WESCO DISTRIBUTION INC
Form POS AM
January 03, 2007

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As filed with the Securities and Exchange Commission on January 3, 2007

Registration No. 333-133423

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Post-Effective Amendment No. 7
to
Form S-1
on
Form S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

WESCO INTERNATIONAL, INC.
(exact name of registrant as specified in its charter)

Delaware	**5063**	**25-1723342**
(state or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code)*	*(I.R.S. employer identification no.)*

WESCO DISTRIBUTION, INC.
(exact name of registrant as specified in its charter)

Delaware	**5063**	**25-1723345**
(state or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code)*	*(I.R.S. employer identification no.)*

225 West Station Square Drive
Suite 700
Pittsburgh, Pennsylvania 15219
(412) 454-2200
(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Stephen A. Van Oss
Senior Vice President and
Chief Financial and Administrative Officer
WESCO International, Inc.
225 West Station Square Drive
Suite 700
Pittsburgh, Pennsylvania 15219
(412) 454-2200
(Name, address, including zip code, and telephone number, including area code, of agent for service)

With a Copy to:
Michael C. McLean
Kirkpatrick & Lockhart Preston Gates Ellis LLP
Henry W. Oliver Building
535 Smithfield Street
Pittsburgh, Pennsylvania 15222
(412) 355-6500

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. o

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. þ

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. o

If this form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Aggregate Price per Unit(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
2.625% Convertible Senior Debentures due 2025	$150,000,000	100%	$150,000,000	$16,050(2)
Guarantee(3)	(4)	(4)	(4)	(4)
Common stock, $.01 per share(5)	(6)	(6)	(6)	(6)

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457 under the Securities Act of 1933, as amended, based on 100% of the aggregate principal amount of the 2.625% Convertible Senior Debentures due 2025.

(2) The Registrants previously paid a filing fee of $16,050 in connection with the initial filing of this registration statement.

(3) Guarantee by WESCO Distribution, Inc. of WESCO International, Inc. s 2.625% Convertible Senior Debentures due 2025.

(4) No separate registration fee is payable for the guarantee of WESCO Distribution, Inc. pursuant to Rule 457(n) under the Securities Act.

(5) Includes 3,583,080 shares of common stock of WESCO International, Inc. issuable upon conversion of the 2.625% Convertible Senior Debentures due 2025 at the initial conversion rate of 23.8872 shares per $1,000 principal amount of the 2.625% Convertible Senior Debentures due 2025. Under Rule 416 under the Securities Act, the number of shares of common stock registered includes an indeterminate number of shares of common stock that may be issued in connection with stock splits, stock dividends, reorganizations or similar events.

(6) No separate registration fee is payable for the common stock of WESCO International, Inc. pursuant to Rule 457(i) under the Securities Act.

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

EXPLANATORY NOTE

This Post-Effective Amendment No. 7 to the Registration Statement on Form S-1 on Form S-3 of WESCO International, Inc. and WESCO Distribution, Inc. (File No. 333-133423) is being filed to convert the Registration Statement on Form S-1 of WESCO International, Inc. and WESCO Distribution, Inc. (File No. 333-133423) into a Registration Statement on Form S-3.

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SUBJECT TO COMPLETION, DATED JANUARY 3, 2007

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-133423

PRELIMINARY PROSPECTUS

WESCO International, Inc.
2.625% Convertible Senior Debentures due 2025

On September 27, 2005, WESCO International, Inc. issued $150.0 million aggregate principal amount of 2.625% Convertible Senior Debentures due 2025 in a private offering. Payment of all principal and interest (including contingent interest or additional interest, if any) payable on the Debentures is unconditionally guaranteed by WESCO International s subsidiary, WESCO Distribution, Inc. The Debentures are senior unsecured obligations of WESCO International, and the guarantee is an unsecured senior subordinated obligation of WESCO Distribution. This prospectus covers resales from time to time by selling securityholders of any or all of their Debentures, including the related guarantee, and shares of common stock of WESCO International into which the Debentures are convertible. We will not receive any proceeds from the resale by the selling securityholders of the Debentures or the shares of common stock hereunder.

