www.legrand.com

CONSOLIDATED FINANCIAL INFORMATION

AS OF DECEMBER 31, 2014

legrand®

LEGRAND

STATUTORY AUDITORS' REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine cedex

Deloitte & Associés
185, avenue Charles-de-Gaulle
92200 Neuilly-sur-Seine

Statutory Auditors' Report on the Consolidated Financial Statements.
For the Year ended December 31, 2014

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in French and is provided solely for the convenience of English speaking users. The Statutory Auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders
LEGRAND
Société anonyme
128, avenue du Maréchal de Lattre de Tassigny
87000 Limoges

In compliance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you for the year ended December 31, 2014 on:

- the audit of the accompanying consolidated financial statements of Legrand;
- the justification of our assessments;
- the specific verification required by law.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2014 and of the results of its operations for the year then ended in accordance with IFRSs as adopted by the European Union.

II - Justification of our assessments

In accordance with the requirements of article L.823-9 of French Company Law (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Goodwill and intangible assets represent respectively € 2.563,7 million and € 1.853,3 million of the total consolidated assets of your Company and have been recorded as a result of the acquisition of Legrand France in 2002 and of other subsidiaries since 2005. As mentioned in notes 2.6 and 2.7 of the consolidated financial statements, your Company performs, each year, an impairment test of the value of goodwill and intangible assets with indefinite useful lives; and assesses whether changes or circumstances relating to long term assets, which could lead to an impairment loss, have occurred during the year. We have reviewed the methods by which the impairment tests are performed as well as the projected cash flow and assumptions used for these impairment tests and verified that information disclosed in notes 4 and 5 of the consolidated financial statements is appropriate.

These assessments were made as part of our audit approach of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verification

As required by law, we also verified the information presented in the Group management report in accordance with professional standards applicable in France.

We have no matters to report regarding its fair presentation and consistency with the consolidated financial statements.

Neuilly-sur-Seine, February 11, 2015

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Edouard Sattler	Jean-Marc Lumet

LEGRAND

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

Contents

Consolidated Statement of Income	2
Consolidated Balance Sheet	3
Consolidated Statement of Cash Flows	5
Consolidated Statement of Changes in Equity	6
Notes to the Consolidated Financial Statements	7

Consolidated Statement of Income

(in € millions)	Legrand 12 months ended December 31, 2014	 2013
Revenue (Note 2.11)	**4,499.1**	**4,460.4**
Operating expenses		
Cost of sales	(2,197.2)	(2,156.6)
Administrative and selling expenses	(1,214.4)	(1,184.4)
Research and development costs	(193.2)	(197.8)
Other operating income (expense) (Note 18.2)	(46.8)	(72.2)
Operating profit (Note 18)	**847.5**	**849.4**
Financial expense (Note 19.2)	(85.9)	(87.7)
Financial income (Note 19.2)	8.6	6.9
Exchange gains (losses) (Note 19.1)	1.5	(1.8)
Total net financial expense	(75.8)	(82.6)
Profit before tax	**771.7**	**766.8**
Income tax expense (Note 20)	(238.4)	(233.5)
Profit for the period	**533.3**	**533.3**
Attributable to:		
– Legrand	**531.7**	**530.5**
– Minority interests	**1.6**	**2.8**
Basic earnings per share *(euros)* (Notes 2.17 and 11.2)	2.001	2.002
Diluted earnings per share *(euros)* (Notes 2.17 and 11.2)	1.976	1.973

Statement of Comprehensive Income

(in € millions)	Legrand 12 months ended December 31, 2014	 2013
Profit for the period	533.3	533.3
Items that may be reclassified subsequently to profit or loss		
Translation reserves (Notes 2.3 and 13.2)	119.2	(194.1)
Income tax relating to components of other comprehensive income	12.2	(3.1)
Items that will not be reclassified to profit or loss		
Actuarial gains and losses (Notes 2.15 and 16.1)	(22.4)	14.7
Deferred taxes on actuarial gains and losses	6.2	(4.9)
Comprehensive income for the period	**648.5**	**345.9**
Attributable to:		
– Legrand	**646.7**	**344.7**
– Minority interests	**1.8**	**1.2**

The accompanying Notes are an integral part of these financial statements.

Consolidated Balance Sheet

	Legrand	
(in € millions)	**December 31, 2014**	**December 31, 2013**
ASSETS		
Current assets		
Cash and cash equivalents (Notes 2.4 and 10)	726.0	602.8
Marketable securities	3.1	3.0
Income tax receivables	60.0	45.9
Trade receivables (Notes 2.5 and 8)	500.4	474.3
Other current assets (Note 9)	152.1	138.5
Inventories (Notes 2.9 and 7)	622.7	620.9
Other current financial assets (Note 22)	0.6	0.0
Total current assets	**2,064.9**	**1,885.4**
Non-current assets		
Intangible assets (Notes 2.6 and 4)	1,853.3	1,821.1
Goodwill (Notes 2.7 and 5)	2,563.7	2,411.7
Property, plant and equipment (Notes 2.8 and 6)	556.6	560.6
Other investments	0.9	0.8
Deferred tax assets (Notes 2.10 and 20)	93.7	94.5
Other non-current assets	3.1	2.5
Total non-current assets	**5,071.3**	**4,891.2**
Total Assets	**7,136.2**	**6,776.6**

The accompanying Notes are an integral part of these financial statements.

	Legrand	
(in € millions)	**December 31, 2014**	**December 31, 2013**
LIABILITIES AND EQUITY		
Current liabilities		
Short-term borrowings (Notes 2.18 and 14.2)	71.4	86.9
Income tax payable	15.0	24.5
Trade payables	481.8	468.8
Short-term provisions (Note 15)	86.6	99.9
Other current liabilities (Note 17)	461.5	441.8
Other current financial liabilities (Note 22)	0.4	0.1
Total current liabilities	**1,116.7**	**1,122.0**
Non-current liabilities		
Deferred tax liabilities (Notes 2.10 and 20)	658.6	661.8
Long-term provisions (Note 15 and 16.2)	113.9	100.4
Other non-current liabilities	0.8	0.4
Provisions for post-employment benefits (Notes 2.15 and 16.1)	177.0	156.7
Long-term borrowings (Notes 2.18 and 14.1)	1,513.3	1,486.6
Total non-current liabilities	**2,463.6**	**2,405.9**
Equity		
Share capital (Note 11)	1,065.4	1,062.4
Retained earnings (Note 13.1)	2,761.9	2,575.8
Translation reserves (Note 13.2)	(281.8)	(400.8)
Equity attributable to equity holders of Legrand	3,545.5	3,237.4
Minority interests	10.4	11.3
Total equity	**3,555.9**	**3,248.7**
Total Liabilities and Equity	**7,136.2**	**6,776.6**

The accompanying Notes are an integral part of these financial statements.

Consolidated Statement of Cash Flows

(in € millions)	Legrand 12 months ended December 31, 2014	 2013
Profit for the period	**533.3**	**533.3**
Reconciliation of profit for the period to net cash provided by/(used in) operating activities:		
– Depreciation expense (Note 18.1)	94.5	101.5
– Amortization expense (Note 18.1)	40.5	39.2
– Amortization of development costs (Note 18.1)	30.5	27.7
– Amortization of financial expense	2.1	1.9
– Impairment of goodwill (Notes 5 and 18.2)	0.0	0.0
– Changes in deferred taxes	(5.0)	(10.6)
– Changes in other non-current assets and liabilities (Notes 15 and 16)	20.4	31.8
– Exchange (gains)/losses, net	11.6	(4.9)
– Other adjustments	0.8	0.4
– (Gains)/losses on sales of assets, net	0.0	(0.5)
Changes in operating assets and liabilities:		
– Inventories (Note 7)	40.2	(49.9)
– Trade receivables (Note 8)	1.9	(22.9)
– Trade payables	(16.5)	30.3
– Other operating assets and liabilities	(27.9)	14.6
Net cash from operating activities	**726.4**	**691.9**
– Net proceeds from sales of fixed and financial assets	6.3	4.3
– Capital expenditure (Notes 4 and 6)	(96.3)	(103.9)
– Capitalized development costs	(29.0)	(29.1)
– Changes in non-current financial assets and liabilities	(0.4)	(2.7)
– Acquisitions of subsidiaries, net of cash acquired (Note 3)	(100.7)	(131.7)
Net cash from investing activities	**(220.1)**	**(263.1)**
– Proceeds from issues of share capital and premium (Note 11)	33.6	23.4
– Net sales (buybacks) of treasury shares and transactions under the liquidity contract (Note 11)	(87.5)	(30.1)
– Dividends paid to equity holders of Legrand*	(279.3)	(265.1)
– Dividends paid by Legrand subsidiaries	(3.8)	(3.8)
– Proceeds from new borrowings and drawdowns (Note 14)	4.2	2.4
– Repayment of borrowings (Note 14)	(60.0)	(16.5)
– Debt issuance costs	(1.1)	0.0
– Net sales (buybacks) of marketable securities	0.3	0.0
– Increase (reduction) in bank overdrafts	22.9	(3.3)
– Acquisitions of ownership interests with no gain of control (Note 3)	(28.7)	(1.7)
Net cash from financing activities	**(399.4)**	**(294.7)**
Effect of exchange rate changes on cash and cash equivalents	16.3	(25.6)
Increase (decrease) in cash and cash equivalents	**123.2**	**108.5**
Cash and cash equivalents at the beginning of the period	602.8	494.3
Cash and cash equivalents at the end of the period (Note 10)	**726.0**	**602.8**
Items included in cash flows:		
– Free cash flow** (Note 24)	607.4	563.2
– Interest paid*** during the period	69.8	69.6
– Income taxes paid during the period	216.5	196.8

