Excess Benefit Plan has been amended from time to time to reflect Company directives and to comply with changes in applicable law, including Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"). This restatement, effective January 1, 2009, consolidates all prior amendments, updates references, makes nonsubstantive changes and renames the Anixter Bros., Inc. Excess Benefit Plan as the Anixter Inc. Excess Benefit Plan (the "Excess Plan"). The purpose of the Excess Plan is to provide the benefits which designated participants in the Anixter Inc. Pension Plan (the "Pension Plan") would have received under the Pension Plan except for the maximum benefit limitations prescribed by the Pension Plan and the Code (the "Benefit Limitations").

2. Eligibility and Participation : An employee shall be a participant in and entitled to benefits under the Excess Plan (a "Participant") if:

   (a) He is a participant in the Pension Plan, and

   (b) He is designated as a Participant in this Excess Plan by the Board of Directors of the Company (the "Board").

3. Amount of Benefit : The amount of the benefit under the Excess Plan shall be the amount by which (a) below exceeds (b) below:

   (a) The amount of the benefit which the Participant (or his surviving spouse or other beneficiary (a "Beneficiary")) would have been entitled to receive under the Pension Plan without regard to the Benefit Limitations set forth in the Pension Plan and contained herein and without regard to the additional benefit described in Supplement 3 to the Pension Plan, if any.

(b) The amount of the benefit which the Participant (or his Beneficiary) is entitled to receive under the Pension Plan.

4. Benefit Payments : Any former Participant who terminated employment with the Company on or before December 31, 2004, was fully vested in the Excess Plan and received no further accruals after that date shall have his benefits payable at the same time and in the same manner and form as the benefits under the Anixter Inc. Pension Plan. Benefit payments to all other Participants shall be made as follows.

(a) Normal Benefit Commencement Date . Unless a Participant has made a timely election under subsection (b) below, the payment of benefits under the Excess Plan will commence on the first day of the month coincident with or next following the date when a Participant no longer performs services for the Company due to: (i) Retirement; (ii) Disability; or (iii) if the Participant has made an election to receive his benefits in the form of a 50% Joint and Survivor Annuity under subsection (c) below, death. Notwithstanding anything herein to the contrary, in the event that a Participant incurs a separation from service prior to obtaining age fifty-five (55), payment of his benefit shall not commence until the later of the first day of the month coincident with or next following the date that such Participant attains age sixty-five (65), or such other later date as provided herein.

(b) Optional Benefit Commencement Date . A Participant may elect to delay the normal benefit commencement date specified in subsection (a) above to commence on the first day of any month after he no longer performs services for the Company due to an event described in subsections (a)(i) through (a)(iii) above in accordance with this subsection (b). If eligible to make an election under this subsection (b), a Participant may elect to delay commencement of benefits to any permissible date up to his Normal Retirement Date, and such Participant's monthly benefit amount as of such commencement date shall be adjusted so as to be Actuarially Equivalent to a Life Annuity (or Joint and Survivor Annuity, if so

elected) commencing on his Normal Retirement Date. To be effective, any such election of an optional benefit commencement date must meet all of the following requirements: (i) the election must be made not less than twelve (12) months prior to the date benefits would have otherwise commenced; (ii) unless a payment relates to Disability or death, the election must be made before the Participant attains age sixty (60), and commencement of benefit payments must be deferred for a period of no less than five (5) years from the date the benefit payments would otherwise have commenced; and (iii) the election shall not take effect until at least twelve (12) months after the date on which such election is made.

(c) Form of Payment . The normal form of payment of benefits under the Excess Plan will be a Life Annuity. Notwithstanding the foregoing, a Participant may choose to receive his benefits under the Excess Plan in the form of a 50% Joint and Survivor Annuity for the life of the Participant and any Beneficiary, rather than in the form of a Life Annuity. If the Participant designates a Beneficiary which is not an individual, the Beneficiary shall be deemed to have the same life expectancy as the Participant. In such event, the monthly Joint and Survivor Annuity benefits shall be adjusted so as to be Actuarially Equivalent to the Participant's monthly Life Annuity benefit, and the amount of the survivor annuity shall be fifty percent (50%) of the Participant's monthly Joint and Survivor Annuity benefit payable to the Participant.

(d) Cash Out of Small Amounts . Notwithstanding the request of a Participant or Beneficiary, if the present value of a Participant's benefit as of his commencement date is calculated to be less than the applicable dollar amount for elective deferrals under Code Section 402 (g)(1)(B) then in effect (as adjusted for cost-of-living increases under Code Section 402(g)(4)), the Company shall distribute the Participant's benefit in a lump sum to the Participant or Beneficiary as soon as practicable on or after such Participant's commencement date.

(e) Delay in Commencement for Specified Employees. Notwithstanding anything in this Section 4 to the contrary, if a Participant is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code as of the date he no longer performs services for the Company due to an event specified in subsections (a)(i) through (a)(iii) above, no benefit shall be paid from the Excess Plan sooner than the first day of the month that is at least six (6) months after such date. In such event, the benefit shall be determined as if payments had commenced as originally provided herein, and the first payment to the Participant shall include an amount equal to the sum of periodic payments which would have been paid to such Participant but for the six (6) month delay required by Section 409A(a)(2)(B)(9) of the Code.

(f) Definitions . The following definitions apply to terms used in this Section 4:

(i) "Actuarially Equivalent" has the meaning ascribed in Section 1.01 of the Pension Plan.

(ii) "Disability" means the Participant is: (A) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months; (B) by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Company; or (C) determined to be totally disabled by the Social Security Administration or the Railroad Retirement Board.

(iii) "Joint and Survivor Annuity" means a monthly annuity that is paid to the retired Participant with a survivor annuity paid during the life of the surviving spouse or nonspouse beneficiary after the Participant's death.

(iv) "Life Annuity" means a monthly annuity that is paid to the retired Participant for as long as he lives and which does not provide for any payments to a Beneficiary following the Participant's death.

(v) "Normal Retirement Date" means the first day of the month coincident with or next following a Participant's sixty-fifth (65 th) birthday.

(vi) "Retirement" means a Participant's "separation from service" as defined in Treas. Reg. Section 1.409A-1(h)(1)(i) which occurs on or after his attainment of age fifty-five (55).

5. Funding : The benefits under the Excess Plan shall be paid from the general assets of the Company. The Company shall not be required to segregate any assets to be used for payment of benefits under the Excess Plan.

6. General Provisions :

(a) Employment Rights . The Excess Plan does not constitute a contract of employment and participation in the Excess Plan will not give any employee the right to be retained in the employ of the Company, nor any right or claim to a benefit under the Excess Plan unless specifically provided by the Excess Plan.

(b) Interests Not Transferable . The interests of persons entitled to benefits under the Excess Plan are not subject to their debts or other obligations and, except as may be required by the tax withholding provision of the Code, or any state's income tax act or pursuant to compliance with a qualified domestic relations order pursuant to the Employee Retirement Income Security Act of 1974, as amended, may not be voluntarily or involuntarily transferred, assigned, alienated or encumbered.

(c) Controlling Law . The internal laws of Illinois excepting any conflicts of law provisions shall be controlling in all matters relating to the Excess Plan except to the extent superseded by the laws of the United States.

(d) Gender and Number . Where the context admits, words in the masculine gender shall include the feminine and neuter genders, the singular shall include the plural and the plural shall include the singular.

(e) Action by Company . Any action required or permitted by the Company under the Excess Plan shall be by resolution of its Board or any persons authorized by resolution of its Board.

(f) Interpretation . This Excess Plan shall be administered and interpreted by the Board in its discretion, and all Participants shall be bound by the decision of the Board, which shall be final and conclusive.

7. Committee Administration .

(a) In General . The Excess Plan shall be administered by the Anixter Inc. Employee Benefits Administrative Committee or any successor thereto (the "Committee"), which shall have the sole authority to construe and interpret the terms and provisions of the Excess 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 Excess 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. 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. The determination of the Committee as to any disputed questions arising under this Excess 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. 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 Excess Plan.

(b) 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 Excess 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 Excess 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 sixty (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 sixty (60) days, plus an extension for an additional sixty (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 Excess Plan. No claimant may bring any action challenging a decision of the Committee at any time

more than one year after the final written decision of the Committee is rendered.

(c) 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 it (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 Excess Plan (or any related trust agreement), including expenses reasonably incurred in the defense of any claim relating thereto

8. Amendment or Termination : The Company may amend or terminate the Excess Plan at any time, except that, without the consent of any Participant in the Excess Plan, no such amendment or termination shall reduce his right to receive any benefit accrued hereunder prior to the date of such amendment or termination.

IN WITNESS WHEREOF, the Company has caused this restatement of the Anixter Inc. Excess Benefit Plan to be executed by its duly authorized officer as of this 23rd day of February , 2009 to be effective as of January 1, 2009.

Anixter Inc.

By: /s/ Bradd Easton

Title: Associate General Counsel

EXHIBIT 10.14

ANIXTER INC.

DEFERRED COMPENSATION PLAN

2005 RESTATEMENT

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ANIXTER INC.

DEFERRED COMPENSATION PLAN

2005 RESTATEMENT

ARTICLE I—PURPOSE; EFFECTIVE DATE

1.1 Purpose

Anixter Inc. (the “Company”) adopts this Deferred Compensation Plan (the “Plan”) to provide, in a tax-efficient manner, supplemental funds for retirement or death for certain employees of the Company and Participating Employers. It is intended that the Plan will aid in attracting and retaining employees of exceptional ability by providing them with this benefit.

The purpose of this restatement is to bring the Plan into compliance with Code Section 409A.

1.2 Effective Date

The Plan, effective as of January 1, 1995, was amended and restated effective January 1, 1999 and is amended and restated as of January 1, 2005.

ARTICLE II—DEFINITIONS

Whenever used in this document, the following terms shall have the meanings indicated, unless a contrary or different meaning is expressly provided:

2.1 Account

“Account” means the record or records maintained by a Participating Employer for each Participant in accordance with Article IV with respect to any deferral of Compensation pursuant to this Plan.

2.2 Affiliate

“Affiliate” means with respect to any Person, any entity controlled by, under the control of, under common control with such Person within the meaning of the Securities Exchange Act of 1934.

2.3 Beneficiary

“Beneficiary” means the Person entitled under Article VII to receive any Plan benefits payable after a Participant’s death.

2.4 Board

“Board” means the Board of Directors of the Company.

2.5 Bonus

"Bonus" means the remuneration earned by a Participant for the performance of services for a Participating Employer during a Deferral Period, including amounts thereof deferred under an agreement entered into pursuant to either Code Section 125 or Code Section 401(k), regular performance bonus amounts (including commissions), but excluding base and overtime pay, car allowances, cost of living allowances, other extraordinary payments and any amounts received under a stock option, phantom stock option or similar long-term incentive plan.

2.6 Code

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and all regulations and other guidance promulgated thereunder.

2.7 Committee

"Committee" means the Anixter Inc. Employee Benefits Administrative Committee which is appointed by the Board to administer the Plan pursuant to Article VIII.

2.8 Company

"Company" means Anixter Inc., a Delaware corporation, and its successors and assigns.

2.9 Compensation

"Compensation" means the Salary and Bonuses payable by a Participating Employer to the Participant for the performance of services, determined before reduction for amounts deferred under this Plan.

2.10 Deferral Commitment

"Deferral Commitment" means an election to defer Compensation and the corresponding distribution election, made by a Participant pursuant to Articles III, V and VI, and for which a Participation Agreement has been submitted by the Participant to the Committee.

2.11 Deferral Period

"Deferral Period" means the calendar year in which Compensation is earned by a Participant.

2.12 Determination Date

"Determination Date" means the last day of each calendar month.

