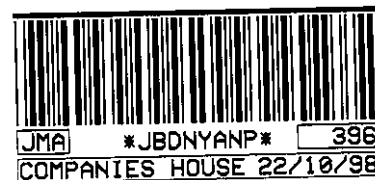


MARLOWE INVESTMENTS LIMITED

REGISTERED NUMBER: 2723962

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 1997



MARLOWE INVESTMENTS LIMITED

DIRECTORS' REPORT - 31 DECEMBER 1997

The Directors submit their annual report together with the audited financial statements for the year ended 31 December 1997.

1 REVIEW OF THE BUSINESS

The principal activity of the Company is that of a holding company. The results for the company are shown in the attached financial statements and notes. The Directors do not propose a dividend (1996 - £Nil). The loss for the year has been transferred to reserves.

2 DIRECTORS

The Directors of the Company during the year ended 31 December 1997 were as follows:

D T McNair
R Y Ballantyne

No Director had any beneficial interest in the shares of the Company or of any other members of the Marlowe Holdings Limited Group in the year.

3 STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BY ORDER OF THE BOARD


R Y BALLANTYNE
SECRETARY

30 June 1998

Price Waterhouse



**AUDITORS' REPORT TO THE MEMBERS OF
MARLOWE INVESTMENTS LIMITED**

We have audited the financial statements on pages 3 to 6 which have been prepared under the historical cost convention and accounting policies set out on page 5.

Respective responsibilities of Directors and auditors

As described in the Directors' report, the Company's Directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company at 31 December 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

PRICE WATERHOUSE
Manchester
Chartered Accountants
and Registered Auditors

30 June 1998

MARLOWE INVESTMENTS LIMITED
PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31 DECEMBER 1997

	<u>Note</u>	<u>1997</u> £	<u>1996</u> £
Loss on liquidation of investments		(11)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(11)	-
Taxation on loss on ordinary activities	4	-	-
LOSS FOR THE FINANCIAL YEAR		(11)	-
		<u> </u>	<u> </u>

Apart from the loss for the year, there were no recognised gains and losses or movements on equity shareholders' funds.

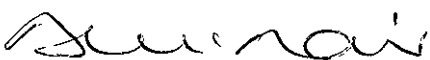
The notes on pages 5 and 6 form part of these financial statements.


MARLOWE INVESTMENTS LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 1997

	<u>Note</u>	<u>1997</u> £	<u>1996</u> £
DEBTORS	6	219,111	181,832
CREDITORS – amounts falling due within one year	7	<u>(37,290)</u>	<u>-</u>
NET CURRENT ASSETS		<u>181,821</u>	<u>181,832</u>
CAPITAL AND RESERVES			
Called up equity share capital	9	2	2
Profit and loss account	8	<u>181,819</u>	<u>181,830</u>
EQUITY SHAREHOLDERS' FUNDS		<u>181,821</u>	<u>181,832</u>

APPROVED BY THE BOARD ON 30 JUNE 1998

DIRECTORS .....D T McNAIR

.....R Y BALLANTYNE

The notes and information on pages 5 and 6 form part of these financial statements.

MARLOWE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **31 DECEMBER 1997**

1. COMPANY INFORMATION

The ultimate parent undertaking of Marlowe Investments Limited is Consolidated Electrical Distributors, Inc., an American company incorporated under the laws of the State of Delaware.

The Company is a wholly owned subsidiary of Marlowe Holdings Limited, a company registered in England. Marlowe Holdings Limited is the only company to consolidate the financial statements of Marlowe Investments Limited and copies of the Group financial statements may be obtained from the Registrar of Companies, Companies House, Cardiff, CF4 3UZ.

These financial statements present the financial information of the Company as an individual undertaking and not as a group. The Company is exempt from preparing Group financial statements as it is a wholly owned subsidiary of a company which consolidates this Company and all of its subsidiaries.

2. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

3. LIQUIDATION OF INVESTMENTS

During the year the Company acquired a number of dormant companies from fellow subsidiary undertakings and other undertakings. These dormant companies were liquidated during the year.

4. TAXATION

The transactions in the year did not give rise to a tax charge or credit in the year (1996 - £Nil).

5. EMPLOYEES

The Company has no employees. Its activities are administered by staff on secondment from a fellow subsidiary.

6. DEBTORS

	<u>1997</u> £	<u>1996</u> £
Amounts owed by Group undertakings	219,111	181,832
	<u> </u>	<u> </u>

MARLOWE INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 1997 (CONTINUED)

7. CREDITORS - Amounts falling due within one year

	<u>1997</u>	<u>1996</u>
	£	£
Amounts owed to fellow subsidiaries	37,289	-
Other creditors	<u>1</u>	<u>-</u>
	37,290	-
	<u>=====</u>	<u>=====</u>

8. PROFIT AND LOSS ACCOUNT

	£
At 1 January 1997	181,830
Loss for the year	<u>(11)</u>
At 31 December 1997	<u>181,819</u>
	<u>=====</u>

9. CALLED UP EQUITY SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
	£	£
<u>Authorised</u>		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>=====</u>	<u>=====</u>
<u>Allotted and fully paid</u>		
2 ordinary shares of £1 each	2	2
	<u>=====</u>	<u>=====</u>

10. DIRECTORS' EMOLUMENTS

No emoluments were paid to directors for their services to the Company during the year.

11. RELATED PARTY TRANSACTIONS

Transactions with other companies within the Group are not disclosed as the Company has taken advantage of the exemption under Financial Reporting Standard No. 8 "Related party disclosures", as the consolidated accounts of Marlowe Holdings Limited, in which the Company is included, are available at the address noted above.