**see consolidated statement of changes in equity*

***normalized free cash flow is presented in Note 24*

****interest paid is included in the net cash from operating activities*

The accompanying Notes are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

	Equity attributable to equity holders of Legrand					Minority interests	Total equity
(in € millions)	Share capital	Retained earnings	Translation reserves	Actuarial gains and losses*	TOTAL		
As of December 31, 2012	**1,057.5**	**2,378.7**	**(208.3)**	**(42.8)**	**3,185.1**	**5.5**	**3,190.6**
Profit for the period		530.5			530.5	2.8	533.3
Other comprehensive income		(3.1)	(192.5)	9.8	(185.8)	(1.6)	(187.4)
Total comprehensive income		*527.4*	*(192.5)*	*9.8*	*344.7*	*1.2*	*345.9*
IAS 19 amendments		(5.3)			(5.3)		(5.3)
Dividends paid		(265.1)			(265.1)	(3.8)	(268.9)
Issues of share capital and premium	4.9	18.5			23.4		23.4
Net sales (buybacks) of treasury shares and transactions under the liquidity contract		(30.1)			(30.1)		(30.1)
Change in scope of consolidation**		(35.3)			(35.3)	8.4	(26.9)
Current taxes on share buybacks		(0.4)			(0.4)		(0.4)
Share-based payments		20.4			20.4		20.4
As of December 31, 2013	**1,062.4**	**2,608.8**	**(400.8)**	**(33.0)**	**3,237.4**	**11.3**	**3,248.7**
Profit for the period		531.7			531.7	1.6	533.3
Other comprehensive income		12.2	119.0	(16.2)	115.0	0.2	115.2
Total comprehensive income		*543.9*	*119.0*	*(16.2)*	*646.7*	*1.8*	*648.5*
Dividends paid		(279.3)			(279.3)	(3.8)	(283.1)
Issues of share capital and premium (Note 11)	6.2	27.4			33.6		33.6
Cancellation of shares acquired under the share buyback program (Note 11)	(3.2)	(34.3)			(37.5)		(37.5)
Net sales (buybacks) of treasury shares and transactions under the liquidity contract (Note 11)		(50.0)			(50.0)		(50.0)
Change in scope of consolidation**		(15.2)			(15.2)	1.1	(14.1)
Current taxes on share buybacks		(0.2)			(0.2)		(0.2)
Share-based payments (Note 12.1)		10.0			10.0		10.0
As of December 31, 2014	**1,065.4**	**2,811.1**	**(281.8)**	**(49.2)**	**3,545.5**	**10.4**	**3,555.9**

**net of deferred taxes*

***changes in scope of consolidation correspond mainly to acquisitions of additional shares in companies already consolidated and to puts on non-controlling interests*

The accompanying Notes are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Detailed table of contents

Note 1 - General information	8
Note 2 - Accounting policies	8
Note 3 - Changes in the scope of consolidation	22
Note 4 - Intangible assets (Note 2.6)	23
Note 5 - Goodwill (Note 2.7)	25
Note 6 - Property, plant and equipment (Note 2.8)	28
Note 7 - Inventories (Note 2.9)	30
Note 8 - Trade receivables (Note 2.5)	30
Note 9 - Other current assets	31
Note 10 - Cash and cash equivalents (Note 2.4)	31
Note 11 - Share capital and earnings per share (Note 2.17)	32
Note 12 - Stock option plans, performance share plans and employee profit-sharing (Note 2.13)	35
Note 13 - Retained earnings and translation reserves	38
Note 14 - Long-term and short-term borrowings (Note 2.18)	39
Note 15 - Provisions	41
Note 16 - Provision for post-employment benefits and other long-term employee benefits (Note 2.15)	43
Note 17 - Other current liabilities	49
Note 18 - Analysis of certain expenses	49
Note 19 - Total net financial expense	50
Note 20 - Income tax expense (Note 2.10)	50
Note 21 - Off-balance sheet commitments and contingent liabilities	52
Note 22 - Financial instruments and management of financial risks	53
Note 23 - Information relating to corporate officers	60
Note 24 - Information by geographical segment (Note 2.16)	61
Note 25 - Quarterly data – unaudited	63
Note 26 - List of consolidated companies	66
Note 27 - Subsequent events	67

Note 1 - General information

Legrand ("the Company") along with its subsidiaries (together "Legrand" or "the Group") is the global specialist in electrical and digital building infrastructures.

The Group has manufacturing and/or distribution subsidiaries and offices in over 80 countries, and sells its products in about 180 countries. Its key markets are France (20.3%), Italy (10.3%), the United States / Canada (19.0%), the Rest of Europe (18.3%) and the Rest of the World (32.1%). The United States / Canada and the new economies represent 57% of the Group sales.

The Company is a *société anonyme* (public limited company) incorporated and domiciled in France. Its registered office is located at 128, avenue du Maréchal de Lattre de Tassigny, 87000 Limoges (France).

The 2013 Registration Document was filed with the AMF on April 2, 2014 under no. D. 14-0274.

The consolidated financial statements were approved by the Board of Directors on February 11, 2015.

All amounts are presented in millions of euros unless otherwise specified. Some totals may include rounding differences.

Note 2 - Accounting policies

As a company incorporated in France, Legrand is governed by French company laws, including the provisions of the Commercial Code.

The consolidated financial statements cover the 12 months ended December 31, 2014. They have been prepared in accordance with the International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee interpretations adopted by the European Union and applicable or authorized for early adoption from January 1, 2014. None of the IFRSs issued by the International Accounting Standards Board (IASB) that have not been adopted for use in the European Union are applicable to the Group.

The IFRSs adopted by the European Union as of December 31, 2014 can be downloaded from the "IAS/IFRS Standards and Interpretations" page of the European Commission's website:
http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.
The areas involving a specific degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2.20.

The consolidated financial statements have been prepared using the historical cost convention, except for some classes of assets and liabilities in accordance with IFRS. The classes concerned are mentioned in the notes below.

2.1 New standards, amendments and interpretations

2.1.1 New standards, amendments and interpretations with mandatory application from January 1, 2014, and applied by the Group in early 2013

Not applicable.

2.1.2 New standards, amendments and interpretations applied by the Group after January 1, 2014 that have no impact on its financial statements

Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests

In May 2011, the IASB issued new standards – IFRS 10 – Consolidated Financial Statements, IFRS 11 – Joint Arrangements and IFRS 12 – Disclosure of Interests in Other Entities – as well as the resulting amendments to IAS 27, reissued as Separate Financial Statements, and IAS 28, reissued as Investments in Associates and Joint Ventures.

IFRS 10 – Consolidated Financial Statements introduces a single consolidation framework for all types of investee entities, based on the concept of control.

The new IFRS 11 – Joint Arrangements introduces new requirements in recognizing joint arrangements, with in particular the use of the equity method to account for joint ventures.

The new IFRS 12 – Disclosure of Interests in Other Entities integrates into a single standard the disclosures required for interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities.

Amendments to IAS 32 Financial Instruments – Disclosures: Offsetting Financial Assets and Financial Liabilities

In December 2011, the IASB published amendments to IAS 32 "Financial Instruments – Disclosures: Offsetting Financial Assets and Financial Liabilities" clarifying the rules for offsetting financial assets and liabilities.

Amendments to IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets

In May 2013, the IASB published amendments to IAS 36 that require disclosure of the valuation techniques used, as well as of the key assumptions used in the current measurement and previous measurement of fair value when an impairment loss has been recognized (or reversed in the case of assets other than goodwill).

Amendment to IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting

In June 2013, the IASB published an amendment to IAS 39 that allows hedge accounting to be continued in certain situations where a derivative is novated (i.e., the parties to a contract agree to replace their original contract with a new one).

2.1.3 New standards, amendments and interpretations applied by the Group after January 1, 2014 that have an impact on its financial statements

Not applicable.

2.1.4 New standards, amendments and interpretations adopted by the European Union not applicable to the Group until future periods

IFRIC 21 – Levies

In May 2013, the IFRS Interpretation Committee issued IFRIC 21 – Levies which aims to clarify the trigger event for the provisioning for all taxes other than income taxes. This interpretation will modify existing practices for annual taxes whose payment is triggered, for an entity, by being in operations on a specified date or by achieving a certain level of activity.

In June 2014, IFRIC 21 was adopted by the European Union, with mandatory application for annual periods beginning on or after June 17, 2014, earlier application being permitted. Its impact should be recognized retrospectively in accordance with IAS 8.

The Group has decided not to apply IFRIC 21 in early 2014, as this interpretation was not expected to impact significantly the Group's financial statements. Furthermore, such application should have only a timing impact between quarters in the recognition of certain levies.

If the Group had decided to apply IFRIC 21 from January 1, 2014, the impacts for the Group, mainly in France, would have been the following;

- a reduction in first-quarter operating income of around €7 million;
- a reduction in first-half operating income of around €4 million;
- a reduction in nine-month operating income of around €2 million;
- no impact on full-year operating income.

Given that the above reductions in operating income would have been offset by an increase in other current liabilities, IFRIC 21 would have had no impact on free cash flow.

2.1.5 New standards, amendments and interpretations not yet adopted by the European Union not applicable to the Group until future periods

IFRS 9 – Financial Instruments

In July 2014, the IASB published the complete version of IFRS 9 – Financial Instruments, which replaces most of the guidance in IAS 39 – Financial Instruments: Recognition and Measurement. The complete standard covers three main topics: classification and measurement, impairment and hedge accounting.

IFRS 9 introduces a single model for determining whether financial assets should be measured at amortized cost or at fair value. This model supersedes the various models set out in IAS 39. The IFRS 9 model is dependent on the entity's business model objective for managing financial assets and the contractual cash flow characteristics of the financial assets.

As under IAS 39, all financial liabilities are eligible for measurement at amortized cost, except for financial liabilities held for trading, which must be measured at fair value through profit or loss.