The Debentures are convertible, at your option, into cash and shares of our common stock initially based on a conversion rate of 23.8872 shares (equivalent to an initial conversion price of approximately $41.86 per share), subject to adjustment as described in this prospectus, at any time on or prior to the close of business on the trading day immediately preceding the maturity date, only under the circumstances described in this prospectus.

Upon conversion, we will pay cash and shares of our common stock, if any, based on a daily conversion value (as described herein) calculated on a proportionate basis for each day of the 20 trading-day cash settlement averaging period. See Description of the Debentures Conversion Rights Settlement Upon Conversion. In the event of certain types of fundamental changes, we will increase the number of shares issuable upon conversion or, in lieu thereof, we may elect to adjust the conversion obligation and conversion rate so that the Debentures are convertible into shares of the acquiring or surviving company, in each case as described in this prospectus.

The Debentures bear interest at a rate of 2.625% per year. Beginning with the six-month period commencing October 15, 2010, we will also pay contingent interest during any six-month interest period in which the trading price of the Debentures, measured over a specified number of trading days preceding the applicable six-month interest period, is 120% or more of the principal amount of the Debentures. Interest on the Debentures is payable on April 15 and October 15 of each year, beginning on April 15, 2006. The Debentures will mature on October 15, 2025.

The Debentures are subject to special U.S. federal income tax rules. For a discussion of the special tax regulations governing contingent payment debt instruments, see Material U.S. Federal Income and Estate Tax Considerations.

We may redeem some or all of the Debentures on or after October 15, 2010, for cash at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest (including contingent interest or additional interest, if any).

You may require us to repurchase all or a portion of your Debentures on October 15, 2010, October 15, 2015 and October 15, 2020 at a cash repurchase price equal to 100% of the principal amount plus accrued and unpaid interest (including contingent interest or additional interest, if any). In addition, you may require us to repurchase all or a portion of your Debentures upon a fundamental change at a cash repurchase price equal to 100% of the principal amount plus accrued and unpaid interest (including contingent interest or additional interest, if any).

Our common stock is listed on The New York Stock Exchange under the ticker symbol WCC. The last reported sale price of our common stock on December 29, 2006 was $58.81 per share.

We do not intend to apply for listing of the Debentures on any securities exchange or for inclusion of the Debentures in any automated quotation system. The Debentures originally issued in the private offering are eligible for trading on The PORTAL[sm] Market of the National Association of Securities Dealers, Inc. However, the Debentures sold pursuant to this prospectus will no longer be eligible for trading in The PORTAL[sm] Market of the National Association of Securities Dealers, Inc.

The Debentures, including the related guarantee, and the common stock may be sold from time to time by the selling securityholders named in this prospectus through public or private transactions, at prevailing market prices or at privately negotiated prices, either directly or through agents or broker-dealers acting as principal or agent. The selling securityholders may engage underwriters, brokers, dealers or agents, who may receive commissions or discounts from the selling securityholders. We will pay substantially all of the expenses incident to the registration of the Debentures, including the related guarantee, and shares of our common stock, except for the selling commissions, if any. See Plan of Distribution.

Investing in the Debentures or our common stock involves risks. See Risk Factors beginning on page 3.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED THAT THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DATE OF THIS PROSPECTUS IS , 2007.

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WESCO International, Inc. and WESCO Distribution, Inc., a wholly owned subsidiary of WESCO International, each are a Delaware corporations incorporated in 1993. The principal executive offices of WESCO International and WESCO Distribution are each located at 225 West Station Square Drive, Suite 700, Pittsburgh, Pennsylvania 15219, and the telephone number at that address is (412) 454-2200. Our website is located at www.wesco.com. The information in our website is not part of this prospectus.