2.13 Disability

With respect to Accounts that are accrued and vested as of December 31, 2004, including Earnings thereon after such date, "Disability" and/or "Disabled" means a physical or mental condition which, in the opinion of the Committee, prevents the Participant from satisfactorily performing the Participant's usual duties for a Participating Employer. The Committee shall determine the existence of the Disability

and may rely on advice from a medical examiner, medical reports, and other evidence satisfactory to the Committee in making the determination.

With respect to Accounts accrued or vested after December 31, 2004, including Earnings thereon after that date, “Disability” and/or “Disabled” means the Participant is:

(a) Unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months; or

(b) By reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Participating Employer; or

(c) Determined to be totally disabled by the Social Security Administration or the Railroad Retirement Board.

2.14 Earnings

“Earnings” means the amount of growth that is credited to an Account on each Determination Date in a calendar year based on the Earnings Rate. Earnings shall be calculated as set forth in Appendix A.

2.15 Earnings Rate

“Earnings Rate” means a rate equal to the nominal annual yield of the average of the ten (10) year Treasury Note yield for the three (3) months of the previous quarter, as published by the Federal Reserve Board (or any substantially similar index selected by the Board), times one hundred forty percent (140%).

2.16 ERISA

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

2.17 Financial Hardship

“Financial Hardship” means a severe financial hardship to the Participant or the Beneficiary resulting from a sudden and unexpected illness or accident of the Participant or Beneficiary, the Participant’s or Beneficiary’s spouse, or of a dependent of the Participant or Beneficiary, loss of the Participant’s or Beneficiary’s property due to casualty, or other extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or Beneficiary. Financial Hardship shall be determined by the Committee on the basis of information supplied by the Participant or Beneficiary in accordance with the standards set forth by the Committee.

2.18 Key Employee

“Key Employee” means a “specified employee” as defined in Code Section 409A(a)(2)(B)(i).

2.19 Parent

“Parent” means Anixter International Inc., a Delaware corporation, and its successors and assigns.

2.20 Parent Board

“Parent Board” means the Board of Directors of the Parent.

2.21 Participant

“Participant” means an eligible employee under Article III who has elected to defer Compensation for a Deferral Period under this Plan and who has not yet received full benefits hereunder.

2.22 Participating Employer

“Participating Employer” means the Company and any subsidiary or Affiliate of the Company designated by the Board as a Participating Employer under the Plan, as long as such designation has become effective and continues in effect. The designation as a Participating Employer shall become effective only upon the acceptance of such designation and the formal adoption of the Plan by a Participating Employer. A Participating Employer may revoke its acceptance of designation as a Participating Employer at any time, but until it makes such revocation, all of the provisions of this Plan and any amendments thereto shall apply to the Participants and Beneficiaries of the Participating Employer.

2.23 Participation Agreement

“Participation Agreement” means the agreement, whether in writing or electronically transmitted, submitted by a Participant to the Committee pursuant to Article III prior to the beginning of a Deferral Period for which a Deferral Commitment is made.

2.24 Performance-Based Enhancement

“Performance-Based Enhancement” means up to two (2) percentage points per year in additional Earnings if the Company attains certain quarterly performance goals, which goals and the amount of additional Earnings to be credited for the achievement thereof, shall be established by the Board from time to time and credited at the end of each calendar quarter. A Participant must be employed by a Participating Employer for at least one-half of the quarter to be eligible to receive a Performance-Based Enhancement for that quarter. Performance-Based Enhancement shall be calculated as set forth in Appendix A.

2.25 Person

“Person” means any individual or any trust, corporation, partnership, limited liability company, limited liability partnership, or other entity.

2.26 Plan

“Plan” means this Anixter Inc. Deferred Compensation Plan as amended from time to time.

2.27 Qualified 401(k) Plan

"Qualified 401(k) Plan" means the Anixter Inc. Employee Savings Plan, or any successor defined contribution plan maintained by the Company that qualifies under Code Section 401(a).

2.28 Retirement

"Retirement" means a Participant's Separation from Service on or after the Participant's attainment of age fifty-five (55).

2.29 Salary

"Salary" means the base remuneration and overtime earned by a Participant for the performance of services for a Participating Employer during a Deferral Period, including amounts thereof deferred under an agreement entered into pursuant to Code Section 125 or Code Section 401(k), but excluding regular performance bonus amounts (including commissions), car allowances, cost of living allowances, other extraordinary payments and any amounts received under a stock option, phantom stock option or similar long-term incentive plan.

2.30 Settlement Date

"Settlement Date" means the first day of a month in which a lump-sum payment and/or the first of a series of installment payments is made.

2.31 Separation from Service

"Separation from Service" means the Participant's "termination of employment" with all Participating Employers and any affiliated or subsidiary entity of such Participating Employers that is considered to be part of a controlled group with the Company pursuant to Code Section 414(b) or (c), except that in applying Code Section 1563 "fifty percent" shall be substituted for "eighty percent" (herein referred to as the "controlled group"). Whether a "termination of employment" has occurred is determined based on whether the facts and circumstances indicate that the Participating Employer and the Participant reasonably anticipate that no further services will be performed for any member of the controlled group after a certain date or that the level of bona fide services the Participant will perform after such date (whether as an employee or as an independent contractor) will permanently decrease to no more than twenty percent (20%) of the average level of bona fide services performed (whether as an employee or independent contractor) over the immediately preceding thirty-six (36) months (or the full period of services to all members of the controlled group if the Participant has been providing services to the Participating Employer for less than thirty-six (36) months).

2.32 Valuation Date

"Valuation Date" means the last day of the month in which a Participant no longer performs services for a Participating Employer due to Retirement, Disability, Separation from Service or death.

ARTICLE III—ELIGIBILITY AND DEFERRAL COMMITMENTS

3.1 Eligibility and Participation

(a) **Eligibility.** All employees designated by a Participating Employer as eligible employees and approved by the Board shall be entitled to participate in the Plan.

(b) **Participation.** An eligible employee may elect to participate in the Plan with respect to any Deferral Period by submitting a Participation Agreement to the Committee by the last day of the taxable year immediately preceding the Deferral Period for which the Deferral Commitment is made.

(c) **Part-Year Participation.** If an employee first becomes eligible to participate after the commencement of a Deferral Period, a Participation Agreement may be submitted to the Committee within thirty (30) days following the date he becomes eligible to participate in the Plan. The Participation Agreement shall be effective only with regard to Compensation earned following such submission.

3.2 Deferral Commitment

(a) **Election by Participant.** A Participant may make a Deferral Commitment of a certain percentage, not to exceed fifty percent (50%), of Salary and/or a certain percentage, not to exceed one hundred percent (100%), of any Bonus earned during a Deferral Period. An election may also be stated as a specified dollar amount. Notwithstanding any provision to the contrary contained in this Plan or in any Participation Agreement, no Deferral Commitment shall operate to reduce any amount payable to the Company under any arrangement providing for or which would permit such amounts to be withheld from Salary or Bonuses otherwise due to a Participant provided, however, that such reduction or offset for amounts not grandfathered shall not exceed $5,000, and shall be made at the same time and in the same amount as the debt would have otherwise been due and collected from the Participant.

(b) **Minimum Deferral Election.** The minimum Deferral Commitment with respect to Salary or Bonus shall be two thousand four hundred dollars ($2,400) if the Participant elects a stated dollar amount, or three percent (3%) if a percent of Salary and/or Bonus is elected, per Deferral Period. These minimums apply separately to each of the Salary and Bonus elections.

(c) **Termination of Deferral Commitment.** Upon a Participant’s Separation from Service, all Deferral Commitments for the current Deferral Period shall be null and void and no further Compensation shall be credited to the Participant’s Account.

3.3 Modification of Deferral Commitment

A Deferral Commitment shall be irrevocable except that a Participant’s Deferral Commitment may be cancelled by the Committee, in its sole discretion, only in the event a Participant suffers a Financial Hardship. The Participant shall not be eligible to make another Deferral Commitment until the Deferral Period that commences at least twelve (12) months after the date the Deferral Commitment is modified.

ARTICLE IV—DEFERRED COMPENSATION ACCOUNTS

4.1 Accounts

For record-keeping purposes only, the Participating Employer shall maintain an Account for each Participant who makes a Deferral Commitment in any Deferral Period. Amounts credited in each Deferral Period shall be maintained in separate accounts. The combined values of the separate accounts for each Participant shall constitute an Account.

4.2 Matching Contribution

If a Participant defers into the Qualified 401(k) Plan the maximum elective percentage that the Participating Employer matches under Code Section 401(m) in each payroll period during a Deferral Period and is employed by any Participating Employer on December 31 of such Deferral Period, the Participating Employer shall credit a matching contribution as of the January 1 following such Deferral Period to the Participant's Account equal to any matching contribution which would have been credited to the Participant's Qualified 401(k) Plan but for the Participant's participation in this Plan.

4.3 Determination of Accounts

Each Account shall be adjusted as of each Determination Date and shall consist of:

(a) The balance of the Account as of the immediately preceding Determination Date;

(b) Any Compensation credited to the Account since the immediately preceding Determination Date. Compensation shall be credited to the Account as of the date it would otherwise have been paid but for the Deferral Commitment;

(c) Any Performance-Based Enhancement not previously credited;

(d) Earnings creditable since the immediately preceding Determination Date;

(e) Matching Contributions not previously credited;

(f) Less any distributions from the Account since the immediately preceding Determination Date.

4.4 Vesting of Accounts

Each Participant shall be one hundred percent (100%) vested at all times in all amounts credited to the Participant's Account and all Earnings thereon.

4.5 Tax Withholding

Any withholding of taxes or other amounts with respect to deferred Compensation that is required by state, federal, or local law shall be withheld from the Participant's corresponding nondeferred Compensation to the maximum extent possible and any remaining amount required to be withheld shall reduce the amount credited to the Participant's Account.

4.6 Statement of Account

A statement shall be issued on a quarterly basis by the Participating Employer to each Participant setting forth the Participant's Account balance under the Plan as of the immediately preceding Determination Date.

ARTICLE V—PLAN BENEFITS

5.1 Payments to Key Employees

(a) **Accounts Affected.** This paragraph 5.1 shall only apply to Account balances accrued or vested after December 31, 2004, including Earnings thereon after that date.

(b) **Six-Month Delay.** Notwithstanding anything herein to the contrary, if, on a Participant's date of Separation from Service not due to death or Disability, such Participant is a Key Employee, no benefit shall be paid from this Plan sooner than the first day of the month that is at least six (6) months after the Participant's date of Separation from Service.

(c) **Installment Payments.** If a Key Employee's benefits are to be paid in a series of monthly installments, the benefit shall be determined as if payments commenced as originally provided under the Plan and the first payment to the Participant shall include an amount equal to the sum of the periodic payments which would have been paid to such Participant but for the six (6) month delay required by Code Section 409A(a)(2)(B)(i).

5.2 Retirement Benefit

(a) **Benefit Amount.** Upon Retirement, the Participating Employer shall pay to the Participant a benefit equal to the balance in the Participant's Account as of the Valuation Date. After the Valuation Date, Earnings shall continue to accrue on the Participant's Account at the Earnings Rate until all payments have been made under this Section 5.2.

(b) **Commencement.** The Settlement Date shall be no more than sixty-five (65) days after the Valuation Date, or in the case of a Participant subject to Section 5.1, no more than sixty-five (65) days after the first (1 st) day of the seventh (7 th) month following Separation from Service.

(c) **Form of Payment.** Subject to subsection (f) herein and Section 5.6, the Retirement benefit attributable to a Deferral Commitment shall be paid in one (1) of the following forms as elected by the Participant:

(i) A lump-sum payment;

(ii) With respect to Account balances accrued and vested as of December 31, 2004, including Earnings thereon after such date, in monthly installments not to exceed one hundred twenty (120), and with respect to Account balances accrued or vested after December 31, 2004, including Earnings thereon after that date, in monthly installments not to exceed one hundred eighty (180); or

(iii) A combination of (i) and (ii) above.