In addition, IFRS 9 introduces a single impairment model that supersedes the various models set out in IAS 39 and also includes a simplified approach for financial assets that fall within the scope of IFRS 15 – Revenue from Contracts with Customers. This model is based in particular on the notion of expected credit losses, which applies regardless of the financial assets' credit quality.

Lastly, whereas most of the IAS 39 hedge accounting rules still apply, IFRS 9 allows more types of hedge relationships to quality for hedge accounting, in addition to derivatives.

This standard, which has not yet been adopted by the European Union, is effective for annual periods beginning on or after January 1, 2018.

IFRS 15 – Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers, which replaces IAS 18 – Revenue and IAS 11 – Construction Contracts.
IFRS 15 sets out the requirements for recognizing revenue arising from all contracts with customers (except for contracts that fall within the scope of other standards). In addition, the standard requires the reporting entity to disclose certain contract information, particularly in the case of contracts that are expected to extend beyond one year and to describe the assumptions used by the entity to calculate the revenue amounts to be reported.

This standard, which has not yet been adopted by the European Union, is effective for annual periods beginning on or after January 1, 2017.

The Group is reviewing these standards, to determine their possible impacts on the consolidated financial statements and related disclosures.

2.2 Basis of consolidation

Subsidiaries controlled by the Group are fully consolidated. Control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are consolidated from the date when effective control is transferred to the Group. They are deconsolidated from the date on which control ceases.

Entities consolidated under the equity method are entities over which the Group has significant influence but not control. Significant influence is generally considered to be exercised when the Group holds 20 to 50% of the voting rights. Investments in such entities are initially recognized at cost and are subsequently accounted for by the equity method.

The Group does not hold interests accounted for under the equity method.

2.3 Foreign currency translation

Items included in the financial statements of each Group entity are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in euros, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rate on the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies using the exchange rate at the balance sheet date are recognized in the income statement under the heading "Exchange gains (losses)".

Assets and liabilities of Group entities whose functional currency is different from the presentation currency are translated using the exchange rate at the balance sheet date. Statements of income are translated using the average exchange rate for the period. Gains or losses arising from the translation of the financial statements of foreign subsidiaries are recognized directly in equity, under "Translation reserves", until the entities are sold or substantially liquidated.

A receivable from or payable to a foreign Group entity, whose settlement is not planned or likely to occur in the foreseeable future, is treated as part of the net investment in that entity. As a result, in compliance with IAS 21, translation gains and losses on such receivables or payables are recognized directly in equity, under "Translation reserves".

2.4 Cash and cash equivalents

Cash and cash equivalents consist of cash, short-term deposits and all other financial assets with an original maturity of less than three months. The other financial assets maturing in less than three months are readily convertible to known amounts of cash and are not subject to any material risk of change in value. Marketable securities are not considered as cash equivalents.

Cash and cash equivalents that are unavailable in the short term for the Group correspond to the bank accounts of certain subsidiaries facing complex, short-term fund repatriation conditions due mainly to regulatory reasons.

Bank overdrafts are considered to be a form of financing and are therefore included in short-term borrowings.

2.5 Trade receivables

Trade receivables are initially recognized at fair value and are subsequently measured at amortized cost.
A provision is recognized in the income statement when there is objective evidence of impairment such as:

- when a debtor has defaulted;
- when a debtor is observed to be in financial difficulties, as evidenced by late payments, a rating downgrade or a deteriorating business environment.

2.6 Intangible assets

2.6.1 Trademarks

Trademarks with finite useful lives are amortized over their estimated useful lives ranging:

- from 10 years when management plans to gradually replace them by other major trademarks owned by the Group;
- to 20 years when management plans to replace them by other major trademarks owned by the Group only over the long term or when, in the absence of such an intention, management considers that the trademarks may be threatened by a major competitor in the long term.

Amortization of trademarks is recognized in the income statement under administrative and selling expenses.

Trademarks are classified as having an indefinite useful life when management believes they will contribute indefinitely to future consolidated cash flows because it plans to continue using them indefinitely. Useful lives are reviewed at regular intervals, leading in some cases to trademarks classified as having an indefinite useful life being reclassified as trademarks with a finite useful life.

The Group’s trademarks that are classified as having an indefinite useful life are used internationally, and therefore contribute to all of the Group's cash-generating units.

2.6.2 Development costs

Costs incurred for the Group’s main development projects (relating to the design and testing of new or improved products) are recognized as intangible assets when it is probable that the project will be a success, considering its technical, commercial and technological feasibility, and when costs can be measured reliably. Capitalized development costs are amortized from the starting date of the sale of the product on a straight-line basis over the period in which the asset’s future economic benefits are consumed, not exceeding 10 years.

Other development costs that do not meet the definition of an intangible asset are recorded in research and development costs for the year in which they are incurred.

2.6.3 Other intangible assets

Other intangible assets are recognized at cost less accumulated amortization and impairment.
They include in particular:

- software, which is generally purchased from an external supplier and amortized over 3 years;
- customer relationships acquired in business combinations. Corresponding to contractual relationships with key customers, they are measured using the discounted cash flow method and are amortized over a period ranging from 3 to 20 years.

2.6.4 Impairment tests on intangible assets except goodwill

When events or changes in market environment indicate that an intangible asset or item of property, plant and equipment may be impaired, the item concerned is tested for impairment to determine whether its carrying amount is greater than its recoverable amount, defined as the higher of fair value less disposal costs and value in use.

Fair value less disposal costs is the best estimate of the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less disposal costs.

Value in use is the present value of the future cash flows expected to be derived from the use and subsequent sale of the asset. For further information, see Note 2.7.2.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses on intangible assets may be reversed in subsequent periods if the impairment has decreased, provided that the increased carrying amount of the asset does not exceed the amount that would have been determined had no impairment loss been recognized.

Each trademark with an indefinite useful life is tested for impairment separately, in the fourth quarter of each year and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Impairment tests are performed using the relief from royalty method. This method consists of measuring the royalties that the company would have to pay to license in the trademark from a third party. The theoretical value of these royalties is then measured by estimating future revenue generated by the trademark over its useful life, as if the trademark were to be owned by a third party.

2.7 Goodwill

2.7.1 Business combinations

For each combination, the Group decides to use:

i. Either the full goodwill method, which consists of allocating goodwill to minority interests. Under this method, goodwill is the difference between a) the consideration paid to acquire the business combination plus the fair value of the non-controlling interests in the combination and b) the fair value at date of acquisition of the identifiable net assets acquired and liabilities assumed;

ii. Or the partial goodwill method, whereby no goodwill is allocated to minority interests. Under this method, goodwill is the difference between a) the consideration paid to acquire the business combination and b) the portion of the acquisition date fair value of the identifiable net assets acquired and liabilities assumed that is attributable to the Group.

The cost of business combinations, as determined on the date when control is acquired, corresponds to the fair value of the acquired entities. As such, it does not include acquisition-related costs and expenses but does include contingent consideration at fair value.

Changes in the percentage of interest held in a controlled entity are recorded directly in equity without recognizing any additional goodwill.

2.7.2 Impairment tests on goodwill

Goodwill is tested for impairment annually, in the fourth quarter of each year, and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For impairment testing purposes, goodwill is allocated to a cash-generating unit (CGU) or a group of CGUs, corresponding to the lowest level at which goodwill is monitored. Within the Legrand Group, CGUs are defined as corresponding to individual countries or to a group of countries, when they either have similar market characteristics or are managed as a single unit.

The need to record an impairment loss is assessed by comparing the carrying amount of the CGU's assets and liabilities, including goodwill, and their recoverable amount, defined as the higher of fair value less disposal costs and value in use.

Value in use is estimated based on discounted cash flows for the next five years and a terminal value calculated from the final year of the projection period. The cash flow data used for the calculation is taken from the most recent medium-term business plans approved by Group management. Business plan projections are based on the latest available external forecasts of trends in the Group's markets. Cash flows beyond the projection period of five years are estimated by applying a stable growth rate.

The discount rates applied derive from the capital asset pricing model. They are calculated for each individual country, based on financial market and/or valuation services firm data (average data over the last three years). The cost of debt used in the calculations is the same for all individual countries (being equal to the Group's cost of debt).

Value in use corresponds to the present value of the future cash flows expected to be derived from the subsidiaries included in the CGU. It is calculated by applying pre-tax discount rates to pre-tax future cash flows.

Fair value less disposal costs is the best estimate of the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

An impairment loss is recognized when the carrying amount is less than the recoverable amount. Impairment losses recognized on goodwill are irreversible.

2.8 Property, plant and equipment

Land, buildings, machinery and equipment, and other fixed assets are carried at cost less accumulated depreciation and any accumulated impairment losses. Impairment tests are performed annually and whenever events or changes in circumstances indicate that the assets' carrying amount may not be recoverable.

Assets acquired under lease agreements that transfer substantially most of the risks and rewards of ownership to the Group are capitalized on the basis of the present value of future minimum lease payments and are depreciated over the shorter of the lease contract period and the asset's useful life determined in accordance with Group policies (see below).

Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets; the most commonly adopted useful lives are the following:

Light buildings	25 years
Standard buildings	40 years
Machinery and equipment	8 to 10 years
Tooling	5 years
Office furniture and equipment	5 to 10 years

The depreciable amount of assets is determined after deducting their residual value when the amounts involved are material.

Each part of an item of property, plant and equipment with a useful life that is significantly different to the useful lives of other parts is recorded separately.

Assets held for sale are measured at the lower of their carrying amount and fair value less disposal costs.