We currently have trademarks and service marks registered with the U.S. Patent and Trademark Office. The registered trademarks and service marks include: WESCO®, our corporate logo, the running man logo, the running man in box logo and The Extra Effort People®. In 2005, two trademarks, CB Only the Best is Good Enough and LADD, were added as a result of the acquisition of Carlton-Bates Company. Certain of these and other trademark and service mark registration applications have been filed in various foreign jurisdictions, including Canada, Mexico, the United Kingdom, Singapore and the European Community.

Neither WESCO Distribution, WESCO International nor any of their respective representatives are making any representation to you regarding the legality of an investment by you under applicable laws. You should consult with your own advisors as to legal, tax, business, financial and related aspects of an investment in the Debentures or our common stock.

In making an investment decision, you must rely on your own examination of our business and the terms of the exchange offer, including the merits and risks involved. No person has been authorized to give any information or any representation concerning us, the Debentures, including the related guarantee, or our common stock (other than as contained in this prospectus), and, if given or made, that other information or representation should not be relied upon as having been authorized by us. Neither WESCO International, WESCO Distribution nor any of their respective representatives are making an offer to sell these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front cover of this prospectus.

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FORWARD-LOOKING INFORMATION

This prospectus contains various forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve certain unknown risks and uncertainties, including, among others, those contained in our Annual Report on Form 10-K for our fiscal year ended December 31, 2005, which is incorporated by reference in this prospectus, under Item 1, Business, Item 1A, Risk Factors, and Item 7, Management s Discussion and Analysis of Financial Condition and Results of Operations, and in our Quarterly Report on Form 10-Q for our fiscal quarter ended September 30, 2006, which is incorporated by reference in this prospectus, under Part I, Item 2, Management s Discussion and Analysis of Financial Condition and Results of Operations. When used in this prospectus, the words anticipates, plans, believes, estimates, intends, expects, projects, will and similar may identify forward-looking statements, although not all forward-looking statements contain such words. Such statements, including, but not limited to, our statements regarding business strategy, growth strategy, productivity and profitability enhancement, competition, new product and service introductions and liquidity and capital resources are based on management s beliefs, as well as on assumptions made by and information currently available to, management, and involve various risks and uncertainties, some of which are beyond our control. Our actual results could differ materially from those expressed in any forward-looking statement made by or on our behalf. In light of these risks and uncertainties, there can be no assurance that the forward-looking information will in fact prove to be accurate. We have undertaken no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

WESCO INTERNATIONAL, INC.

With sales of $4.4 billion in 2005 and $3.9 billion in the nine months ended September 30, 2006, we are a leading North American provider of electrical construction products and electrical and industrial maintenance, repair and operating supplies, commonly referred to as MRO. We believe we are the largest distributor in terms of sales in the estimated $74 billion*(U.S. electrical wholesale distribution industry based upon published industry sources and our assessment of peer company 2005 sales. We believe we are also the largest provider of integrated supply services for MRO goods and services in the United States.

Our distribution capability combined with integrated supply solutions and outsourcing services are designed to fulfill a customer s MRO procurement needs. We have more than 365 full service branches and seven distribution centers located in the United States, Canada, Mexico, Puerto Rico, Guam, the United Kingdom, Nigeria, United Arab Emirates and Singapore. We serve approximately 100,000 customers worldwide, offering more than 1,000,000 products from more than 24,000 suppliers utilizing a highly automated, proprietary electronic procurement and inventory replenishment system. Our diverse customer base includes a wide variety of industrial companies; contractors for industrial, commercial and residential projects; utility companies; and commercial, institutional and governmental customers. Our top ten customers accounted for approximately 14% of our sales in 2005. Our leading market positions, experienced workforce, extensive geographic reach, broad product and service offerings and acquisition program have enabled us to grow our market position.

(* Source: Electrical wholesale estimated industry sales per *Electrical Wholesaling (November, 2005)* based upon revised U.S. Census Bureau Survey segregating electrical wholesale vs. electrical retail sales. *Electrical Wholesaling* s 2004 estimated industry sales of $83 billion had aggregated $67 billion wholesale *and* $16 billion retail sales.

