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NATIONAL ASSOCIATION OF ELECTRICAL DISTRIBUTORS, INC.

NEWS RELEASE

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ELECTRICAL DISTRIBUTORS ANTICIPATE MODEST GAINS, ACCORDING TO NAED SALES EXPECTATION SURVEY Over 73% of Respondents Reported Increased Sales in First, Second Quarter 2005

(ST. LOUIS, MO)...Sales expectations among electrical distributors show guarded optimism, according to the National Association of Electrical Distributors' (NAED) most recent Quarterly Sales Change Expectation (QSCE) survey results. Of the survey's 250 respondents, 73.6% expected positive sales for the first quarter (Jan. to March) 2005. The outlook for the second quarter (April to June) is more positive, with 84.8% anticipating positive sales change.

| | Region | | | | |
|--------------|-------------|------------|------------|-------------|-------------|
| | Total | Northeast | Midwest | South | West |
| 10% or more | 90 36% | 7 21.2% | 34 41% | 26 36.6% | 23 36.5% |
| 8% to 9.9% | 18 7.2% | 4 12.1% | 6 7.2% | 5 7% | 3 4.8% |
| 6% to 7.9% | 8 3.2% | 0 0% | 2 2.4% | 3 4.2% | 3 4.8% |
| 5% to 5.9% | 20 8% | 1 3% | 7 8.4% | 5 7% | 7 11.1% |
| 4% to 4.9% | 11 4.4% | 1 3% | 4 4.8% | 3 4.2% | 3 4.8% |
| 3% to 3.9% | 11 4.4% | 2 6.1% | 3 3.6% | 3 4.2% | 3 4.8% |
| 2% to 2.9% | 7 2.8% | 1 3% | 2 2.4% | 1 1.4% | 3 4.8% |
| 1% to 1.9% | 10 4% | 4 12.1% | 2 2.4% | 3 4.2% | 1 1.6% |
| .1% to .9% | 9 3.6% | 3 9.1% | 2 2.4% | 2 2.8% | 2 3.2% |
| 0% | 14 5.6% | 1 3% | 4 4.8% | 6 8.5% | 3 4.8% |
| -.1% to -.9% | 5 2% | 1 3% | 3 3.6% | 0 0% | 1 1.6% |
| -1% to -1.9% | 3 1.2% | 1 3% | 2 2.4% | 0 0% | 0 0% |
| -2% to -2.9% | 6 2.4% | 2 6.1% | 3 3.6% | 1 1.4% | 0 0% |
| -3% to -3.9% | 2 .8% | 0 0% | 1 1.2% | 1 1.4% | 0 0% |
| -4% to -4.9% | 4 1.6% | 1 3% | 1 1.2% | 0 0% | 2 3.2% |
| -5% to -5.9% | 5 2% | 1 3% | 1 1.2% | 1 1.4% | 2 3.2% |
| -6% to -7.9% | 2 .8% | 1 3% | 0 0% | 1 1.4% | 0 0% |
| -8% to -9.9% | 7 2.8% | 1 3% | 2 2.4% | 3 4.2% | 1 1.6% |
| -10% or more | 15 6% | 1 3% | 3 3.6% | 6 8.5% | 5 7.9% |
| No answer | 3 1.2% | 0 0% | 1 1.2% | 1 1.4% | 1 1.6% |
| Total | 250 100% | 33 100% | 83 100% | 71 100% | 63 100% |

Modest Gains in First Quarter

First quarter reports reflected expectations of the last QSCE survey, with 76.3% forecasting increased sales. More than a third of respondents (36.0%) expect increases of 10% or more for Q1. Other categories with the highest response were sales growth by 5 to 5.9% (8.0%) and 8 to 9.9% (7.2%).

Flat sales were reported by 5.6% of respondents for the upcoming quarter. Slightly less than twenty percent (19.6%) reported negative sales, with 6.0% stating losses of -10% or more.

Second Quarter Forecast

In the second quarter of 2005, distributors are anticipating a boost in sales with nearly 85% (84.8%) expecting positive sales. A quarter of those responding (24.8%) predict gains of 10% or more. Other top categories were 5 to 5.9% (16.0%) and 6 to 7.9% (11.6%). Flat sales are expected by 7.6% of respondents and only 4.4% are preparing for sales decreases.