If no election is made by the Participant, the benefit shall be paid in a lump sum.

(d) **Change in Form of Payment.** Notwithstanding (c) above, a Participant may elect to change the form of payment for any one (1) or more Deferral Periods by filing a new election form with the Committee. The new election shall supersede the prior form of payment designation provided:

(i) With respect to Account balances accrued and vested as of December 31, 2004, including Earnings thereon after such date, it is filed with the Committee at least two (2) calendar years prior to the year of Retirement; and

(ii) With respect to Account balances accrued or vested after December 31, 2004, including Earnings thereon after that date, it is filed with the Committee at least twelve (12) months prior to the date any amounts are to be distributed, the time or schedule of any payment is not accelerated except in accordance with Code Section 409A(a)(3), and the payment of such balances does not occur or commence until a date that is at least five (5) years later than the date the payment(s) would otherwise have been made or begun. If a Participant elects to change the form of Retirement payment for any one (1) or more Deferral Periods, any distribution due as a result of Separation from Service for any reason other than Disability or death shall not commence until a date that is at least five (5) years later than the date the payment(s) would otherwise have been made or begun for the applicable Account balances affected by such change.

(e) **Installments.** If payments are made in monthly installments, the amount of the installments shall be redetermined each January 1 based upon the remaining Account balance, the remaining number of installments and the Earnings Rate.

The entitlement to a series of installment payments shall be deemed an entitlement to a single payment.

(f) **Small Accounts.** Solely with respect to Account balances accrued and vested as of December 31, 2004, including Earnings thereon after such date, on the Valuation Date, if the Participant's Account balance is less than the Participant's Salary rate in effect at the Participant's Retirement, the benefit may, at the Participating Employer's option, be paid in a lump sum as soon as administratively feasible but not more than ninety (90) days after the date of Retirement.

5.3 Disability Benefit

(a) **Benefit Amount.** If a Participant is determined to be Disabled, the Participating Employer shall pay to the Participant a benefit equal to the balance in the Participant's Account as of the Valuation Date. After the Valuation Date, Earnings shall continue to accrue on the Participant's Account until all payments have been made under this Section 5.3, but shall be determined based on the Earnings Rate without the one hundred forty percent (140%) multiplier, except that a Participant who is employed for at least one-half of the month in which Disability occurs shall receive the one hundred forty percent (140%) multiplier on the Earnings Rate to the end of such month.

(b) **Commencement of Benefits:**

(i) The Settlement Date shall be no more than sixty-five (65) days after the Valuation Date unless the Participant has elected a later Settlement Date pursuant to subparagraph (ii) herein.

(ii) Notwithstanding subparagraph (i) above, a Participant may elect to defer receipt of his benefits under this Section 5.3 by specifying an alternate Settlement Date in an election form filed with the Committee.

(iii) In no event shall the Settlement Date be later than the last to occur of:

(A) Attainment of age fifty-five (55); or

(B) Within sixty-five (65) days of the Participant's Disability.

(c) **Form of Payment.** A Participant may elect to have his Account balance paid in any manner described in Section 5.2(c) of the Plan. If the Participant does not make an election, the benefit shall be paid in a single lump sum. A Participant may elect to receive Account balances accrued or vested after December 31, 2004, including Earnings thereon after that date, in a manner that is different from his election with respect to Account balances that were accrued and vested as of December 31, 2004, including Earnings thereon after such date.

(d) **Change in Form and Time of Payment.** Notwithstanding (c) above, a Participant may elect to change the form and time of payment by filing a new election form with the Committee. The new election shall supersede the Participant's prior elections, provided:

(i) With respect to Account balances accrued and vested as of December 31, 2004, including Earnings thereon after such date, it is filed with the Committee at least two (2) calendar years prior to the year any amounts are to be distributed, and

(ii) With respect to Account balances accrued or vested after December 31, 2004, including Earnings thereon after that date, it is filed with the Committee at least twelve (12) months prior to the date any amounts are to be distributed and the time or schedule of any payment is not accelerated except in accordance with Code Section 409A(a)(3).

(e) **Installments.** If payments are made in monthly installments, the amount of the installments shall be redetermined each January 1 based upon the remaining Account balance, the remaining number of installments and the Earnings Rate, without the one hundred forty percent (140%) multiplier.

The entitlement to a series of installment payments shall be deemed an entitlement to a single payment.

5.4 Separation from Service Prior to Retirement Benefit

(a) **Benefit Amount.** If a Participant has a Separation from Service (voluntarily or involuntarily) for any reason other than Retirement, Disability or death, the Participating Employer shall pay to the Participant a benefit equal to the balance in the Participant's Account as of the Valuation Date pursuant to this Section 5.4. After the Valuation Date, Earnings shall continue to accrue on the Participant's Account until all payments have been made under this Section 5.4,

based on the Earnings Rate without the one hundred forty percent (140%) multiplier, except that a Participant who is employed for at least one-half of the month in which Separation from Service occurs shall receive the one hundred forty percent (140%) multiplier on the Earnings Rate to the end of such month.

(b) **Commencement.**

(i) Solely with respect to Account balances accrued and vested as of December 31, 2004, including Earnings thereon after such date, unless the Participant elects a later date by filing a new election form with the Committee, the Settlement Date shall be the first day in January of the calendar year two (2) years following the year of Separation from Service. However, no benefit shall be paid with respect to a Deferral Period until the fifth anniversary of the commencement of the year in which the Deferral Period amount is credited to such Participant's Account. Such election form shall be filed with the Committee at least two (2) calendar years prior to the year any amounts are to be distributed.

(ii) With respect to Account balances accrued or vested after December 31, 2004, including Earnings thereon after that date, the Settlement Date shall be the first day in January of the calendar year two (2) years following the year of Separation from Service. However, no benefit shall be paid with respect to a Deferral Period until the fifth anniversary of the commencement of the year in which the Deferral Period amount is credited to such Participant's Account. If a Participant elects to change the form of Retirement payment for any one (1) or more Deferral Periods, any distribution due as a result of Separation from Service for any reason other than Disability or death shall not commence until a date that is at least five (5) years later than the date the payment(s) would otherwise have been made or begun for the applicable Account balances affected by such change.

(c) **Form of Payment.** The benefit payable under this Section 5.4 shall be paid in a lump sum.

(d) **Change in Time of Payment**

(i) Solely with respect to Account balances accrued and vested as of December 31, 2004, including Earnings thereon after such date, a Participant may elect to defer receipt of his benefits for any one (1) or more Deferral Periods under this Section 5.4 by specifying an alternate Settlement Date on a new election form filed with the Committee. A Participant may further elect to change the alternate Settlement Date, and such election shall supersede the Participant's most recent prior election provided it is filed with the Committee at least two (2) calendar years prior to the year any amounts are to be distributed. The Settlement Date shall not be later than the first day of the month following the Participant's attainment of age fifty-five (55), unless the requirements of subsection (b) above have not been met as of this date.

5.5 Death Benefit

(a) Solely with respect to Account balances accrued and vested as of December 31, 2004, including Earnings thereon after such date, the following provisions shall apply:

(i) **Preretirement.** If a Participant has a Separation from Service due to death, or if a Participant dies following the Participant's Separation from Service but prior to receiving all of the amounts payable under this Plan, the Participating Employer shall pay to the Beneficiary a benefit equal to the balance in the Participant's Account as of the Valuation Date. After the Valuation Date, Earnings shall continue to accrue at the Earnings Rate in effect at the date of Separation from Service to the Settlement Date. The benefit shall be paid in a single lump sum within sixty-five (65) days after the Valuation Date.

(ii) **Postretirement.** If a Participant dies following his Retirement, but prior to receiving all amounts payable under this Plan, the Participating Employer shall continue to pay benefits to the Beneficiary in the form previously elected by the Participant for Retirement benefits. Earnings shall continue to accrue at the Earnings Rate in effect at the date of Separation from Service until all payments have been made under this Section 5.5. If payments are made in monthly installments, the amount of the installments shall be redetermined each January 1 based upon the remaining Account balance, the remaining number of installments and the Earnings Rate.

(b) Solely with respect to Account balances accrued or vested after December 31, 2004, including Earnings thereon after that date, the following provisions shall apply:

(i) Death prior to age 55. If a Participant dies prior to attaining age fifty-five (55), the Participating Employer shall pay to the Beneficiary the Participant's Account balance in a lump sum within sixty-five (65) days after the Valuation Date. Earnings shall continue to accrue at the Earnings Rate in effect at the date of Separation from Service to the Settlement Date.

(ii) Death on or after age 55. If a Participant dies on or after attaining age fifty-five (55), the Participating Employer shall pay to the Beneficiary the Participant's Account balance in the form previously elected by the Participant for payments upon Retirement. Earnings shall continue to accrue at the Earnings Rate in effect at the date of Separation from service until all payments have been made under this Section 5.5. If payments are made in monthly installments, the amount of the installments shall be redetermined each January 1 based upon the remaining Account balance, the remaining number of installments and the Earnings Rate.

5.6 Accounts of $5,000 or Less

(a) Notwithstanding anything herein to the contrary and provided the Participant is not a Key Employee, if the lump-sum amount of the Account balance on the Valuation Date is five thousand dollars ($5,000) or less, the Committee shall direct that payment of any benefit be made as soon as is administratively feasible but not more than ninety (90) days after the date of Retirement, Separation from Service, death or Disability; and in the form of a lump-sum payment to the Participant. If the Participant is a Key Employee, payment of the benefit shall be made as soon as allowable under Code Section 409A(a)(2)(B)(i).

(b) Any payment under this Section 5.6 of Account balances accrued or vested after December 31, 2004, including Earnings thereon after that date, must result in the termination and liquidation of the entirety of the Participant's interest under the Plan, including all agreements, methods, programs, or other arrangements with respect to which deferrals of compensation are

treated as having been deferred under a single nonqualified deferred compensation plan under Code Section 409A.

5.7 Withholding on Benefit Payments

The Participating Employer shall withhold from payments made hereunder any taxes required to be withheld from such payments under federal, state or local law.

5.8 Payment to Guardian

If a Plan benefit is payable to a minor or a person declared incompetent or to a person incapable of handling the disposition of property, the Committee may direct payment of such Plan benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or person. The Committee may require proof of incompetency, minority, incapacity or guardianship as it may deem appropriate prior to distribution of the Plan benefit. Such distribution shall completely discharge the Committee and the Participating Employer from all liability with respect to such benefit.

ARTICLE VI—OTHER DISTRIBUTIONS

6.1 Early Withdrawals

A Participant may elect to have all or a portion of his Account distributed before Retirement, Separation from Service, death or Disability as follows:

(a) **Early Withdrawal Election.** A Participant may elect in a Participation Agreement to withdraw all or any portion of the amount deferred with respect to a Deferral Period plus Earnings thereon as of a date specified in the election. Such date shall not be sooner than the fifth anniversary of the commencement of the year in which the Deferral Period amount is credited to such Participant's Account and shall be the first day of the month.

(b) **Form of Payment.** Early withdrawals shall be paid in a lump sum and shall be charged to the Participant's Account as a distribution.

(c) **Change to Early Withdrawal Election.** A Participant who has made an Early Withdrawal Election pursuant to (a) above, may file a new election form with the Committee, specifying a new date on which to receive such Early Withdrawal, or to cancel an existing Early Withdrawal Election. In addition, solely with respect to Account balances accrued and vested as of December 31, 2004, including Earnings thereon after such date, a Participant who did not make an Early Withdrawal Election on a Participation Agreement may subsequently make such an election subject to the requirements herein.

Any election made pursuant to this paragraph (c) shall supersede any prior election provided:

(i) With respect to Account balances accrued and vested as of December 31, 2004, including Earnings thereon after such date, it is filed with the Committee at least two (2) calendar years prior to the year any amounts are to be distributed; and

(ii) With respect to Account balances accrued or vested after December 31, 2004, including Earnings thereon after that date, it is filed with the Committee at least twelve (12) months prior to the date any amount is currently scheduled to be distributed and the new specified date of withdrawal is at least five (5) years later than the date the amount would have been distributed absent the new election.