2.9 Inventories

Inventories are measured at the lower of cost (of acquisition or production) or net realizable value, with cost determined principally on a first-in, first-out (FIFO) basis. The production cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.10 Deferred taxes

In accordance with IAS 12, deferred taxes are recognized for temporary differences between the tax bases of assets and liabilities and their carrying amount in the consolidated balance sheet. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.
Deferred tax assets and deferred tax liabilities are offset when the entity has a legally enforceable right of offset and they relate to income taxes levied by the same taxation authority.

2.11 Revenue recognition

Revenues from the sale of goods are recognized when all of the following conditions have been satisfied: (i) the significant risks and rewards of ownership of the goods have been transferred to the buyer; (ii) the seller retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (iii) the amount of revenue can be measured reliably; (iv) it is probable that the economic benefits associated with the transaction will flow to the seller; and (v) the costs incurred or to be incurred in respect of the

transaction can be measured reliably. For the Group, this policy results in the recognition of revenue when ownership title and the risk of loss are transferred to the buyer, which is generally upon shipment.

The Group offers some sales incentives to customers, consisting primarily of volume rebates and cash discounts. Volume rebates are typically based on three, six, and twelve-month arrangements with customers, and rarely extend beyond one year. Based on the trade of the current period, such rebates are recognized on a monthly basis as a reduction in revenue from the underlying transactions that reflect progress by the customer towards earning the rebate, with a corresponding deduction from the customer's trade receivables balance.

2.12 Valuation of financial instruments

2.12.1 Hierarchical classification of financial instruments

Under the amended IFRS 7, financial instruments are classified in a three-level hierarchy based on the inputs used to measure their fair value, as follows:

- level 1: quoted prices for similar instruments;
- level 2: directly observable market inputs other than level 1 inputs;
- level 3: inputs not based on observable market data.

2.12.2 Assessing the fair value of financial instruments

The carrying amounts of cash, short-term deposits, accounts receivable, accounts payable, accrued expenses and short-term borrowings approximate their fair value because of these instruments' short maturities. For short-term investments, comprised of marketable securities, fair value corresponds to the securities' market price. The fair value of long-term borrowings is estimated on the basis of interest rates currently available for issuance of debt with similar terms and remaining maturities. The fair value of interest rate swap agreements is the estimated amount that the counterparty would receive or pay to terminate the agreements, and is calculated as the present value of the estimated future cash flows.

2.12.3 Non-derivative financial instruments designated as hedges

Under IAS 39, non-derivative financial instruments may be designated as hedges only when they are used to hedge foreign currency risk and provided that they qualify for hedge accounting.

Accordingly, in the case of hedges of a net investment in a foreign operation, the portion of the gain or loss on the hedging instrument that is deemed to be an effective hedge is recognized in equity, as required under paragraph 102 of IAS 39.

2.12.4 Derivatives

Group policy consists of not entering into any transaction of a speculative nature involving financial instruments. All transactions in these instruments are entered into exclusively for the purpose of managing or hedging currency or interest rate risks, and changes in the prices of raw materials. For this purpose, the Group periodically enters into contracts such as swaps, caps, options, futures and forward contracts, according to the nature of its exposure.

Accounting treatment of derivative instruments

Derivatives are initially recognized at fair value at the contract inception date and are subsequently remeasured at fair value at each reporting date. The method of recognizing the resulting gain or loss depends on whether the derivative qualifies for hedge accounting, and if so, the nature of the item being hedged.

Put on non-controlling interests

In the particular case of puts written on non-controlling interests without any transfer of risks and benefits, the contractual obligation to purchase these equity instruments is recognized as a liability by adjusting equity in application of IAS 32. Any subsequent changes in the liability are recorded in equity.

Other derivative instruments

In the case of other derivative instruments, the Group analyzes the substance of each transaction and recognizes any changes in fair value in accordance with IAS 39.

The fair values of derivative instruments used for hedging purposes are disclosed in Note 22.

2.13 Share-based payment transactions

Share-based payment plans have been implemented, which are settled in either equity or cash.

2.13.1 Equity-settled share-based payment transactions

The cost of stock options or performance shares is measured at the fair value of the award on the grant date, using the Black & Scholes option pricing model or the binomial model, and is recognized in the income statement under "Employee benefits expense" on a straight-line basis over the vesting period with a corresponding adjustment to equity. Changes in the fair value of stock options after the grant date are not taken into account.

The expense recognized by crediting equity is adjusted at each period-end during the vesting period to take into account changes in the number of shares that are expected to be delivered to employees when the performance shares vest or the stock options are exercised.

2.13.2 Cash-settled share-based payment transactions

When granting long-term employee benefits plans indexed to the share price, the value of the awarded instruments is estimated according to the conditions defined at the plan's inception. This value is remeasured at each period-end and the resulting increase or decrease in expense is recognized as an adjustment to provisions.

2.14 Transfers and use of financial assets

In accordance with IAS 39, financial assets are derecognized when the associated cash flows and substantially all the related risks and rewards have been transferred.

2.15 Post employment benefit obligations and other long-term employee benefits

2.15.1 Pension obligations

Group companies operate various pension plans. The plans are funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has both defined contribution and defined benefit plans.

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Contributions are recognized as an expense for the period of payment.

The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in current and prior periods.

Defined benefit plans

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and end-of-career salary.

The liability recognized in the balance sheet for defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date, less the fair value of plan assets. The past service cost arising from changes to pension benefit plans is expensed in full as incurred.

The Group recognizes all actuarial gains and losses outside profit or loss, in the Statement of Recognized Income and Expense (Statement of Comprehensive Income), as allowed under IAS 19, paragraph 120C (revised).

Defined benefit obligations are calculated using the projected unit credit method. This method takes into account estimated years of service at retirement, final salaries, life expectancy and staff turnover, based on actuarial assumptions. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of investment grade corporate bonds that are denominated in the currency in which the benefits will be paid and have terms to maturity approximating the period to payment of the related pension liability.

2.15.2 Other post-employment benefit obligations

Some Group companies provide post-employment healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining with the company up to retirement age and completion of a minimum service period.

The benefits are treated as post-employment benefits under the defined benefit scheme.

2.15.3 Other long-term employee benefits

The Group has implemented plans providing long-term employee benefits to employees, which are recognized in provisions in accordance with IAS 19.

2.16 Segment information

The Group is organized for management purposes by countries grouped into geographical segments.
Hence, allocation of resources to the various segments and assessement of each segment's performance are performed by Group management on a country basis.

2.17 Basic and diluted earnings per share

Basic earnings per share are calculated by dividing net profit attributable to equity holders of Legrand by the weighted number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated according to the treasury stock method, by dividing profit attributable to equity holders of Legrand by the weighted average number of ordinary shares outstanding during the period, plus the number of dilutive potential ordinary shares. The weighted average number of ordinary shares outstanding used in these calculations is adjusted for the share buybacks and sales carried out during the period and does not take into account shares held in treasury.

2.18 Short- and long-term borrowings

Short- and long-term borrowings mainly comprise bonds and bank loans. They are initially recognized at fair value, taking into account any transaction costs directly attributable to the issue, and are subsequently measured at amortized cost, using the effective interest method.

2.19 Borrowing costs

In accordance with the revised version of IAS 23, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of that asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.
Other borrowing costs are recognized as an expense for the period in which they were incurred.

2.20 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that are reflected in the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events, and are believed to be reasonable under the circumstances.

2.20.1 Impairment of goodwill and intangible assets

Trademarks with indefinite useful lives and goodwill are tested for impairment at least once a year and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, in accordance with the accounting policies presented in Notes 2.6.4 and 2.7.2.
Intangible assets with finite useful lives are amortized over their estimated useful lives and are tested for impairment when there is any indication that their recoverable amount may be less than their carrying amount.

Future events could cause the Group to conclude that evidence exists that certain intangible assets acquired in a business combination are impaired. Any resulting impairment loss could have a material adverse effect on the Group's consolidated financial statements and in particular on the Group's operating profit. The discounted cash flow estimates used for impairment tests on goodwill and trademarks with indefinite useful lives are based to a significant extent on management's judgment.

2.20.2 Accounting for income taxes

As part of the process of preparing the consolidated financial statements, the Group is required to estimate income taxes in each of the jurisdictions in which it operates. This involves estimating the actual current tax exposure and assessing temporary differences resulting from differing treatment of items such as deferred revenue or prepaid expenses for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are reported in the consolidated balance sheet.

The Group must then assess the probability that deferred tax assets will be recovered from future taxable profit.
Deferred tax assets are recognized only when it is probable that sufficient taxable profit will be available, based on management-approved taxable profit forecasts.

The Group has not recognized all of its deferred tax assets because it is not probable that some of them will be recovered before they expire. The amounts involved mainly concern operating losses carried forward and foreign income tax credits. The assessment is based on estimates of future taxable profit by jurisdiction in which the Group operates and the period over which the deferred tax assets are recoverable.

2.20.3 Other assets and liabilities based on estimates

Other assets and liabilities based on estimates include provisions for pensions and other post-employment benefits, impairment of trade receivables, inventories and financial assets, share-based payments, provisions for contingencies and charges, capitalized development costs, and any annual volume rebates offered to customers.

Note 3 - Changes in the scope of consolidation

The contributions to the Group's consolidated financial statements of companies acquired since January 1, 2013 were as follows:

2013	March 31	June 30	September 30	December 31
Daneva	Balance sheet only	6 months' profit	9 months' profit	12 months' profit
Seico	Balance sheet only	5 months' profit	8 months' profit	11 months' profit
S2S		Balance sheet only	Balance sheet only	8 months' profit
Adlec Power			Balance sheet only	5 months' profit
Tynetec			Balance sheet only	5 months' profit

2014	March 31	June 30	September 30	December 31
Daneva	3 months' profit	6 months' profit	9 months' profit	12 months' profit
Seico	3 months' profit	6 months' profit	9 months' profit	12 months' profit
S2S	3 months' profit	6 months' profit	9 months' profit	12 months' profit
Adlec Power	3 months' profit	6 months' profit	9 months' profit	12 months' profit
Tynetec	3 months' profit	6 months' profit	9 months' profit	12 months' profit
Lastar inc.	Balance sheet only	3 months' profit	6 months' profit	9 months' profit
Neat	Balance sheet only	Balance sheet only	7 months' profit	10 months' profit
SJ Manufacturing		Balance sheet only	Balance sheet only	7 months' profit

In 2014, companies consolidated in 2013 and in 2014 on the basis presented in the above tables contributed €193.4 million to consolidated revenue and €11.6 mllion to consolidated profit for the period. All of these companies are fully consolidated.