The survey was distributed in early April via fax and email to approximately 3,800 distributor locations. The questionnaire focused on sales expectations for the previous and upcoming quarter and the report features statistical breakouts by geographic region and number of employees.

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All Regions Conservative in Estimates

All four geographic regions expressed similar sales results for the first quarter of 2005. The West was slightly more optimistic (76.2%), followed by the Midwest (74.7%), South (71.8%) and Northeast (69.7%). For the upcoming quarter (April to June), the Midwest (91.6%) and West (90.5%) have the most positive outlook followed by the South (76.1%) and Northeast (75.8%).

Larger Companies Most Optimistic

Larger companies, those with 50 or more employees, have the brightest outlook for the first quarter of 2005, with 83.3% reporting positive sales expectations. However, smaller companies are expecting increases as well, with 77.2% of respondents from companies with 5 to 9 employees anticipating positive sales change. Similar expectations were reported by companies with 30 to 49 employees (76.7%) and 20 to 29 employees (73.7%) as well as companies with 10 to 19 employees (65.2%) and 1 to 4 employees (64.7%).

Larger and mid-size companies are most confident about the second quarter of 2005. Businesses with 50 or more employees have the highest expectations of positive sales increases (92.9%), followed by businesses with 20 to 29 employees (89.5%), 10 to 19 employees (86.4%), and 30 to 49 employees (83.3%). Smaller companies are slightly more conservative in their expectations, with 78.9% of businesses with 5 to 9 employees expecting positive sales and 70.6% of businesses with 1 to 4 employees expecting increases.

Participation Matters

QSCE is a management tool provided by NAED to its members and affiliates at no additional cost. It supplies detailed information to help NAED members run their businesses more effectively.

Member participation is crucial to the success of this survey. To participate in the next survey, which begins in early June, watch for notification by fax or email. Past reports are available under the "industry research" section of www.naed.org. For more information,

contact Branton White, NAED senior director of technology and associate editor of research for TED Magazine, at (888) 791-2512 or bwhite@naed.org.

NAED is the trade association for the \$70+ billion electrical distribution industry. Through networking, education, research, and benchmarking, NAED helps electrical distributors increase profitability and improve the channel. NAED's membership represents approximately 4,100 locations internationally.

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What is your estimate for your location's performance (% change in sales) for the upcoming quarter (April, May, June 2005)?

| | Region | | | | |
|--------------|-------------|------------|-------------|-------------|-------------|
| | Total | Northeast | Midwest | South | West |
| 10% or more | 62 24.8% | 6 18.2% | 19 22.9% | 19 26.8% | 18 28.6% |
| 8% to 9.9% | 15 6% | 2 6.1% | 6 7.2% | 2 2.8% | 5 7.9% |
| 6% to 7.9% | 29 11.6% | 2 6.1% | 16 19.3% | 5 7% | 6 9.5% |
| 5% to 5.9% | 40 16% | 5 15.2% | 11 13.3% | 11 15.5% | 13 20.6% |
| 4% to 4.9% | 18 7.2% | 3 9.1% | 8 9.6% | 2 2.8% | 5 7.9% |
| 3% to 3.9% | 17 6.8% | 5 15.2% | 4 4.8% | 5 7% | 3 4.8% |
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| 1% to 1.9% | 9 3.6% | 1 3% | 3 3.6% | 2 2.8% | 3 4.8% |
| .1% to .9% | 4 1.6% | 0 0% | 2 2.4% | 2 2.8% | 0 0% |
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| -.1% to -.9% | 1 .4% | 1 3% | 0 0% | 0 0% | 0 0% |
| -1% to -1.9% | 0 0% | 0 0% | 0 0% | 0 0% | 0 0% |
| -2% to -2.9% | 1 .4% | 1 3% | 0 0% | 0 0% | 0 0% |
| -3% to -3.9% | 1 .4% | 0 0% | 0 0% | 1 1.4% | 0 0% |
| -4% to -4.9% | 2 .8% | 0 0% | 0 0% | 1 1.4% | 1 1.6% |
| -5% to -5.9% | 4 1.6% | 4 12.1% | 0 0% | 0 0% | 0 0% |
| -6% to -7.9% | 0 0% | 0 0% | 0 0% | 0 0% | 0 0% |
| -8% to -9.9% | 0 0% | 0 0% | 0 0% | 0 0% | 0 0% |
| -10% or more | 2 .8% | 0 0% | 0 0% | 2 2.8% | 0 0% |
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