(d) If a Participant has a Separation from Service, dies or becomes Disabled prior to the designated Early Withdrawal date, the Participating Employer shall disregard such Early Withdrawal date and pay the Participant or the Beneficiary the benefit due pursuant to Article V.

6.2 Financial Hardship Distributions

Notwithstanding any other provision of the Plan, payment from the Participant's Account may be made to the Participant or the Beneficiary, in the sole discretion of the Committee, by reason of Financial Hardship. Such payment shall not exceed the amount necessary to satisfy such emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's or Beneficiary's assets, to the extent such liquidation would not itself cause severe financial hardship. If such a distribution is made, the Participant's Deferral Commitment for the Deferral Period in which the distribution is made shall be void and such Participant shall not be eligible to make another Deferral Commitment until the Deferral Period that commences at least twelve (12) months after such distribution. The Settlement Date shall be no later than sixty-five (65) days after the date the Financial Hardship is approved. Earnings on the amount to be distributed shall continue to accrue at the Earnings Rate in effect at the time such Financial Hardship is claimed to the Settlement Date.

6.3 Accelerated Distribution

Solely with respect to Account balances accrued and vested as of December 31, 2004, including Earnings thereon after such date, and notwithstanding any other provision of the Plan, a Participant may request an accelerated distribution as follows:

(a) A Participant, at any time, shall be entitled to receive, upon written request to the Committee, a lump-sum distribution equal to ninety percent (90%) of the Account balance as of the Determination Date immediately preceding the date on which the Committee receives notice pursuant to Section 11.10. The remaining balance of ten percent (10%) shall be forfeited by the Participant. A Participant who receives a distribution under this section shall not be eligible to make another Deferral Commitment until the Deferral Period that commences at least twelve (12) months after such distribution. The current Deferral Commitment, if any, is irrevocable.

(b) The amount payable under this section shall be paid in a lump sum within sixty-five (65) days following the Committee's receipt of notice by the Participant. Following the death of a Participant, the Beneficiary may, at any time, request an accelerated distribution under this section.

ARTICLE VII—BENEFICIARY DESIGNATION

7.1 Beneficiary Designation

Each Participant shall have the right, at any time, to designate a Beneficiary (both primary as well as contingent) to whom benefits under this Plan shall be paid in the event of a Participant's death prior to complete distribution to the Participant of the benefits due under the Plan. Each Beneficiary designation shall be in a written form prescribed by the Committee and will be effective only when filed with the Committee during the Participant's lifetime.

7.2 Changing Beneficiary

Any Beneficiary designation may be changed by a Participant without the consent of the previously named Beneficiary, by the filing of a new designation with the Committee. The filing of a new Beneficiary designation shall cancel all designations previously filed.

7.3 No Beneficiary Designation

If any Participant fails to designate a Beneficiary in the manner provided above, if the designation is void, or if the Beneficiary designated by a deceased Participant dies before the Participant or before complete distribution of the Participant's benefits, the Participant's Beneficiary shall be the Person in the first of the following classes in which there is a survivor:

(a) The Participant's surviving spouse;

(b) The Participant's children in equal shares, except that if any of the children predeceases the Participant but leave issue surviving, then such issue shall take by right of representation the share the parent would have taken if living;

(c) The Participant's estate.

7.4 Effect of Payment

Payment to the Beneficiary shall completely discharge the Participating Employer's obligations under this Plan.

ARTICLE VIII—ADMINISTRATION

8.1 Committee; Duties

This Plan shall be administered by the Committee. The Committee shall have such powers and duties as may be necessary to discharge its responsibilities. These powers shall include, but not be limited to, interpreting the Plan provisions; determining amounts due to any Participant, the rights of any Participant or Beneficiary under this Plan and the amounts credited to a Participant's Account and the Earnings thereon; enforcing the right to require any necessary information from any Participant; and any other activities deemed necessary or helpful. Members of the Committee may be Participants under the Plan.

8.2 Agents

The Committee may, from time to time, employ agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with counsel who may be counsel to the Company.

8.3 Binding Effect of Decisions

The decision or action of the Committee with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final, conclusive and binding upon all Persons having any interest in the Plan.

8.4 Indemnity of Committee

To the extent permitted by applicable law, the Participating Employer shall indemnify, hold harmless and defend the members of the Committee against any and all claims, loss, damage, expense or liability arising from any action or failure to act with respect to the Plan on account of such member's service on the Committee.

ARTICLE IX—CLAIMS PROCEDURE

9.1 Claim

Any Person claiming a benefit ("Claimant") under the Plan shall present the request in writing to the Committee.

9.2 Initial Claim Review

If the claim is wholly or partially denied, the Committee will, within a reasonable period of time, and within ninety (90) days of the receipt of such claim, or if the claim is a claim on account of Disability, within forty-five (45) days of the receipt of such claim, provide the Claimant with written notice of the denial setting forth in a manner calculated to be understood by the Claimant:

(a) The specific reason or reasons for which the claim was denied;

(b) Specific reference to pertinent Plan provisions, rules, procedures or protocols upon which the Committee relied to deny the claim;

(c) A description of any additional material or information that the Claimant may file to perfect the claim and an explanation of why this material or information is necessary;

(d) An explanation of the Plan's claims review procedure and the time limits applicable to such procedure and a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse determination upon review; and

(e) In the case of an adverse determination of a claim on account of Disability, the information to the Claimant shall include, to the extent necessary, the information set forth in Department of Labor Regulation Section 2560.503-1(g)(1)(v).

If special circumstances require the extension of the forty-five (45) day or ninety (90) day period described above, the Claimant will be notified before the end of the initial period of the circumstances requiring the extension and the date by which the Committee expects to reach a decision. Any extension for deciding a claim will not be for more than an additional ninety (90) day period, or if the claim is on account of Disability, for not more than two additional thirty (30) day periods.

9.3 Review of Claim

If a claim for benefits is denied, in whole or in part, the Claimant may request to have the claim reviewed. The Claimant will have one hundred eighty (180) days in which to request a review of a claim regarding Disability, and will have sixty (60) days in which to request a review of all other claims. The request must be in writing and delivered to the Committee. If no such review is requested, the initial decision of the Committee will be considered final and binding.

The Committee's decision on review shall be sent to the Claimant in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the Claimant, as well as specific references to the pertinent Plan provisions, rules, procedures or protocols upon which the Committee relied to deny the appeal. The Committee shall consider all information submitted by the Claimant, regardless of whether the information was part of the original claim. The decision shall also include a statement of the Claimant's right to bring an action under Section 502(a) of ERISA.

The Committee's decision on review shall be made not later than sixty (60) days (forty-five (45) days in the case of a claim on account of Disability) after its receipt of the request for review, unless special circumstances require an extension of time for processing, in which case a decision shall be rendered as soon as possible, but not later than one hundred and twenty (120) days (ninety (90) days in the case of a claim on account of Disability) after receipt of the request for review. This notice to the Claimant shall indicate the special circumstances requiring the extension and the date by which the Committee expects to render a decision and will be provided to the Claimant prior to the expiration of the initial forty-five (45) day or sixty (60) day period.

Notwithstanding the foregoing, in the case of a claim on account of Disability: (i) the review of the denied claim shall be conducted by a named fiduciary who is neither the individual who made the benefit determination nor a subordinate of such person; and (ii) no deference shall be given to the initial benefit determination. For issues involving medical judgment, the named fiduciary must consult with an independent health care professional who may not be the health care professional who decided the initial claim.

To the extent permitted by law, the decision of the claims official (if no review is properly requested) or the decision of the review official on review, as the case may be, shall be final and binding on all parties. No legal action for benefits under the Plan shall be brought unless and until the Claimant has exhausted such Claimant's remedies under this Article 9.

ARTICLE X—AMENDMENT AND TERMINATION OF THE PLAN

10.1 Amendment

The Board may, at any time, amend the Plan in whole or in part provided, however, that no amendment shall be effective to decrease or restrict the amount credited to any Account maintained under the Plan as of the date of amendment, nor shall any amendment be effective to decrease the Earnings Rate at which amounts are credited to any Account balance existing as of the date of amendment. Changes in the definition of “Earnings Rate” shall not become effective before the first day of the calendar year which follows the adoption of the amendment and at least thirty (30) days written notice of the amendment has been given to each Participant.

10.2 Participating Employer’s Right to Withdraw

The board of directors of each Participating Employer may at any time withdraw from participating in the Plan if, in its judgment, the tax, accounting, or other effects of continued participation would not be in the best interests of the Participating Employer by instructing the Committee not to accept any additional Deferral Commitments from its Participants. If such a withdrawal occurs, the Plan shall continue to operate and be effective with regard to Deferral Commitments entered into prior to the effective date of such withdrawal.

10.3 Plan Termination

The Board may terminate the Plan and accelerate the time and form of a payment to Participants and Beneficiaries provided the acceleration of the payment is made pursuant to a termination and liquidation of the Plan in accordance with one of the following:

(a) The termination and liquidation of the Plan within twelve (12) months of a corporate dissolution taxed under Code Section 331 with the approval of a bankruptcy court pursuant to 11 U.S.C. § 503(b)(1)(A), provided that the amounts deferred under the Plan are included in the Participants’ gross incomes in the latest of the following years (or, if earlier, the taxable year in which the amount is actually or constructively received):

(i) The calendar year in which the Plan termination and liquidation occurs.

(ii) The first calendar year in which the amount is no longer subject to a substantial risk of forfeiture.

(iii) The first calendar year in which the payment is administratively practicable.

(b) The termination and liquidation of the Plan pursuant to irrevocable action taken by the Board within the thirty (30 days) preceding or the twelve (12) months following a change in control event (as defined in Treas. Reg. Section 1.409A-3(i)(5)(i)), provided that this paragraph will only apply to a payment under a Plan if all agreements, methods, programs, and other arrangements sponsored by the Company or any Participating Employer immediately after the time of the change in control event with respect to which deferrals of compensation are treated as having been deferred under a single plan under Code Section 409A are terminated and liquidated with respect to each Participant that experienced the change in control event, so that under the terms of the termination and liquidation all such Participants are required to receive all amounts of compensation deferred under the terminated agreements, methods, programs, and other arrangements within twelve (12) months of the date the Board or the board of a Participating

Employer irrevocably takes all necessary action to terminate and liquidate the agreements, methods, programs, and other arrangements. Solely for purposes of this paragraph, the applicable Participating Employer with the discretion to liquidate and terminate the agreements, methods, programs, and other arrangements is the Participating Employer that is primarily liable immediately after the transaction for the payment of the deferred compensation.

(c) The termination and liquidation of the Plan, with respect to each Participating Employer, provided that:

(i) The termination and liquidation does not occur proximate to a downturn in the financial health of the Participating Employer, as applicable;

(ii) The Participating Employer and the Company, if applicable, terminates and liquidates all agreements, methods, programs, and other arrangements sponsored by the Participating Employer or Company that would be aggregated with any terminated and liquidated agreements, methods, programs, and other arrangements under Code Section 409A if the same Participant had deferrals of compensation under all of the agreements, methods, programs, and other arrangements that are terminated and liquidated;

(iii) No payments in liquidation of the Plan are made within twelve (12) months of the date the Participating Employer or Company take all necessary action to irrevocably terminate and liquidate the Plan other than payments that would be payable under the terms of the Plan if the action to terminate and liquidate the Plan had not occurred;

(iv) All payments are made within twenty-four (24) months of the date the Participating Employer or Company take all necessary action to irrevocably terminate and liquidate the Plan; and

(v) The Participating Employer or Company do not adopt a new plan that would be aggregated with any terminated and liquidated plan under Code Section 409A if the same Participant participated in both plans, at any time within three (3) years following the date the Participating Employer or Company take all necessary action to irrevocably terminate and liquidate the Plan.