The main acquisitions carried out in 2014 were as follows:

- the Group acquired Lastar Inc., a frontrunner in pre-terminated solutions for Voice-Data-Image (VDI) and audio-video (A/V) networks in the United States. With facilities based primarily in the United States and in China, Lastar Inc. has annual sales of around $130 million;

- the Group acquired a majority stake in Neat, Spain's leader in assisted living and a major player in this market Europe-wide. It acquired 51% of the shares with an option to take full control from 2018. Based in Madrid, Neat has annual sales of over €15 million;

- the Group acquired SJ Manufacturing, a Singaporean frontrunner in racks, Voice-Data-Image cabinets and related products for data centers. SJ Manufacturing's annual sales total nearly €10 million.

In all, acquisitions of subsidiaries (net of cash acquired) and acquisitions of ownership interests with no gain of control came to a total of €129.4 million in 2014, versus €133.4 million in 2013. Of this, acquisitions of subsidiaries (net of cash acquired) accounted for €100.7 million in 2014, compared with €131.7 million in 2013.

Note 4 - Intangible assets (Note 2.6)

Intangible assets are as follows:

(in € millions)	**December 31, 2014**	**December 31,2013**
Trademarks with indefinite useful lives	1,408.0	1,408.0
Trademarks with finite useful lives	265.8	237.0
Developed technology	3.3	3.9
Other intangible assets	176.2	172.2
	1,853.3	**1,821.1**

The Legrand and Bticino brands represent close to 98% of the total value of trademarks with indefinite useful lives.

Trademarks can be analyzed as follows:

(in € millions)	**December 31,2014**	**December 31,2013**
Gross value at the beginning of the period	1,765.5	1,749.3
- Acquisitions	29.4	41.4
- Adjustments	0.0	0.0
- Disposals	0.0	0.0
- Translation adjustments	32.2	(25.2)
Gross value at the end of the period	**1,827.1**	**1,765.5**
Accumulated amortization and impairment at the beginning of the period	(120.5)	(105.0)
- Depreciation expense	(22.3)	(21.0)
- Reversals	0.0	0.0
- Translation adjustments	(10.5)	5.5
Less accumulated amortization and impairment at the end of the period	**(153.3)**	**(120.5)**
Net value at the end of the period	**1,673.8**	**1,645.0**

To date, no impairment has been recognized for these trademarks.

Trademarks with indefinite useful lives are tested for impairment annually and whenever events or changes in circumstances indicate that their carrying amount may exceed their recoverable amount.

The following impairment testing parameters were used in the period ended December 31, 2014:

		Value in use	
Recoverable amount	**Carrying amount of trademarks with indefinite useful lives**	**Discount rate (before tax)**	**Growth rate to perpetuity**
Value in use	1,408.0	10.4 to 13.1%	2.8 to 3.2%

No impairment was recognized in the period ended December 31, 2014.

Sensitivity tests were performed on the discount rates and long-term growth rates used for impairment testing purposes. Based on the results of these tests, a 50-basis point change in these rates would not lead to any impairment losses being recognized on trademarks with an indefinite useful life.

The following impairment testing parameters were used in the period ended December 31, 2013:

Recoverable amount	Carrying amount of trademarks with indefinite useful lives	Value in use	
		Discount rate (before tax)	Growth rate to perpetuity
Value in use	1,408.0	9.4 to 9.9%	2.8 to 3.2%

No impairment was recognized in the period ended December 31, 2013.

Developed technology can be analyzed as follows:

(in € millions)	December 31, 2014	December 31, 2013
Gross value at the beginning of the period	578.7	582.0
- Acquisitions	0.0	0.0
- Disposals	0.0	0.0
- Translation adjustments	7.1	(3.3)
Gross value at the end of the period	**585.8**	**578.7**
Accumulated amortization and impairment at the beginning of the period	(574.8)	(576.5)
- Depreciation expense	(0.7)	(0.7)
- Reversals	0.0	0.0
- Translation adjustments	(7.0)	2.4
Less accumulated amortization and impairment at the end of the period	**(582.5)**	**(574.8)**
Net value at the end of the period	**3.3**	**3.9**

To date, no impairment has been recognized for developed technology.

Other **intangible assets** can be analyzed as follows:

(in € millions)	December 31, 2014	December 31, 2013
Capitalized development costs	289.8	260.0
Software	96.6	95.0
Other	88.4	76.1
Gross value at the end of the period	**474.8**	**431.1**
Less accumulated amortization and impairment at the end of the period	(298.6)	(258.9)
Net value at the end of the period	**176.2**	**172.2**

To date, no significant impairment has been recognized for these items.

Note 5 - Goodwill (Note 2.7)

Goodwill can be analyzed as follows:

(in € millions)	**December 31, 2014**	**December 31, 2013**
France	676.0	675.8
Italy	366.8	366.8
Rest of Europe	270.2	271.8
USA/Canada	507.1	404.1
Rest of the World	743.6	693.2
	2,563.7	**2,411.7**

For impairment testing purposes, goodwill has been allocated to various countries, grouping CGUs which represent the lowest level at which goodwill is monitored.

France, Italy and USA/Canada are each considered to be a single CGU, whereas the Rest of Europe and Rest of the World segments are made up of several CGUs.

In the "Rest of Europe" and "Rest of the World" regions, no final amount of goodwill allocated to a cash-generating unit (CGU) represents more than 10% of total goodwill.

The geographic allocation of goodwill is based on the acquired company's value, determined as of the date of the business combination, taking into account synergies with other Group companies.

Changes in goodwill can be analyzed as follows:

(in € millions)	**December 31, 2014**	**December 31, 2013**
Gross value at the beginning of the period	2,447.5	2,493.3
- Acquisitions	60.2	108.8
- Adjustments	(6.4)	(42.4)
- Translation adjustments	99.7	(112.2)
Gross value at the end of the period	**2,601.0**	**2,447.5**
Impairment value at the beginning of the period	(35.8)	(38.1)
- Impairment losses	0.0	0.0
- Translation adjustments	(1.5)	2.3
Impairment value at the end of the period	**(37.3)**	**(35.8)**
Net value at the end of the period	**2,563.7**	**2,411.7**

Adjustments correspond to the difference between provisional and final goodwill.

These CGUs are tested for impairment annually, and whenever events or changes in circumstances indicate that their value may be impaired, by comparing their carrying amount, including goodwill, to their value in use.
Value in use corresponds to the present value of the future cash flows expected to be derived from the subsidiaries included in the CGU.

The following impairment testing parameters were used in the period ended December 31, 2014:

			Value in use	
	Recoverable amount	**Carrying amount of goodwill**	**Discount rate (before tax)**	**Growth rate to perpetuity**
France		676.0	9.4%	2%
Italy		366.8	14.6%	2%
Rest of Europe	Value in use	270.2	8.5 to 20.6%	2 to 5%
USA/Canada		507.1	9.8%	3%
Rest of the World		743.6	8.8 to 21.1%	2 to 5%
		2,563.7		

No goodwill impairment losses were identified in the period ended December 31, 2014.

Sensitivity tests performed on the discount rates, long-term growth rates and operating margin rates showed that a 50 basis point unfavorable change in each of these three parameters would not lead to any material impairment of goodwill on an individual basis for each CGU.

The following impairment testing parameters were used in the period ended December 31, 2013:

	Recoverable amount	Carrying amount of goodwill	Value in use	
			Discount rate (before tax)	Growth rate to perpetuity
France	Value in use	675.8	10.5%	2%
Italy		366.8	15.4%	2%
Rest of Europe		271.8	8.7 to 20.4%	2 to 5%
USA/Canada		404.1	10.5%	3%
Rest of the World		693.2	10.3 to 18.6%	2 to 5%
		2,411.7		

No goodwill impairment losses were identified in the period ended December 31, 2013.

Goodwill arising on partial acquisitions has been measured using the partial goodwill method (Note 2.7.1).

For business combinations, the fair values of the identifiable assets acquired and of liabilities and contingent liabilities assumed are determined on a provisional basis. As a result, the related goodwill is subject to adjustment during the year following the provisional allocation.