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SUMMARY CONSOLIDATED FINANCIAL DATA

The table below sets forth certain of our historical consolidated financial data as of and for each of the periods indicated. The financial data for the years ended December 31, 2003, 2004 and 2005, and as of December 31, 2004 and 2005, is derived from our audited consolidated financial statements, which are incorporated by reference in this prospectus. The financial data as of December 31, 2003 is derived from our audited consolidated financial statements, which do not appear and are not incorporated by reference in this prospectus. The financial data for the nine-month periods ended September 30, 2005 and 2006, and as of September 30, 2005 and 2006, is derived from our unaudited condensed consolidated financial statements, which are incorporated by reference in this prospectus. In our opinion, such unaudited condensed consolidated financial statements include all adjustments (consisting of normal recurring adjustments) necessary for a fair statement of the financial data for such periods. The results for the nine months ended September 30, 2006 are not necessarily indicative of the results to be achieved for the year ending December 31, 2006 or for any other future period.

The data below should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and the notes thereto, which are incorporated by reference in this prospectus.

	Year Ended December 31,			Nine Months Ended September 30,	
	2003	2004	2005	2005	2006
	(In millions, except share and per share data)				
Income Statement Data:					
Net sales(1)	$ 3,286.8	$ 3,741.3	$ 4,421.1	$ 3,184.4	$ 3,944.6
Gross profit(2)	610.1	712.1	840.7	588.1	799.3
Selling, general and administrative expenses(6)	501.5	544.5	612.8	442.0	508.2
Depreciation and amortization	22.5	18.1	18.6	11.3	19.3
Income from operations	86.1	149.5	209.3	134.8	271.8
Interest expense, net	42.3	40.8	30.2	22.4	17.1
Loss on debt extinguishment(3)	0.2	2.6	14.9	10.1	
Other expenses(4)	4.5	6.6	13.3	8.8	17.1
Income before income taxes	39.1	99.5	150.9	93.5	237.6
Provision for income taxes(5)	9.1	34.6	47.4	29.7	78.6
Net income	$ 30.0	$ 64.9	$ 103.5	$ 63.8	$ 159.0
Earnings per common share					
Basic	$ 0.67	$ 1.55	$ 2.20	$ 1.36	$ 3.27
Diluted	0.65	1.47	2.10	1.30	3.04
Weighted average common shares outstanding					
Basic	44,631,459	41,838,034	47,085,524	46,950,762	48,549,104

Diluted	46,349,082	44,109,153	49,238,436	49,141,517	52,289,408
Other Financial Data:					
Capital expenditures	$ 8.4	$ 12.1	$ 14.2	$ 11.0	$ 14.9
Net cash provided by operating activities(6)	35.8	21.9	295.1	166.1	65.1
Net cash used by investing activities	(9.2)	(46.3)	(291.0)	(288.1)	(21.6)
Net cash provided (used) by financing activities(6)	(22.3)	30.7	(17.0)	147.9	(6.3)
Balance Sheet Data:					
Total assets	$ 1,161.2	$ 1,356.9	$ 1,651.2	$ 1,738.8	$ 1,868.1
Total long-term debt (including current portion)	422.2	417.6	403.6	570.8	354.7
Long-term obligations(7)	53.0	2.0	4.3	1.0	
Stockholders equity	167.7	353.6	491.5	439.6	695.2

(1) The operating results of the business of Fastec Industrial Corp., acquired on July 29, 2005, and Carlton-Bates Company, acquired on September 29, 2005, have been included in the consolidated financial data and represented, in the aggregate, sales of $104.5 million for the year ended December 31, 2005 and $317.4 million for the nine months ended September 30, 2006.

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(2) Excludes depreciation and amortization.

(3) Represents charges relating to the write-off of unamortized debt issuance and other costs associated with the early extinguishment of debt.