(d) Such other events and conditions as the Commissioner may prescribe in generally applicable guidance published in the Internal Revenue Bulletin.

(e) **Delayed Distribution.** If the termination of the Plan does not meet one of the requirements described in subparagraphs (a), (b), (c), or (d) above, distributions after the termination of the Plan shall occur at the same time and in the same manner as if the Plan had not been terminated.

(f) Participants shall continue to accrue Earnings on their Account to the Settlement Date as if the Plan had not been terminated.

ARTICLE XI—MISCELLANEOUS

11.1 Unfunded Plan

This Plan is intended to be an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of “management or highly-compensated employees” within the meaning of Sections 201, 301, and 401 of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and therefore to be exempt from the provisions of Parts 2, 3 and 4 of Title I of ERISA. Accordingly, the Board may terminate the Plan and no further benefits shall accrue hereunder, or the Board may remove certain employees as Participants, if it is determined by the United States Department of Labor, a court of competent jurisdiction or an opinion of counsel that the Plan constitutes an employee pension benefit plan within the meaning of Section 3(2) of ERISA (as currently in effect or hereafter amended) which is not so exempt. If the Plan is terminated under this Section 11.1, all ongoing Deferral Commitments shall terminate, no additional Deferral Commitments will be accepted by the Committee, and the amount of each Participant’s Account balance shall be distributed to such Participant at such time and in such manner as the Committee, in its sole discretion, determines, subject to Section 10.3(d).

11.2 Unsecured General Creditor

Participants and their Beneficiaries, heirs, successors and assigns shall have no secured legal or equitable rights, interest or claims in any property or assets of a Participating Employer, nor shall they be Beneficiaries of, or have any rights, claims or interests in any life insurance policies, annuity contracts or the proceeds therefrom owned or which may be acquired by a Participating Employer. Except as may be provided in Section 11.3, such policies, annuity contracts or other assets of a Participating Employer shall not be held under any trust for the benefit of the Participants, their Beneficiaries, heirs, successors or assigns, or held in any way as collateral security for the fulfilling of the obligations of a Participating Employer under this Plan. Any and all of a Participating Employer’s assets and policies shall be and remain unrestricted by this Plan. A Participating Employer’s obligation under the Plan shall be that of an unfunded and unsecured promise to pay money in the future.

11.3 Trust Fund

Each Participating Employer shall be responsible for the payment of all benefits provided under the Plan to Participants in its employ. At its discretion, the Participating Employer may establish one (1) or more trusts, with such trustees as the Participating Employer may approve, for the purpose of providing for the payment of such benefits. Although such trust or trusts may be irrevocable, the assets thereof shall be subject to the claims of all the Participating Employer’s creditors in the event of insolvency. To the extent any benefits provided under the Plan are paid from any such trust, the Participating Employer shall have no further obligation to pay such benefits. If not paid from a trust, any benefits provided under the Plan shall remain the obligation of, and shall be paid by, the Participating Employer.

11.4 Nonassignability

Neither a Participant nor any other Person shall have the right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are, hereby expressly declared to be unassignable and nontransferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other Person, nor be transferable by operation of law in the event of a Participant’s or any other Person’s bankruptcy or insolvency.

11.5 Compliance with Internal Revenue Code Section 409A

All provisions in this document shall be interpreted, to the extent possible, to be compliant with Code Section 409A. However, in the event any provision of this Plan is determined to not be in compliance with Code Section 409A and any regulations or other guidance promulgated thereunder, such provision shall be null and void to the extent of such noncompliance.

11.6 Not a Contract of Employment

The terms and conditions of this Plan shall not constitute a contract of employment between the Participating Employer and the Participant, and the Participant (or the Participant's Beneficiary) shall have no rights against the Participating Employer except as may otherwise be specifically provided herein. Nothing in this Plan shall be deemed to give a Participant the right to be retained in the service of a Participating Employer or to interfere with the absolute and unrestricted right of a Participating Employer to discipline or discharge a Participant at any time.

11.7 Protective Provisions

A Participant will cooperate with the Participating Employer by furnishing any and all information requested by the Participating Employer in order to facilitate the payment of benefits hereunder, by taking such physical examinations as the Participating Employer may deem necessary and by taking such other actions as may be requested by such Participating Employer.

11.8 Governing Law

The provisions of this Plan shall be construed and interpreted according to the laws of the State of Illinois, without reference to its conflicts of laws provisions, except as preempted by federal law.

11.9 Validity

If any provision of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but this Plan shall be construed and enforced as if such illegal and invalid provisions had never been inserted herein.

11.10 Notice

Any notice or filing required or permitted under the Plan shall be sufficient if in writing and hand delivered, or sent by registered or certified mail, to any member of the Committee. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Mailed notice to the Committee shall be directed to the Company's corporate headquarters address. Mailed notice to a Participant or Beneficiary shall be directed to the individual's last known address in the Participating Employer's records.

11.11 Successors

The provisions of this Plan shall bind and inure to the benefit of each Participating Employer and its successors and assigns. The term successors as used herein shall include any corporate or other business entity which shall, whether by merger, consolidation, purchase or otherwise acquire all or substantially all of the business and assets of a Participating Employer, and successors of any such corporation or other business entity.

ANIXTER INC.

By: /s/ Bradd Easton
Its
Title: Asst. Secretary and Associate General Counsel

Dated: December 23, 2008

APPENDIX A—CALCULATION OF EARNINGS AND PERFORMANCE-BASED ENHANCEMENT

ADB Factor*	=	$\frac{\text{[Days in Month – Day of Month + 1]}}{\text{Days in Month}}$
		(Round to 10 Decimal Places)
Earnings Factor	=	Earnings Rate ÷ 12
		(Round to 10 Decimal Places)
Earnings	=	Earnings Factor x
		[Account Balance at Beginning of Month + Transaction 1 x ADB Factor 1 (Rounded to 2 Decimal Places)
		+ Transaction 2 x ADB Factor 2 (Rounded to 2 Decimal Places)
		+ Transaction 3 x ADB Factor 3 (Rounded to 2 Decimal Places)]
		(Round to 2 Decimal Places)
Account Balance at End of Month	=	Account Balance at Beginning of Month + Deferrals During Month + Earnings – Distributions

Performance-Based Enhancement –Credited at End of Each Quarter (Account Balance at Beginning of Quarter + Deferrals – Distributions) x Performance Basis Points ÷ 100) ÷ 100

NOTE

* Separate ADB Factor for each transaction. The term “transaction” includes Participant and Employer deferrals, benefit payments, withdrawals, and any other type of distribution.

EXHIBIT A.1

APPENDIX A—CALCULATION OF EARNINGS USING
AVERAGE DAILY BALANCE

EXAMPLE

ASSUMPTIONS

March 31 Account Balance	$10,000
April 14 Deferral	$ 1,000
April Earnings Rate	8%

Step 1. Calculate the monthly Earnings factor: Earnings Rate ÷ 12

.08 ÷ 12 = .0066666667

Step 2. Calculate Earnings during April

A. Calculate the average daily balance (ADB) for the Deferral
[Deferral x (Days in the month – Deferral date + 1)]
Days in the month

$$\$1{,}000 \times \left(\frac{30 - 14 + 1}{30} \right) = \$566.67$$

B. Calculate the total ADB (beginning balance plus the ADB for each Deferral).

$10,000 + $566.67 = $10,566.67

C. Calculate the Earnings for the month (Total ADB x Earnings factor).

$10,566.67 x 0.0066666667 = $70.44

Step 3. Calculate the Account balance as of April 30 (prior balance + Deferrals + Earnings)

$10,000 + $1000 + $70.44 = $11,070.44

EXHIBIT A.2

EXHIBIT 10.19

THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS COVERING SECURITIES THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933

2008 RESTRICTED STOCK UNIT GRANT AGREEMENT

THIS GRANT is made as of the 1st day of March, 2008 ("Date of Grant") by Anixter International Inc., a Delaware corporation (the "Company"), to «FirstName» «LastName» ("Participant").

Section 1. Grant of Stock Units. On the terms and conditions stated herein, the Company hereby grants to the Participant «RSU» stock units ("Units"), convertible to shares of the Company on a one-for-one basis.

Section 2. Vesting, Conversion and Forfeiture. One third of the Units shall vest on each anniversary of the Date of Grant beginning with the «VestAnniv» anniversary of the Date of Grant. Units shall convert to shares of stock on the date they vest. If at a time the Units are not vested (i) Participant's employment with Company is terminated or (ii) any transfer of the Units shall be made in violation of this Agreement, the Units and any distributions thereon shall be forfeited and, in the case of transfer, may be reacquired by the Company, upon notice to Participant or any transferee, at no cost to the Company.

Section 3. Prohibited Transfers. Any sale, hypothecation, encumbrance or other transfer of Units is prohibited unless the same shall have been consented to in advance in writing by the Company (which consent may be withheld in the sole discretion of the Company).

Section 4. Withholding Taxes. As a condition to the grant, vesting or conversion of the Units acquired hereunder, the Company shall withhold the number of whole Units required for the satisfaction of any Federal, state or local withholding tax obligations that may arise in connection therewith.

Section 5. Retention of Certificate and Any Distributions. The Treasurer or any Assistant Treasurer shall retain on behalf of Participant, until the Units are converted, all certificates and distributions pertaining to the Units. Upon conversion and subject to the withholding of the number of Units sufficient for payment of withholding tax, the certificates and all distributions (with or without interest on any cash distributions, as determined from time to time by the Company in its sole discretion) shall be delivered to Participant.

Section 6. Parties in Interest. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective heirs, executors, administrators, successors, assigns and personal representatives.

Section 7. Specific Performance. In the event of a breach of this Agreement by any party hereto, any other party hereto shall be entitled to secure specific performance of this Agreement in any court of competent jurisdiction.

Section 8. Notices, etc. All notices and other communications required or permitted hereunder will be in writing and will be mailed by first-class mail, postage prepaid, addressed (a) if to Company at:

2301 Patriot Boulevard
Glenview, Illinois 60026
Attn: General Counsel

or at such address as Company will have furnished to Participant in writing, or (b) if to Participant at:

Then current address in
the records of Company.

or at such other address as Participant will have furnished to Company in writing in accordance with this Section.

All notices and other communications to be given hereunder shall be given in writing. Except as otherwise specifically provided herein, all notices and other communications hereunder shall be deemed to have been given if personally delivered to the party being served, or two business days after mailing thereof by registered mail, return receipt requested, postage prepaid, to the requisite address set forth above (until notice of change thereof is served in the manner provided in this Section).

Section 9. No Right to Employment. Nothing in this Agreement or in the act of granting the Units to Participant shall give Participant any rights to continue to be employed by Company.

IN WITNESS WHEREOF , the Company has caused this Grant to be executed on its behalf by its officer duly authorized to act on behalf of the Company.

ANIXTER INTERNATIONAL INC.
a Delaware corporation

EXHIBIT 10.20

ANIXTER INC.

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

RESTATED EFFECTIVE JANUARY 1, 2009

SECTION 1
PLAN HISTORY

1.1 Establishment of the Plan . Anixter Inc., a Delaware corporation (the "Company"), originally established the ANIXTER INC. SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (the "Plan") effective as of August 4, 2004. The Plan was amended and restated effective January 1, 2006, and has been subsequently amended from time to time to reflect Company directives and to comply with changes in applicable law, including Section 409A of the Code. This restatement, effective January 1, 2009, consolidates all other prior amendments, updates references and makes nonsubstantive changes to the Plan.

1.2 Description of the Plan . The 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. The Plan is intended to meet the requirements for effective deferrals of compensation under, and otherwise comply with, Section 409A of the Code and shall be operated in good faith compliance with Section 409A of the Code and the regulations promulgated thereunder.