Acquisition prices for the twelve months ended December 31, 2014 and December 31, 2013 have been allocated as follows:

	12 months ended	
(in € millions)	**December 31, 2014**	**December 31, 2013**
- Trademarks	29.3	41.4
- Deferred taxes on trademarks	(1.1)	(3.4)
- Developed technology	0.0	0.0
- Deferred taxes on developed technology	0.0	0.0
- Other intangible assets	6.0	7.2
- Deferred taxes on other intangible assets	0.0	0.0
- Goodwill	60.2	108.8

Note 6 - Property, plant and equipment (Note 2.8)

6.1 Analysis of changes in property, plant and equipment

Changes in property, plant and equipment in 2014 can be analyzed as follows:

	December 31, 2014				
(in € millions)	Land	Buildings	Machinery and equipment	Assets under construction and other	Total
Gross value					
At the beginning of the period	54.2	580.0	1,621.2	266.8	2,522.2
- Acquisitions	0.0	6.4	32.9	49.1	88.4
- Disposals	(0.3)	(19.3)	(59.1)	(6.8)	(85.5)
- Transfers and changes in scope of consolidation	(0.8)	11.9	31.9	(32.8)	10.2
- Translation adjustments	0.8	3.8	17.7	12.0	34.3
At the end of the period	**53.9**	**582.8**	**1,644.6**	**288.3**	**2,569.6**
Depreciation and impairment					
At the beginning of the period	(8.1)	(362.7)	(1,402.8)	(188.0)	(1,961.6)
- Depreciation expense	(0.5)	(17.5)	(64.6)	(11.9)	(94.5)
- Reversals	0.0	15.6	57.8	6.2	79.6
- Transfers and changes in scope of consolidation	0.0	(1.9)	(2.8)	(4.5)	(9.2)
- Translation adjustments	0.0	(2.9)	(14.7)	(9.7)	(27.3)
At the end of the period	**(8.6)**	**(369.4)**	**(1,427.1)**	**(207.9)**	**(2,013.0)**
Net value					
At the beginning of the period	46.1	217.3	218.4	78.8	560.6
- Acquisitions / Depreciation	(0.5)	(11.1)	(31.7)	37.2	(6.1)
- Disposals / Reversals	(0.3)	(3.7)	(1.3)	(0.6)	(5.9)
- Transfers and changes in scope of consolidation	(0.8)	10.0	29.1	(37.3)	1.0
- Translation adjustments	0.8	0.9	3.0	2.3	7.0
At the end of the period	**45.3**	**213.4**	**217.5**	**80.4**	**556.6**

Total property, plant and equipment includes €8.5 million corresponding to assets held for sale, which are measured at the lower of their carrying amount and fair value less disposal costs.

Changes in property, plant and equipment in 2013 can be analyzed as follows:

	December 31 , 2013				
(in € millions)	Land	Buildings	Machinery and equipment	Assets under construction and other	Total
Gross value					
At the beginning of the period	56.2	579.3	1,602.4	291.4	2,529.3
- Acquisitions	0.0	9.7	41.3	44.4	95.4
- Disposals	(0.7)	(10.4)	(40.6)	(16.2)	(67.9)
- Transfers and changes in scope of consolidation	0.2	11.6	55.2	(41.1)	25.9
- Translation adjustments	(1.5)	(10.2)	(37.1)	(11.7)	(60.5)
At the end of the period	**54.2**	**580.0**	**1,621.2**	**266.8**	**2,522.2**
Depreciation and impairment					
At the beginning of the period	(8.2)	(354.5)	(1,375.9)	(214.1)	(1,952.7)
- Depreciation expense	(0.6)	(19.0)	(68.7)	(13.2)	(101.5)
- Reversals	0.7	9.6	39.5	14.9	64.7
- Transfers and changes in scope of consolidation	0.0	(3.7)	(24.2)	16.6	(11.3)
- Translation adjustments	0.0	4.9	26.5	7.8	39.2
At the end of the period	**(8.1)**	**(362.7)**	**(1,402.8)**	**(188.0)**	**(1,961.6)**
Net value					
At the beginning of the period	48.0	224.8	226.5	77.3	576.6
- Acquisitions / Depreciation	(0.6)	(9.3)	(27.4)	31.2	(6.1)
- Disposals / Reversals	0.0	(0.8)	(1.1)	(1.3)	(3.2)
- Transfers and changes in scope of consolidation	0.2	7.9	31.0	(24.5)	14.6
- Translation adjustments	(1.5)	(5.3)	(10.6)	(3.9)	(21.3)
At the end of the period	**46.1**	**217.3**	**218.4**	**78.8**	**560.6**

6.2 Property, plant and equipment include the following assets held under finance leases:

(in € millions)	December 31, 2014	December 31, 2013
Land	2.3	2.3
Buildings	30.9	36.1
Machinery and equipment	30.9	31.4
	64.1	69.8
Less accumulated depreciation	(38.4)	(39.7)
	25.7	**30.1**

6.3 Finance lease liabilities are presented in the balance sheets as follows:

(in € millions)	**December 31, 2014**	**December 31, 2013**
Long-term borrowings	11.2	12.4
Short-term borrowings	1.4	1.3
	12.6	**13.7**

6.4 Future minimum lease payments under finance leases are as follows:

(in € millions)	**December 31, 2014**	**December 31, 2013**
Due in less than one year	1.6	1.5
Due in one to two years	1.5	1.5
Due in two to three years	1.4	1.4
Due in three to four years	1.3	1.3
Due in four to five years	1.3	1.3
Due beyond five years	6.1	7.4
	13.2	14.4
Of which accrued interest	(0.6)	(0.7)
Net present value of future minimum lease payments	**12.6**	**13.7**

Note 7 - Inventories (Note 2.9)

Inventories are as follows:

(in € millions)	**December 31, 2014**	**December 31, 2013**
Purchased raw materials and components	234.2	231.7
Sub-assemblies, work in progress	85.9	90.8
Finished products	408.0	403.4
	728.1	725.9
Less impairment	(105.4)	(105.0)
	622.7	**620.9**

Note 8 - Trade receivables (Note 2.5)

In 2014, the Group derived the large majority of its revenue from sales to distributors of electrical equipment. The two largest distributors accounted for approximately 23% of consolidated net revenue. The Group estimates that no other distributor accounted for more than 5% of consolidated net revenue.

(in € millions)	**December 31, 2014**	**December 31, 2013**
Trade accounts and notes receivable	568.5	538.7
Less impairment	(68.1)	(64.4)
	500.4	**474.3**

The factoring contract terms qualify the receivables for derecognition under IAS 39. The amount derecognized as of December 31, 2014 was €21.5 million (€25.8 millionas of December 31, 2013).

Past-due trade receivables can be analyzed as follows:

(in € millions)	**December 31, 2014**	**December 31, 2013**
Less than 3 months past due	91.3	82.3
From 3 to 12 months past due	26.0	21.4
More than 12 months past due	27.8	22.6
	145.1	**126.3**

Provisions for impairment of past-due trade receivables amounted to €60.3 million as of December 31, 2014 (€56.2 million as of December 31, 2013). These provisions break down as follows:

(in € millions)	**December 31, 2014**	**December 31, 2013**
Provisions for receivables less than 3 months past due	9.8	13.3
Provisions for receivables 3 to 12 months past due	22.7	20.3
Provisions for receivables more than 12 months past due	27.8	22.6
	60.3	**56.2**

Note 9 - Other current assets

Other current assets are as follows:

(in € millions)	**December 31, 2014**	**December 31, 2013**
Employee advances	3.6	3.2
Other receivables	34.0	28.7
Prepayments	24.7	23.7
Prepaid and recoverable taxes other than income tax	89.8	82.9
	152.1	**138.5**

These assets are valued at historical cost and there are no events or special circumstances indicating that they may be impaired.

Note 10 - Cash and cash equivalents (Note 2.4)

Cash and cash equivalents totaled €726.0 million as of December 31, 2014 and corresponded primarily to deposits with an original maturity of less than three months (Note 22.2.1). Out of this amount, about €14.0 million were not available in the short term for the Group.

Note 11 - Share capital and earnings per share (Note 2.17)

Share capital as of December 31, 2014 amounted to €1,065,430,460 represented by 266,357,615 ordinary shares with a par value of €4 each, for 280,545,197 voting rights.

Share capital consists exclusively of ordinary shares. Fully paid-up shares held in registered form in the name of the same shareholder for at least two years carry double voting rights.

As of December 31, 2014, the Group held 493,806 shares in treasury, versus 170,527 shares as of December 31, 2013, i.e. 323,279 additional shares consequently to:

- the acquisition of 2,020,000 shares out of the liquidity contract;
- the transfer of 814,221 shares to employees under performance share plans;
- the cancellation of 800,000 shares (refer to 11.1); and
- the net sale of 82,500 shares under the liquidity contract (refer to 11.2.2).

Among the 493,806 shares held in treasury by the Group as of December 31, 2014, 468,806 shares have been allocated according to the allocation objectives described in 11.2.1, and 25,000 shares are held under the liquidity contract.

11.1 Changes in share capital

Changes in share capital in 2014 were as follows:

	Number of shares	Par value	Share capital (euros)	Premiums (euros)
As of December 31, 2013	265,590,517	4	1,062,362,068	1,108,075,425
Exercise of options under the 2007 plan	138,165	4	552,660	2,929,098
Exercise of options under the 2008 plan	155,650	4	622,600	2,580,677
Exercise of options under the 2009 plan	101,464	4	405,856	925,352
Exercise of options under the 2010 plan	1,171,819	4	4,687,276	20,881,815
Cancellation of shares	(800,000)	4	(3,200,000)	(34,262,266)
As of December 31, 2014	266,357,615	4	1,065,430,460	1,101,130,101

On May 27, 2014, the Board of Directors decided the cancellation of 800,000 shares acquired under the share buyback program (shares bought back in May 2014). The €34,262,266 difference between the buy-back price of the cancelled shares and their par value was deducted from the premium account.

In 2014, 1,567,098 shares were issued under the 2007 to 2010 stock option plans, resulting in a capital increase representing a total amount of €33.6 million (premiums included).

11.2 Share buyback program and transactions under the liquidity contract

As of December 31, 2014, the Group held 493,806 shares in treasury (170,527 as of December 31, 2013, out of which 63,027 under the share buyback program and 107,500 under the liquidity contract) which can be detailed as follows:

11.2.1 Share buyback program

During 2014, the Group acquired 2,020,000 shares, at a cost of €91,394,476.

As of December 31, 2014, the Group held 468,806 shares, acquired at a total cost of €20,233,807. These shares are being held for the following purposes:

- for allocation upon exercise of performance share plans (63,885 shares purchased at a cost of €1,700,523);
- for allocation upon sale to employees who choose to re-invest their profit-shares in the Company stock through a corporate mutual fund (4,921 shares purchased at a cost of €122,631); and
- for cancellation of 400,000 shares acquired under the share buyback program purchased at a cost of €18,410,653.