(4) Represents costs relating to the sale of accounts receivable pursuant to our accounts receivable securitization facility (the Receivables Facility). See Note 4 to our audited consolidated financial statements incorporated by reference in this prospectus.

(5) Benefits of $2.6 million in 2003 from the resolution of prior year tax contingencies resulted in an unusually low provision for income taxes.

(6) In the first quarter of 2006, the provisions of Financial Accounting Standards Board Statement of Financial Accounting Standard 123 (revised 2004), *Share-Based Payment* and SEC staff Accounting Bulletin No. 107, *Share-Based Payment*, requiring the measurement and recognition of all stock-based compensation under the fair value method were adopted.

(7) Represents amounts due under earnout agreements for past acquisitions.

RATIOS OF EARNINGS TO FIXED CHARGES

Our consolidated ratios of earnings to fixed charges for the years ended December 31, 2001, 2002, 2003, 2004 and 2005 and the nine months ended September 30, 2006 are as follows:

	Year Ended December 31,					Nine Months Ended September 30,
	2001	**2002**	**2003**	**2004**	**2005**	**2006**
Ratios of earnings to fixed charges(1):	1.6x	1.5x	1.7x	2.9x	4.7x	10.0x

(1) For purposes of calculating the ratio of earnings to fixed charges, earnings represents income before income taxes plus fixed charges. Fixed charges consist of interest expense, including amortization of debt issuance costs and the portion of rental expense that management believes is representative of the interest component of rental expense.

RISK FACTORS

Before investing in Debentures or our common stock, you should carefully consider the following risk factors in conjunction with the risk factors set forth in Item 1A of our Annual Report on Form 10-K for our fiscal year ended December 31, 2005 and the other information contained or incorporated by reference in this prospectus, including our historical financial statements and the related notes thereto. These factors, among others, could cause actual results to differ materially from those currently anticipated and presented from time to time in the future by our management. See Special Note on Forward Looking Statements.

Risks Relating to the Debentures and Our Common Stock

We have outstanding consolidated indebtedness of approximately $354.7 million as of September 30, 2006. This amount of indebtedness could adversely affect our business, financial condition and results of operations and our ability to meet our payment obligations under the notes and our other debt.

As of September 30, 2006, we had approximately $354.7 million of outstanding consolidated debt. This level of our debt and the related debt service requirements could have significant consequences on our future operations, including:

- making it more difficult for us to meet our payment and other obligations under the Debentures and our other outstanding debt;
- resulting in an event of default if we fail to comply with the financial and other restrictive covenants contained in our debt agreements, which event of default could result in all of our debt becoming immediately due and payable;
- reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes, and limiting our ability to obtain additional financing for these purposes;
- subjecting us to the risk of increased sensitivity to interest rate increases on our indebtedness with variable interest rates, including borrowings under our credit facilities;
- limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industry in which we operate and the general economy; and
- placing us at a competitive disadvantage compared to our competitors that have less debt or are less leveraged.

Any of the above-listed factors could have an adverse effect on our business, financial condition and results of operations and our ability to meet our payment obligations under the Debentures and our other debt.

As a holding company, our ability to meet our payment and other obligations under our debt instruments depends on our and our subsidiaries ability to generate significant cash flow in the future. This, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control. We cannot assure you that our business will generate cash flow from operations, or that future borrowings will be available to us under our credit facilities or otherwise, in an amount sufficient to enable us to meet our payment obligations under the Debentures, WESCO Distribution s senior subordinated indebtedness and our other debt and to fund other liquidity needs. If we or our subsidiaries are not able to generate sufficient cash flow to service our debt obligations, we may need to refinance or restructure our debt, including the Debentures, sell assets, reduce or delay capital investments, or seek to raise additional capital. If we or our subsidiaries are unable to implement one or more of these alternatives, we may not be able to meet our payment obligations under the Debentures and our other debt.

Despite our current levels of indebtedness, we may incur substantially more debt, which could further exacerbate the risks associated with our substantial indebtedness.