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 Company 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, when initially capitalized, shall have the respective meanings set forth below. Initially capitalized terms used in the Plan and not set forth below shall have the meanings ascribed to such terms under the Anixter Inc. Pension Plan as amended and restated from time to time.

(a) "Accrued Normal Benefit" means the product of (A x B), where A is the Participant's Normal Benefit and B is a fraction the numerator of which is the Participant's total months of Benefit Accrual Service and the denominator of which is 60.

(b) "Actuarially Equivalent" has the meaning given to such term under the Pension Plan.

(c) "Affiliate" with respect to the Company means the Parent and any other entity controlled by, under the control of, or under common control with the Company

within the meaning of the Securities Exchange Act of 1934 or that is a member of Company's controlled group within the meaning of Sections 414(b) or 414(c) of the Code.

(d) "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.

(e) "Benefit Accrual Service" means, with respect to a Participant, the lesser of (i) the total months of benefit accrual service earned by the Participant under the Pension Plan from, including, and after the Participant's Initial Participation Month and through the date of such Participant's Retirement or Termination, as applicable, or (ii) sixty (60) months. For purposes of determining Benefit Accrual Service for purposes of the Plan, a Participant's benefit accrual service under the Pension Plan shall be determined without regard to any limitation on the number of months of benefit accrual service which are considered for benefit purposes under the Pension Plan.

(f) "Benefit Offset Amount" means with respect to a Participant, the sum of (i) a Participant's combined accrued monthly benefit amount, stated as a Life Annuity commencing at Normal Retirement Date, under the Pension Plan and the Excess Plan and (ii) the Participant's Social Security Offset Amount.

(g) "Board" means the Board of Directors of Parent.

(h) "Cause" has the meaning set forth in any employment or other similar written agreement between a Participant and the Company which governs the terms and conditions of a Participant's employment with the Company. In the absence of such an agreement, or if such agreement does not define "Cause," then "Cause" shall mean the termination of a Participant's employment by formal action of the Board for any of the following reasons:

(1) embezzlement, dishonesty, fraud or any illegal or unethical act or omission in connection with the performance of Participant's duties or as an Employee that materially injures or reasonably could materially injure the Company or any Affiliate or which does or reasonably could materially impair a Participant's ability to satisfactorily perform his assigned duties and responsibilities;

(2) conviction of (or plea of nolo contendere to) any (A) felony or (B) any other crime involving moral turpitude, or any other conviction (or plea of nolo contendere) that does or that reasonably could materially impair a Participant's ability to satisfactorily perform his assigned duties and responsibilities;

(3) improper, willful and material disclosure of the proprietary information of the Company or any Affiliate or other willful material breach of a Participant's fiduciary obligations to the Company; or

(4) any willful failure or refusal to follow lawful and good faith directions of the Board or a duly authorized officer of the Company.

For purposes of this definition, no act or failure to act on the part of a Participant shall be considered “willful” unless done, or omitted to be done, by him in bad faith or without a reasonable belief that his action or omission are in the best interests of the Company or its Affiliates. Any act or omission based on a direction of the Board or based on the advice of counsel for the Company or Parent shall be conclusively presumed to be done, or omitted to be done, in good faith and in the best interests of Company or its Affiliates.

(i) “Code” means the Internal Revenue Code of 1986, as amended.

(j) “Committee” means the Anixter Inc. Employee Benefits Administrative Committee or any successor thereto.

(k) “Company” has the meaning given to such term in the introductory paragraph hereto, provided that where the context so requires the term shall also include each Affiliate that adopts this Plan with the consent and approval of the Board.

(l) “Compensation” means, for purposes of determining a Participant’s Normal Benefit, the total cash remuneration paid or payable to a Participant during a calendar year for services provided as an Employee which would be taken into account for purposes of computing the Participant’s accrued benefit under the Pension Plan.

(m) “Compensation Committee” means the Anixter International Inc. Compensation Committee or any successor thereto.

(n) “Employee” means a person who is actively employed by the Company or an Affiliate and who would be considered to be in an employer-employee relationship with the Company or an Affiliate applying common law principles.

(o) “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

(p) “Excess Plan” means the Anixter Inc. Excess Benefit Plan or any successor thereto.

(q) “Final Average Compensation” means the average monthly compensation amount determined under the Pension Plan as the participant’s final average pay and which is used for purposes of computing such Participant’s accrued benefit under the Pension Plan.

(r) “Initial Participation Month” means with respect to a Participant the calendar month as of which such Participant’s participation in the Plan is approved by the Compensation Committee.

(s) “Life Annuity” means a monthly annuity that is paid to the retired Participant for as long as he lives and which does not provide any payments to a Beneficiary following the Participant’s death.

(t) “Minimum Accrued Normal Benefit” means with respect to a Participant the product of (A x B), where A is the Participant’s Minimum Normal Benefit and B is a fraction the numerator of which is the Participant’s total months of Benefit Accrual Service and the denominator of which is 60.

(u) “Minimum Normal Benefit” means with respect to a Participant any minimum monthly Life Annuity benefit payable to such Participant without regard to the date benefit payments commence as may be specified on Exhibit A hereto with respect to such Participant.

(v) “Normal Benefit” means with respect to a Participant the greater of (i) the monthly benefit amount payable to such Participant as a Life Annuity commencing at the Participant’s Normal Retirement Date determined by reducing the Target Benefit of such Participant as specified on Exhibit A by such Participant’s Benefit Offset Amount or (ii) such Participant’s Minimum Normal Benefit, if any.

(w) “Normal Benefit Commencement Age” means the age so specified with respect to a Participant on Exhibit A hereto.

(x) “Normal Benefit Commencement Date” means, with respect to a Participant, the first day of the seventh month following the month in which the later of (i) the date such Participant attains Normal Benefit Commencement Age or (ii) the date such Participant’s Retirement or Termination occurs.

(y) “Normal Retirement Date” means the first day of the month coincident with or next following the attainment by the Participant of age sixty-five (65).

(z) “Parent” means Anixter International Inc., a Delaware corporation and sole shareholder of the Company, or any successor thereto.

(aa) “Participant” means an Employee, so designated by action of the Compensation Committee, who is participating in the Plan.

(bb) “Plan” means the Anixter Inc. Supplemental Executive Retirement Plan as set forth herein and as amended from time to time.

(cc) “Plan Administrator” means the Anixter Inc. Employee Benefits Administrative Committee.

(dd) “Pension Plan” means the Anixter Inc. Pension Plan or any successor thereto.

(ee) “Retirement” means with respect to a Participant any “separation from service” (within the meaning of Section 409A of the Code) with the Company and all

Affiliates, other than termination by the Company for Cause, on or after the Participant attains age sixty-five (65).

(ff) “Retirement Date” means the first day of the month coincident with or next following the date of a Participant’s Retirement.

(gg) “Social Security Offset Amount” means with respect to a Participant fifty percent (50%) of the assumed retirement benefit payable to such Participant under the Social Security Act as in effect on the Participant’s Retirement Date or Termination Date, as applicable, computed consistent with the following assumptions: (i) no future increases in the social security wage base or average national wages following such Retirement Date or Termination Date, as applicable, (ii) such benefit is first payable on the Participant’s Normal Retirement Date, without regard to when the Participant’s actual Social Security Benefit Payments commence, and (iii) Participant has no covered wages for Social Security purposes following such Retirement Date or Termination Date, as applicable.

(hh) “Target Benefit” means the monthly Life Annuity benefit commencing at Normal Retirement Date stated as a percentage of Final Average Compensation and so designated with respect to a Participant on Exhibit A hereto.

(ii) “Termination” means a “separation from service” for purposes of Section 409A of the Code from the Company and all Affiliates for any reason prior to the Participant obtaining age sixty-five (65).

(jj) “Termination Date” means the first day of the month coincident with or next following the date of a Participant’s Termination.

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 . No Employee shall be eligible to participate in or accrue a benefit under the Plan until such Employee’s participation in the Plan has been approved by the Compensation Committee. An Employee shall become a Participant as of the date so specified in the Compensation Committee approval of such participation.

3.2 Reemployment of Former Participant . A former Employee who is re-employed shall be considered a Participant following such re-employment by the Company and such former Employee shall accrue additional Benefit Accrual Service following such re-employment, only if and to the extent such former Employee is re-designated by the Committee and such re-designation is approved by the Compensation Committee.

SECTION 4
BENEFITS

4.1 Normal Benefit . A Participant who has at least sixty (60) months of Benefit Accrual Service at the time of his Retirement or Termination will receive from the Plan a monthly benefit which is Actuarially Equivalent to a Life Annuity commencing on his Normal Retirement Date in an amount equal to the greater of his Normal Benefit or his Minimum Normal Benefit, if any, as computed in accordance with Exhibit A, as in effect at the time of such Retirement or Termination.

4.2 Deferred Benefit . If a Participant continues in employment past his Normal Retirement Date, the amount of his monthly benefit payable on Retirement under Section 4.1 above shall be Actuarially Equivalent to the larger of his Normal Benefit or Minimum Normal Benefit at Normal Retirement Date and accordingly adjusted to reflect the deferral of benefit payments beyond his Normal Retirement Date in a manner consistent with such adjustment under the Pension Plan. However, in any event, the Participant's benefit on his Retirement Date shall be computed based on his Final Average Compensation as of his Normal Retirement Date.

4.3 Accrued Benefit . A Participant who has less than sixty (60) months of Benefit Accrual Service at the time of his Retirement or Termination will receive from the Plan a monthly benefit which is Actuarially Equivalent to a Life Annuity commencing on his Normal Retirement Date in an amount equal to the greater of his Accrued Normal Benefit or Minimum Accrued Normal Benefit as computed in accordance with Exhibit A as in effect at the time of such Retirement or Termination. Notwithstanding the foregoing, a Participant who has less than sixty (60) months of Benefit Accrual Service at the time of his Retirement or Termination shall receive his Normal Benefit or Minimum Normal Benefit as determined under Section 4.1 if the Participant incurs an Eligible Termination during a Protected Period. For this purpose, "Eligible Termination" means the Participant's Termination by the Company other than for Cause or the Participant's Termination for Good Reason. "Protected Period" means the period commencing sixty (60) days before the effective date of a Change in Control and ending on the second anniversary of such Change in Control. "Change in Control" shall have the meaning set forth in any employment or other similar written agreement between a Participant and the Company which governs the terms and conditions of a Participant's employment with the Company. In the absence of such an agreement, or if such agreement does not define "Change in Control," then "Change in Control" shall mean (i) the approval by the shareholders of Company or Parent of a plan of complete liquidation or dissolution of Company or Parent; (ii) the consummation of a sale of all or substantially all of the assets of Company or Parent; (iii) the consummation of any transaction as a result of which any person (within the meaning of such term under the Securities Exchange Act of 1934), becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934), directly or indirectly, of securities of Company or Parent representing more than fifty percent (50%) of the total voting power of all voting securities of Company or Parent then issued and outstanding; or (iv) the consummation of a merger, consolidation, reorganization, or business combination, other than a merger, consolidation, reorganization or business combination which would result in the voting securities of Company or Parent outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the combined voting securities of Company or Parent or the surviving entity

immediately after such merger, consolidation, reorganization of business combination. “Good Reason” shall have the meaning set forth in any employment or other similar written agreement between a Participant and the Company which governs the terms and conditions of a Participant’s employment with the Company. In the absence of such an agreement, or if such agreement does not define “Good Reason”, then “Good Reason” shall mean any of the following conditions (not consented to in advance by the Participant in writing or ratified subsequently by the Participant in writing), but only if the Board receives notice of the condition from the Participant within ninety (90) days of its initial existence and such condition remain(s) in effect thirty (30) days after written notice to the Board from the Participant of his intention to terminate his employment for Good Reason which specifically identifies such condition: (i) any material breach by the Company with respect to its obligation to pay compensation or provide benefits to the Participant as set forth in any employment or other similar written agreement between the Participant and the Company which governs the terms and conditions of the Participant’s employment with the Company; (ii) any material, adverse change in the Participant’s authority, as measured against the Participant’s authority immediately prior to such change; (iii) any assignment to the Participant of duties which constitute a material adverse change from, and are inconsistent with, the duties of the Participant as historically defined, or (iv) any relocation of Company’s principal business office to a location that is more than 100 miles from Company’s current principal business office during the Protected Period following a Change in Control.