11.2.2 Liquidity contract

On May 29, 2007, the Group appointed a financial institution to maintain a liquid market for its ordinary shares on the NYSE Euronext™ Paris market under a liquidity contract complying with the Code of Conduct issued by the AMAFI (French Financial Markets Association) approved by the AMF on March 22, 2005. €15.0 million in cash was allocated by the Group to the liquidity contract.

As of December 31, 2014, the Group held 25,000 shares under this contract, purchased at a total cost of €1,054,334.

During 2014, transactions under the liquidity contract led to a cash inflow of €4,104,013 corresponding to net sales of 82,500 shares.

11.3 Earnings per share

Basic and diluted earnings per share, calculated on the basis of the average number of ordinary shares outstanding during the period, are as follows:

		December 31, 2014	December 31, 2013
Profit attributable to equity holders of Legrand (*in € millions)*	A	531,7	530.5
Average number of shares (excluding shares held in treasury)	B	265,703,963	264,932,592
Average dilution from:			
Performance shares		*1,216,927*	*1,570,422*
Stock options		*2,180,559*	*2,443,512*
Average number of shares after dilution (excluding shares held in treasury)	C	269,101,449	268,946,526
Number of stock options and performance share grants outstanding at the period end		5,018,871	7,429,316
Sales (buybacks) of shares and transactions under the liquidity contract (net during the period)		(1,937,500)	(867,500)
Shares allocated during the period under performance share plans		814,221	848,557
Basic earnings per share *(euros)* (Note 2.18)	A/B	2.001	2.002
Diluted earnings per share *(euros)* (Note 2.18)	A/C	1.976	1.973
Dividend per share *(euros)*		1.050	1.000

As above-mentioned, during 2014, the Group:

- issued 1,567,098 shares under the stock option plans;
- transferred 814,221 shares under performance share plans, out of the 2,020,000 shares bought back for this purpose in 2014;
- sold a net 82,500 shares under the liquidity contract.

These movements were taken into account on an accrual basis in the computation of the average number of ordinary shares outstanding during the period, in accordance with IAS 33. If the shares had been issued and bought back on January 1, 2014, earnings per share and diluted earnings per share would have amounted to €2.000 and €1.966 respectively for the twelve months ended December 31, 2014.

During 2013, the Group:

- issued 1,215,642 shares under the stock option plans;
- transferred 848,557 shares under performance share plans, out of the 860,000 shares bought back for this purpose in 2013;
- bought back a net 7,500 shares under the liquidity contract.

These movements were taken into account on an accruals basis in the computation of the average number of ordinary shares outstanding during the period, in accordance with IAS 33. If the shares had been issued and bought back on January 1, 2013, basic earnings per share and diluted earnings per share would have amounted to €1.999 and €1.962 respectively for the twelve months ended December 31, 2013.

Note 12 - Stock option plans, performance share plans and employee profit-sharing (Note 2.13)

12.1 2007 to 2012 Legrand performance share plans and stock option plans

12.1.1 Performance share plans

No performance share plans have been implemented since the 2012 Plan. As explained in Note 16.2, long term employee benefits plans were implemented from 2013.

The following performance share plans were approved by the Company's Board of Directors in previous years:

	2010 Plan(1)	**2011 Plan(2)**	**2012 Plan(3)**
Date approved by shareholders	May 15, 2007	May 27, 2010	May 26, 2011
Grant date	March 4, 2010	March 3, 2011	March 7, 2012
Total number of share rights granted	896,556	1,592,712	985,656
o/w to Executive Directors	*62,163*	*127,888*	*30,710*
•Gilles Schnepp	38,373	65,737	30,710
•Olivier Bazil	23,790	62,151	
End of vesting period	French tax residents: March 5, 2012 Non-residents: March 5, 2014	French tax residents: March 4, 2013 Non-residents: March 4, 2015	French tax residents: March 8, 2014 Non-residents: March 8, 2016
End of lock-up period	French tax residents: March 6, 2014 Non-residents: March 5, 2014	French tax residents: March 5, 2015 Non-residents: March 4, 2015	French tax residents: March 9, 2016 Non-residents: March 8, 2016
Number of shares acquired as of December 31, 2014	(834,310)	(710,271)	(386,295)
Number of share rights cancelled or forfeited	(62,246)	(75,934)	(25,665)
Share rights outstanding as of December 31, 2014	**0**	**806,507**	**573,696**

(1) **2010 Plan:** This plan concerns performance share rights granted in 2010 in respect of 2009 performance. The Board of Directors set the 2009 economic earnings* target for the 2010 Plan at the start of 2009. Based on the Group's actual economic earnings compared with the target, Gilles Schnepp and Olivier Bazil were awarded a certain number of performance share rights determined by the Board of Directors at its March 4, 2010 meeting. The number of rights was deliberately limited, on beneficiaries' suggestion.

(2) **2011 Plan**: This plan concerns performance share rights granted in 2011 in respect of 2010 performance. The Board of Directors set the 2010 economic earnings* target for the 2011 Plan at the start of 2010. Based on the Group's actual economic earnings compared with the target, Gilles Schnepp and Olivier Bazil were awarded a certain number of performance share rights determined by the Board of Directors at its March 3, 2011 meeting. In addition, starting with the 2011 Plan, a second set of performance conditions decided by the Board of Directors applies to substantially all of the performance share rights granted to executive directors. They include an external performance condition (consolidated net margin compared with the margins reported by Legrand's peer group over a four-year period) and two internal performance conditions (economic earnings* and economic margin performance over successive four-year periods). In summary, shares granted to executive directors under the 2011 Plan in respect of 2010 were subject to two sets of performance conditions, one applicable at the date of grant and the other at the end of the vesting period. The vesting period for performance share rights granted to the executive directors of the Company ended in 2013. Therefore, at its meeting of March 6, 2013, the Board of Directors reviewed the related performance conditions and, noting that these conditions had been met in full, determined that all of the performance share rights initially granted to the executive directors had vested.

(3) **2012 Plan:** For this plan, which concerns 2011 performance, the Board of Directors set the 2011 economic earnings* target at the start of 2011. At its March 7, 2012 meeting, the Board of Directors granted 30,710 performance share rights to Gilles Schnepp based on actual 2011 economic earnings* compared with the target. In addition, on the recommendation of the Nominations and Compensation Committee, the Board decided to adjust the vesting conditions by setting an additional performance objective. If this objective was not met, some or all of the performance shares could not vest. As a matter of fact, the shares in the initial grant would not vest in their entirety unless value creation over the long term had been demonstrated by achieving growth in economic earnings* over the four-year period immediately preceding the vesting date. However, if this first condition was not met, Mr. Schnepp could still retain the right to some of the shares based on a second condition, i.e. whether the Group's economic margin performance exceeded that of the companies in its peer group over the same period. The vesting period for performance share rights granted to Mr. Schnepp ended in 2014. Therefore, at its meeting of March 5, 2014, the Board of Directors reviewed the related performance conditions and, noting that the first performance condition had been met, determined that all of the performance share rights initially granted to Mr. Schnepp, i.e. 30,710, had vested.

** Adjusted operating profit minus cost of capital employed.*

If all these shares were to vest (i.e. 1,380,203 shares), the Company's capital would be diluted by 0.5% as of December 31, 2014.

A total of 27,911 of performance share rights were granted under the 2012 Plan (based on 2011 performance) to the ten grantees other than executive directors who received the greatest number of rights.

12.1.2 Stock option plans

No stock option plans have been implemented since the 2010 Plan.
The following stock option plans were approved by the Company's Board of Directors in previous years:

	2007 Plan	**2008 Plan**	**2009 Plan**	**2010 Plan**
Date approved by shareholders	May 15, 2007	May 15, 2007	May 15, 2007	May 15, 2007
Grant date	May 15, 2007	March 5, 2008	March 4, 2009	March 4, 2010
Total number of options granted	1,638,137	2,015,239	1,185,812	3,254,726
o/w to Executive Directors	*79,281*	*141,231*	*93,964*	*217,646*
• Gilles Schnepp	40,745	72,583	48,300	134,351
• Olivier Bazil	38,536	68,648	45,664	83,295
Start of exercise period	May 16, 2011	March 6, 2012	March 5, 2013	March 5, 2014
Expiry of exercise period	May 15, 2017	March 5, 2018	March 4, 2019	March 4, 2020
Exercise price	€25.20 Average closing price over the 20 trading days preceding the grant date	€20.58 Average closing price over the 20 trading days preceding the grant date	€13.12 Average closing price over the 20 trading days preceding the grant date	€21.82 Average closing price over the 20 trading days preceding the grant date
Exercise terms (plans comprising several tranches)	(1) (2)	(1) (3)	(1) (4)	(1) (5)
Number of options exercised as of December 31, 2014	(1,004,897)	(1,120,900)	(579,260)	(1,177,328)
Number of options cancelled or forfeited	(107,421)	(121,239)	(107,612)	(236,589)
Stock options outstanding as of December 31, 2014	**525,819**	**773,100**	**498,940**	**1,840,809**

(1) Options vest after a maximum of four years, except in the event of resignation or termination for willful misconduct.

(2) The 2007 stock options were granted based on the Company's 2006 economic earnings* compared with the target set for that year.

(3) The 2008 stock options were granted based on the Company's 2007 economic earnings* compared with the target set for that year.

(4) The 2009 stock options were granted based on the Company's 2008 economic earnings* compared with the target set for that year. The Board of Directors set the 2008 economic earnings* target for the 2009 Plan at the start of 2008. Based on actual performance compared with the target, Gilles Schnepp and Olivier Bazil were awarded a certain number of stock options determined by the Board of Directors at its March 4, 2009 meeting.

