

ANIXTER INTERNATIONAL INC

Form 10-K

February 27, 2009

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

Form 10-K

þ **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

o **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
*(State or other jurisdiction of
Incorporation or Organization)*

94-1658138
*(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
Common stock, \$1 par value

Name of Each Exchange on Which Registered
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 ☐ Smaller reporting company ☐
(Do not check if a 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

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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 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

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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

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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

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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.

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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.

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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.

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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.

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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.

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	2008	2007	Fiscal Year		
			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 ^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