4.4 Benefit Commencement and Form of Payment . Unless a Participant has made a timely election under Sections 4.5 or 4.6 below, (i) payment of benefits under the Plan will commence on such Participant’s Normal Benefit Commencement Date and (ii) benefits will be paid in the form of a 50% Joint and Survivor Annuity if the Participant is married on the benefit commencement date, otherwise benefits will be paid in the form of a Life Annuity. If the Participant is to receive his benefits in the form of a 50% Joint and Survivor Annuity for the life of the Participant and any Beneficiary and has no valid Beneficiary designation form on file, his spouse shall be deemed to be the Beneficiary. If the Participant designates a Beneficiary which is not an individual, the Beneficiary shall be deemed to have the same life expectancy as the Participant. In such event, the monthly Joint and Survivor Annuity benefits shall be adjusted so as to be Actuarially Equivalent to the Participant’s monthly Life Annuity benefit and the amount of the survivor annuity shall be fifty percent (50%) of the Participant’s monthly Joint and Survivor Annuity benefit payable to the Participant. To be effective, any such election must be made in a timely manner for purposes of, and otherwise in compliance with, Section 409A of the Code.

4.5 Optional Payment Form . A married Participant may elect to receive his benefit under the Plan in the form of a Life Annuity, rather than in the form of a 50% Joint and Survivor Annuity. To be effective, any such election must be made in a timely manner for purposes of, and otherwise in compliance with Section 409A of the Code.

4.6 Optional Benefit Commencement Date . A Participant may elect to have the payment of benefits commence on any date which is both after his Normal Benefit Commencement Date and on or before his Normal Retirement Date. In such event, such Participant’s monthly benefit amount as of such date shall be adjusted so as to be Actuarially Equivalent to a Life Annuity commencing on his Normal Retirement Date equal to the greater of his Normal Benefit or his Minimum Normal Benefit, if any, computed in accordance with

Exhibit A, as in effect at the time of such Retirement or Termination. To be effective, any such election of an optional benefit commencement date must meet the following requirements: (i) the election must be made not less than twelve (12) months prior to the date benefits would have otherwise commenced; (ii) unless a payment relates to disability or death, the election must be made before the Participant attains age sixty (60), and commencement of benefit payments must be deferred for a period of no less than five (5) years from the date the benefit payments would otherwise have commenced; and (iii) the election shall not take effect until at least twelve (12) months after the date on which such election is made.

4.7 Pre-Retirement Death Benefits . If a Participant dies before payments under the Plan have commenced, no special death benefits will be payable under the Plan, but if the Participant has made a timely and effective Beneficiary election, such Beneficiary will be entitled to receive a survivor benefit in an amount equal to the survivor annuity that would have been 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. The amount of the monthly benefit payable to the Beneficiary shall be determined based on the joint life expectancy of the Participant and the designated Beneficiary or the life expectancy of the Participant if the designated Beneficiary is not an individual.

4.8 Disability Benefits . A Participant whose employment terminated due to disability will not receive special benefits on account of disability, but will be entitled to any benefit otherwise payable under Sections 4.1. or 4.2 above.

4.9 Forfeiture of Benefits . Notwithstanding anything in this Plan to the contrary, the Company's obligations to make the payments hereunder and a Participant's right to receive benefits hereunder shall terminate in the event that such Participant is terminated for Cause or after a Participant's Termination or Retirement the Committee discovers grounds which would have constituted Cause had the Board been aware of such grounds during the Participant's employment.

4.10 Special Tax Distributions . In the event that a benefit under the Plan is required to be included in the income of a Participant under Section 409A of the Code prior to the date such benefit would be payable to the Participant under the terms of the Plan, the Participant shall receive an interim distribution from the Plan in a lump sum, made as soon as reasonably possible after the Committee determines that the benefit is includible in income, in an amount equal to the amount required to be included by the Participant in income under Section 409A of the Code. In such event, the amount of the monthly benefit payable to the Participant under the Plan shall be adjusted such that the combination of the revised monthly benefit and interim distribution amount are Actuarially Equivalent to the Participant's monthly benefit payable in the form of a Life Annuity commencing at the Participant's Normal Retirement Date. In making such equivalency computation, the amount of the Life Annuity commencing at the Normal Retirement Date and the amount of the interim distribution shall both be converted into a lump sum amount payable at the Normal Retirement Date and the lump sum value of the interim distribution subtracted from the lump sum value of the Life Annuity, with the remainder then being converted to a Life Annuity.

SECTION 5
FINANCING

5.1 Financing of Benefits . Benefits shall be payable, when due, by the Company, out of its current operating revenue to the extent not paid from a trust created pursuant to Section 5.2. The Company'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 Company. 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 Company under this Plan (and such other plans and arrangements as determined from time to time by the Company). At any time, the Company may transfer assets to such trust to satisfy all or part of the obligations incurred by the Company under this Plan, in such amounts as may be determined in the sole discretion of the Committee, subject to the return of such assets to the Company 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 Company in the event of the Company'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 or the Code. Notwithstanding the establishment of a trust, the right of any Participant to receive future payments under the Plan shall remain an unsecured claim against the general assets of the Company.

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 Company during the lifetime of the Participant. The Participant also may change his Beneficiary or Beneficiaries by a signed, written instrument delivered to the Company during his lifetime. The payment of amounts shall be in accordance with the last unrevoked written designation of Beneficiary that has been signed and delivered to the Company during the lifetime of the Participant. 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 in proper form, and if it not , return it to the Participant for his signature or correction;

(2) If signed and in proper form, stamp the designation “Received”, indicate the date of receipt, and initial the designation in the proximity of the stamp.

(c) Any Beneficiary designation shall be void and of no effect if the designated Beneficiary predeceases the Participant.

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.

(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 under this Plan shall be subject to a qualified domestic relations order, as the benefits payable under this Plan are not payable from a qualified plan as such term in used in the Code.

(c) 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.

(d) 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 Company 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 Company or any representative appointed hereunder by the Company, 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 internal laws of the State of Illinois without regard to its conflicts of laws provisions, 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 and the Compensation Committee, each member of the Committee and the Compensation 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 Pension Plan, for purposes of determining the Participant's Benefit Offset Amount, the benefit payable under such order shall be considered a benefit payable to the Participant under the Pension Plan and shall be combined with the Participant's actual benefit under the 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. No claimant may bring any action challenging a decision of the Committee at any time more than one year after the final written decision of the Committee is rendered.

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 Company.

8.6 Tax Withholding . The Company 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 Company 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 Company 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 Company 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 Company. 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 Company . Any action required or permitted to be taken hereunder by the Company 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 a Beneficiary at the last known post office address of the distributee on file with the Company, shall constitute a complete acquittance and discharge to the Company and any director, officer or employee including, without limitation, members of the Committee with respect thereto, unless the Company shall have received prior written notice of any change in the condition or status of the distributee. Neither the Company 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, but no such action shall retroactively reduce the benefits under the Plan which have accrued prior to the effective date of such action. Following any such termination, benefits may be paid out under the Plan only to the extent expressly permitted under Section 409A of the Code and only to the extent such termination is implemented in accordance with Section 409A of the Code. In addition, the Committee shall have 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.

IN WITNESS WHEREOF, the Company has caused this restatement of the Anixter Inc. Supplemental Executive Retirement Plan to be executed by its duly authorized officer as of this 25th day of February, 2009 to be effective as of January 1, 2009.

Anixter Inc.

By: /s/ Robert Eck

Title: President and CEO

ANIXTER INC.
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
EXHIBIT A

APPLICABLE FORMULA FOR NORMAL BENEFIT
ELIGIBLE EMPLOYEES AS OF JANUARY 1, 2009

Eligible Employee:	Robert Grubbs, Jr.
Normal Retirement Date:	First day of the month following 65 th birthday
Target Benefit:	Monthly Life Annuity benefit equal to fifty percent (50%) of Final Average Compensation commencing at Normal Retirement Date
Benefit Offset:	Benefit Offset Amount determined under Plan
Normal Benefit	Target Benefit less Benefit Offset
Normal Benefit Commencement Age	54
Reduction:	Normal Benefit to be actuarially reduced (using the same assumptions as provided under the Anixter Inc. Pension Plan) for commencement prior to age 65
Minimum Normal Benefit	$45,833.33 per month less monthly Benefit Offset amount without reduction for payment commencing prior to Normal Retirement Date
Benefit Offset to Minimum Normal Benefit	Benefit Offset used for Normal Benefit computation actuarially reduced by the actuarially equivalent reduction factor that would be used to determine the amount of the benefit at commencement date that is Actuarially Equivalent to the Normal Benefit at the Normal Retirement Date.
Eligible Employee:	Dennis Letham
Normal Retirement Date:	First day of the month following 65th birthday
Target Benefit:	Monthly Life Annuity benefit equal to fifty percent (50%) of Final Average Compensation commencing at Normal Retirement Date
Benefit Offset:	Benefit Offset Amount determined under Plan
Normal Benefit:	Target Benefit less Benefit Offset
Normal Benefit Commencement Age	56
Reduction:	Normal Benefit to be actuarially reduced (using the same assumptions as provided under the Anixter Inc. Pension Plan) for commencement prior to age 65
Minimum Benefit:	None

EXHIBIT 10.22(b)

FIRST AMENDMENT
TO THE
EMPLOYMENT AGREEMENT OF DENNIS J. LETHAM

WHEREAS , Anixter Inc. (the "Company") and Dennis J. Letham ("Executive") have entered into an employment agreement effective January 1, 2006 (the "Employment Agreement") which govern the terms and conditions of Executive's continued employment by Company, and

WHEREAS , the Company and the Executive now desire to amend the Employment Agreement to comply with the final Treasury Regulations under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

NOW, THEREFORE , in accordance with Section 21 of the Employment Agreement, and pursuant to the power delegated to the undersigned, the Employment Agreement is hereby amended effective December 23, 2008 as noted below.

1. Section 1 "Definitions" is amended by deleting paragraph (w) "Good Reason" in its entirety and replacing it with the following:

(w) "Good Reason" means any of the following conditions (not consented to in advance by Executive in writing or ratified subsequently by Executive in writing), but only if the Board receives notice of the condition from Executive within ninety (90) days of its initial existence and such condition remain(s) in effect thirty (30) days after written notice to the Board from Executive of his intention to terminate his Employment for Good Reason which specifically identifies such condition:

(i) Any material breach by Company of this Agreement with respect to its obligation to pay compensation, or provide benefits, to Executive;

(ii) Any material, adverse change in Executive's authority, as measured against Executive's authority immediately prior to such change;

(iii) Assigning Executive duties which constitute a material adverse change from, and are inconsistent with, the duties of the Chief Financial Officer of Company as historically defined, or requiring Executive to report other than to the Board; or

(iv) Any relocation of Company's principal business office to a location that is more than 100 miles from Company's current principal business office during the Protected Period following a Change in Control.

2. Section 11 “Post-Termination Cooperation” is amended by adding the following sentence to the end thereof:

Both Executive and Company reasonably anticipate that any such assistance provided in accordance with this Section shall not exceed twenty percent (20%) of the average level of services Executive performed during the thirty-six (36) month period immediately preceding Executive’s Termination.

IN WITNESS WHEREOF , the Board has caused this amendment to be executed on its behalf by a duly authorized officer of the Company this 23rd day of December , 2008.

ANIXTER INC.

By: /s/ Robert Eck
Name: Robert Eck
Title: President & CEO

Dennis J. Letham

/s/ Dennis J. Letham

EXHIBIT 12.1

ANIXTER INTERNATIONAL INC.

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES (a)

(In Millions)

	Fiscal Year Ended				
	December 31, 2004	**December 30, 2005**	**December 29, 2006**	**December 28, 2007**	**January 02, 2009**
Earnings					
Income from continuing operations	$ 77.7	$ 90.0	$ 209.3	$ 253.5	$ 195.7
Adjustment for minority interest	—	—	(0.5)	—	—
Undistributed income of equity investee (b)	(12.3)	—	—	—	—
Income tax provision	47.0	67.4	93.7	144.0	122.4
Subtotal	112.4	157.4	302.5	397.5	318.1
Fixed charges					
Interest expense (c)	13.8	27.2	38.8	45.2	48.0
Interest component of rent expense	14.5	15.4	16.8	18.7	20.5
Interest on FIN 48 liabilities (d)	—	—	—	0.6	0.6
Total fixed charges	28.3	42.6	55.6	64.5	69.1
Earnings, as adjusted	$ 140.7	$ 200.0	$ 358.1	$ 462.0	$ 387.2
Ratio of earnings to fixed charges	4.97	4.70	6.44	7.17	5.60

(a) The ratio of earnings to fixed charges should be read in conjunction with the Company's Year End Report on Form 10-K for the year ended January 02, 2009.

(b) Adjustment related to the equity investment income relating to Anixter Receivables Corporation prior to the consolidation at the end of the third quarter of 2004.

(c) Includes interest on all indebtedness (including capital leases), amortization of debt discount, and deferred financing fees.

(d) The Company adopted Financial Accounting Standards Board Interpretation No. 48 ("FIN 48"), *Accounting for Uncertainty in Income Taxes* , in the fiscal year 2007.

EXHIBIT 21.1

SUBSIDIARIES OF THE REGISTRANT

Anixter International Inc.
List of Subsidiaries as of January 2, 2009

Company Name	Jurisdiction of Incorporation
Anixter Inc.	Delaware
Accu-Tech Corporation	Georgia
Accu-Tech Enterprises, Inc.	Georgia
Anixter Australia Pty. Ltd.	Australia
ALLNET Technologies Pty. Ltd.	Australia
Anixter (Barbados) SRL	Barbados
Anixter Cables y Manufacturas, S.A. de C.V.	Mexico
Anixter Chile S.A.	Chile
Anixter Colombia S.A.	Colombia
Anixter Costa Rica S.A.	Costa Rica
Anixter de Mexico, S.A. de C.V.	Mexico
Anixter Logistica y Servicios (ALS)	Mexico
Anixter do Brazil Ltda.	Brazil
Anixter Dominicana, S.A.	Dominican Republic
Anixter Information Systems Corporation	Illinois
Anixter Jamaica Limited	Jamaica
Anixter Korea Limited	Korea
Anixter New Zealand Limited	New Zealand
Anixter Panama, S.A.	Panama
Anixter Peru, S.A.C.	Peru
Anixter Philippines Inc.	Delaware
Anixter Procurement Corporation	Illinois
Anixter Puerto Rico, Inc.	Delaware
Anixter-Real Estate Inc.	Illinois
Anixter Receivables Corporation	Delaware
Anixter Venezuela Inc.	Delaware
Quality Screw de Mexico, S.A. de C.V.	Mexico
Anixter Financial Inc.	Delaware
Anixter Communications (Malaysia) Sdn Bhd	Malaysia
Anixter India PVT Limited	India
Anixter Japan KK	Japan
Anixter Singapore Pte. Ltd.	Singapore
Anixter Thailand Inc.	Delaware
Anixter Hong Kong Limited	Hong Kong
Anixter International (Qingdao) Trading Company Limited.	China
Anixter Communications (Shanghai) Co. Limited	China
Anixter Holdings, Inc.	Delaware
Anixter Argentina S.A.	Argentina
Servicios Anixter, S.A. de C.V.	Mexico
Anixter AEH Holdings Inc.	Delaware
Anixter (CIS) LLC	Russia
B.E.L. Corporation	Delaware

SUBSIDIARIES OF THE REGISTRANT (Continued)

Company Name	Jurisdiction of Incorporation
Anixter Eurotwo Holdings B.V.	The Netherlands
Anixter Danmark A/S	Denmark
Anixter Deutschland GmbH	Germany
Anixter Hungary Ltd.	Hungary
Anixter Iletsim Sistemleri Pazarlama ve Ticaret A.S.	Turkey
Anixter Network Systems Greece L.L.C.	Greece
Anixter Norge A.N.S.	Norway
Anixter Poland Sp.z.o.o.	Poland
Anixter Portugal S.A.	Portugal
Anixter Sverige AB	Sweden
Anixter Austria GmbH	Austria
Anixter Czech a.s.	Czech Republic
Anixter Slovakia s.r.o.	Slovak Republic
Anixter Eurofin B.V.	The Netherlands
Anixter Canada Inc.	Canada
WireXpress Ltd.	Canada
Anixter Finance Limited	United Kingdom
Anixter Eurinvest B.V.	The Netherlands
Anixter Belgium B.V.B.A.	Belgium
Anixter Espaňa S.L.	Spain
Anixter France SARL	France
Anixter Holding France SAS	France
Sofrasar SAS	France
Sofrasar Techniques d'Assemblage SARL	France
Sofrasar Engineering SARL	France
Sofrasar s.r.o.	Czech Republic
GU-GE Xing Fasteners Trade, Shanghai	China
Anixter Holdings Deutschland GmbH	Germany
Camille Gergen Verwaltungsgesellschaft mbH	Germany
Camille Gergen GmbH & Co., KG	Germany
Camille Gergen Bulgaria EOOD	Bulgaria
Anixter Logistics, Europe B.V.B.A.	Belgium
Anixter Nederland B.V.	The Netherlands
Anixter Switzerland Sàrl	Switzerland
Anixter International B.V.B.A.	Belgium
Anixter Italia S.r.l.	Italy
AGL Logistic S.r.l.	Italy
Anixter International Limited	United Kingdom
Anixter Power & Construction Limited	United Kingdom
Anixter Holdings Limited	United Kingdom
Anixter Limited	United Kingdom
Anixter Distribution Ireland Limited	Ireland
Webb Fasteners Limited	United Kingdom
Anixter Pension Trustees Limited	United Kingdom
Anixter (U.K.) Limited	United Kingdom
Anixter Middle East FZE	United Arab Emirates

SUBSIDIARIES OF THE REGISTRANT (Continued)

Company Name	Jurisdiction of Incorporation
Heyco Limited	United Kingdom
Total Supply Solutions Limited	United Kingdom
Component Logistics s.r.o	Czech Republic
Component Industries Limited	United Kingdom
Component Logistics Limited	United Kingdom
Diss Fasteners Limited	United Kingdom
W H Fluidpower Limited	United Kingdom
Mercia-Centaur Limited	United Kingdom
Eagerport Limited	United Kingdom
Infast Group Limited	United Kingdom
Haden Drysys S.A.	Spain
HMH Pension Trustees Limited	United Kingdom
Fawndeck Limited	United Kingdom
AW2 Limited	United Kingdom
Industrial Fasteners Limited	United Kingdom
HMH Fasteners Limited	United Kingdom
Ohta-Philidas Limited	United Kingdom
Industrial Fastener Supplies Limited	United Kingdom
IP (Pontefract) Limited	United Kingdom
GKS (UK) Limited	United Kingdom
GKS Centrepiece Limited	United Kingdom
Infast Automotive Limited	United Kingdom
Infast Subsidiary No. 2 Limited	United Kingdom
Centrepiece Engineering Limited	United Kingdom
GL Holding of Delaware, Inc.	Delaware
Itel Corporation	Delaware
Itel Container Ventures Inc.	Delaware
ICV GP Inc.	Delaware
Itel Rail Holdings Corporation	Delaware
Fox River Valley Railroad Corporation	Wisconsin
Green Bay & Western Railroad Company	Wisconsin
Michigan & Western Railroad Company	Michigan
Rex Railways, Inc.	New Jersey
Signal Capital Corporation	Delaware
Richdale, Ltd.	Delaware
Signal Capital Projects, Inc.	Delaware
Railcar Services Corporation	Delaware

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in each of the following Registration Statements of Anixter International Inc. and in the related Prospectuses of our reports dated February 26, 2009, with respect to the consolidated financial statements and schedules of Anixter International Inc. and the effectiveness of internal control over financial reporting of Anixter International Inc., included in this Annual Report (Form 10-K) for the year-ended January 2, 2009.

FORM AND REGISTRATION STATEMENT NO.	PURPOSE
FORM S-8 No. 33-13486	1987 Key Executive Equity Plan
FORM S-8 No. 33-38364	1989 Employee Stock Incentive Plan
FORM S-8 No. 333-05907	1996 Stock Incentive Plan
FORM S-8 No. 333-56935	1998 Stock Incentive Plan
FORM S-8 No. 333-103270	2001 Stock Incentive Plan
FORM S-8 No. 333-104506	2001 Mid-Level Stock Option Plan
FORM S-8 No. 333-145318	2006 Stock Incentive Plan
FORM S-3 ASR No. 333-153607	2008 Shelf Registration Statement

Chicago, Illinois
February 27, 2009

EXHIBIT 24.1

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that the undersigned director and/or officer of Anixter International Inc., a Delaware corporation (the "Corporation"), which is about to file an annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, on Form 10-K, hereby constitutes and appoints Dennis Letham, Terry Faber and John Dul, and each of them as his or her true and lawful attorney-in-fact and agent, with full power and all capacities, to sign the Corporation's Form 10-K and any and all amendments thereto, and any other documents in connection therewith, to be filed with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as she or he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact agents or their substitutes may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his or her hand and seal as of the 27th day of February, 2009.

/s/ Lord James Blyth	/s/ Melvyn N. Klein
Lord James Blyth	Melvyn N. Klein
/s/ Linda Walker Bynoe	/s/ George Muñoz
Linda Walker Bynoe	George Muñoz
/s/ Robert L. Crandall	/s/ Stuart M. Sloan
Robert L. Crandall	Stuart M. Sloan
/s/ Robert J. Eck	/s/ Thomas C. Theobald
Robert J. Eck	Thomas C. Theobald
/s/ Robert W. Grubbs	/s/ Matthew Zell
Robert W. Grubbs	Matthew Zell
/s/ F. Philip Handy	/s/ Samuel Zell
F. Philip Handy	Samuel Zell

EXHIBIT 31.1

PRESIDENT AND CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Robert J. Eck, certify that:

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

(2) Based on my knowledge, this 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 the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this 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 report;

(4) The registrant's 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 internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) 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

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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 registrant's 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 registrant's internal control over financial reporting.

February 27, 2009

/s/ Robert J. Eck
Robert J. Eck
President and Chief Executive Officer

EXHIBIT 31.2

EXECUTIVE VICE PRESIDENT — FINANCE AND CHIEF FINANCIAL OFFICER CERTIFICATION

I, Dennis J. Letham, certify that:

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

(2) Based on my knowledge, this 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 the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this 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 report;

(4) The registrant's 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 internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) 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

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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 registrant's 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 registrant's internal control over financial reporting.

February 27, 2009

/s/ Dennis J. Letham
Dennis J. Letham
Executive 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 annual report of Anixter International Inc. (the "Company") on Form 10-K for the period ending January 2, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report") I, Robert J. Eck, 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 J. Eck

Robert J. Eck
President and Chief Executive Officer
February 27, 2009

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 annual report of Anixter International Inc. (the "Company") on Form 10-K for the period ending January 2, 2009 as filed with the Securities and Exchange Commission on the date here of ("the Report") I, Dennis J. Letham, Executive 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
Executive Vice President-Finance and Chief Financial Officer
February 27, 2009