(5) The 2010 stock options were granted based on the Company's 2009 economic earnings* compared with the target set for that year. The Board of Directors set the 2009 economic earnings* target for the 2010 Plan at the start of 2009. Based on actual performance compared with the target, Gilles Schnepp and Olivier Bazil were awarded a certain number of stock options that was determined by the Board of Directors at its March 4, 2010 meeting. The number of options was deliberately limited, on beneficiaries' suggestion.

** Adjusted operating profit minus cost of capital employed.*

The weighted average market price of the Company stock upon exercises of stock options in 2014 was €44.28.

If all these options were to be exercised (i.e. 3,638,668 options), the Company's capital would be diluted by a maximum of 1.4% (this is a maximum dilution as it does not take into account the exercise price of these options) as of December 31, 2014.

12.1.3 Share-based payments: IFRS 2 charges

In accordance with IFRS 2, a charge of €10.0 million was recorded for 2014 (2013: €20.4 million) for all of these plans combined. See also Note 16.2 for long term employee benefits plans implemented from 2014 (Note 2.13).

12.2 Employee profit-sharing

Under French law, the French entities in the Group are required to pay profit shares to employees when their after-tax profit exceeds a certain level. Amounts accrued are generally payable to employees after a period of five years.

In addition to this obligation, a number of the Group's French entities and foreign subsidiaries have set up discretionary profit-sharing plans. Under these plans, employees receive a portion of the entity's profit calculated on the basis of predetermined formulas negotiated by each entity.

An accrual of €30.4 million was recorded in 2014 for statutory and discretionary profit-sharing plans (including payroll taxes).

Note 13 - Retained earnings and translation reserves

13.1 Retained earnings

Consolidated retained earnings of Legrand and its subsidiaries as of December 31, 2014 amounted to €2,761.9 million.

As of the same date, the parent company – Legrand – had retained earnings including profit for the period of €1,286.8 million available for distribution.

13.2 Translation reserves

As explained in Note 2.3, the translation reserve reflects the effects of currency fluctuations on the financial statements of subsidiaries when they are translated into euros.

The translation reserve records the impact of fluctuations in the following currencies:

(in € millions)	**December 31, 2014**	**December 31, 2013**
US dollar	(73.6)	(156.3)
Other currencies	(208.2)	(244.5)
	(281.8)	**(400.8)**

The Group operates in more than 80 countries. It is mainly exposed to a dozen currencies other than euro and US dollar, out of which the Brazilian real, Indian roupee, Turkish lira, Chilean peso, Australian dollar, Russian rouble and Chinese yuan.

As explained in Note 2.12, unrealized foreign exchange gains and losses on US dollar-denominated 8½% Debentures (Yankee bonds) are recognized in the translation reserve. Losses on these bonds recognized in the translation reserve in 2014 amounted to €39.0 million, resulting in a net negative balance of €41.8 million as of December 31, 2014.

In addition, as indicated in Note 2.3, translation gains and losses on receivables or payables are treated as part of a net investment in the related foreign Group entity. Gains recognized in the translation reserve in 2014 amounted to €3.1 million, resulting in a net negative balance of €1.7 million as of December 31, 2014.

Note 14 - Long-term and short-term borrowings (Note 2.18)

14.1 Long-term borrowings

The Group actively manages its debt. Through diversified sources of financing, it increases the resources available to support medium-term business growth while guaranteeing a robust financial position over the long term.

Long-term borrowings can be analyzed as follows:

(in € millions)	**December 31, 2014**	**December 31, 2013**
8 ½% debentures	318.9	279.5
Bonds	1,100.0	1,100.8
Other borrowings*	102.0	114.8
	1,520.9	**1,495.1**
Debt issuance costs	(7.6)	(8.5)
	1,513.3	**1,486.6**

*Including €49.7 million corresponding to private placement notes held by employees through the "Legrand Obligations Privées" corporate mutual fund (€55.2 million as of December 31, 2013).

No guarantees have been given with respect to these borrowings.

Long-term borrowings (excluding debt issuance costs) break down by currency as follows, after hedging (see Note 22.2.2):

(in € millions)	**December 31, 2014**	**December 31, 2013**
Euro	1,140.6	1,155.3
US dollar	318.9	279.5
Other currencies	61.4	60.3
	1,520.9	**1,495.1**

Long-term borrowings (excluding debt issuance costs) as of December 31, 2014 can be analyzed by maturity as follows:

(in € millions)	**8 ½% debentures**	**Bonds**	**Other borrowings**
Due in one to two years			37.6
Due in two to three years		300.0	18.8
Due in three to four years		400.0	29.3
Due in four to five years		0.0	9.1
Due beyond five years	318.9	400.0	7.2
	318.9	**1,100.0**	**102.0**

Long-term borrowings (excluding debt issuance costs) as of December 31, 2013 can be analyzed by maturity as follows:

(in € millions)	**8 ½% debentures**	**Bonds**	**Other borrowings**
Due in one to two years		0.8	6.4
Due in two to three years		0.0	45.2
Due in three to four years		300.0	36.3
Due in four to five years		400.0	19.6
Due beyond five years	279.5	400.0	7.3
	279.5	**1,100.8**	**114.8**

Average interest rates on borrowings are as follows:

(in € millions)	**December 31, 2014**	**December 31, 2013**
8½% debentures	8.50%	8.50%
Bonds	3.75%	3.73%
Other borrowings	2.23%	2.17%

14.1.1 2011 Credit Facility

In October 2011, the Group signed an agreement with six banks to set up a €900.0 million revolving multicurrency facility (2011 Credit Facility) utilizable through drawdowns. The five-year facility may be extended for two successive one-year periods.

In July 2014, the Group signed an agreement that amends and extends the Credit Facility finalized in October 2011 with all banks party to this contract.
This agreement extends the maximum maturity of the €900 million revolving credit line by three years, i.e. up to July 2021, at improved financing terms compared with October 2011.

Funds drawndown are subject to an interest rate equivalent to Euribor/Libor plus a margin determined on the basis of the Group's credit rating. As of December 31, 2014, this spread was 25 bps. In addition, the 2011 Credit Facility does not contain any covenants.

As of December 31, 2014, the Credit Facility had not been drawn down.

14.1.2 8½% Debentures (Yankee bonds)

On February 14, 1995, Legrand France issued $400.0 million worth of 8½% debentures due February 15, 2025, through a public placement in the United States. Interest on the debentures is payable semi-annually on February 15 and August 15 of each year, beginning August 15, 1995.
The debentures are not subject to any sinking fund and are not redeemable prior to maturity, except upon the occurrence of certain changes in the law requiring the payment of amounts in addition to the principal and interest. Should Legrand France be prevented by law from paying any such additional amounts, early redemption would generally be mandatory or, if such amounts could be paid, Legrand France may, at its option, redeem all – but not part – of the debentures in advance.

In December 2013, a number of debenture holders offered the Group to buy back their securities, also known as Yankee bonds. Acting on this offer, the Group decided to acquire Yankee bonds with an aggregate face value of $6.5 million. The acquired debentures were subsequently cancelled.

14.1.3 Bonds

In February 2010, the Group carried out a €300.0 million 4.25% seven-year bond issue. The bonds will be redeemable at maturity on February 24, 2017.

In March 2011, the Group carried out a €400.0 million 4.375% seven-year bond issue. The bonds will be redeemable at maturity on March 21, 2018.

In April 2012, the Group carried out a €400.0 million 3.375% ten-year bond issue. The bonds will be redeemable at maturity on April 19, 2022.

14.2 Short-term borrowings

Short-term borrowings can be analyzed as follows:

(in € millions)	**December 31, 2014**	**December 31, 2013**
Commercial paper	15.0	0.0
Other borrowings	56.4	86.9
	71.4	**86.9**

Note 15 - Provisions

Changes in provisions in 2014 are as follows:

	December 31, 2014					
(in € millions)	Products guarantee	Claims and litigation	Fiscal and employee risks	Restructuring	Other	Total
At beginning of period	15.8	72.9	15.8	20.6	75.2	200.3
Changes in scope of consolidation	0.3	0.0	0.5	4.9	0.0	5.7
Increases	6.3	20.6	2.3	9.0	41.5	79.7
Utilizations	(3.5)	(6.3)	(4.7)	(17.7)	(5.1)	(37.3)
Reversals of surplus provisions	(2.0)	(26.7)	0.0	(1.7)	(8.1)	(38.5)
Reclassifications	0.0	1.7	(3.1)	(0.1)	(8.2)	(9.7)
Translation adjustments	0.7	0.6	0.5	0.6	(2.1)	0.3
At end of period	**17.6**	**62.8**	**11.3**	**15.6**	**93.2**	**200.5**
Of which non-current portion	*5.6*	*35.9*	*8.0*	*1.2*	*63.2*	*113.9*

Other provisions include long term provisions for employee benefits, including mainly a €38.6 million provision for the long-term employee benefits described in Note 16.2 (see also consolidated statement of equity for stocks options plans and performance shares plans previously granted and described in Note 12).

Other provisions also include a €13.8 million provision for environmental risks corresponding mainly to the depollution costs for property assets held for sale.

Changes in provisions in 2013 were as follows:

	December 31, 2013					
(in € millions)	Products guarantee	Claims and litigation	Fiscal and employee risks	Restructuring	Other	Total
At beginning of period	24.1	57.9	45.9	22.6	62.4	212.9
Changes in scope of consolidation	0.3	0.2	0.4	0.0	0.1	1.0
Increases	3.9	23.8	0.4	14.3	28.0	70.4
Utilizations	(4.2)	(3.3)	(5.7)	(11.8)	(9.5)	(34.5)
Reversals of surplus provisions	(2.7)	(13.9)	(4.1)	(0.6)	(8.2)	(29.5)
Reclassifications	(4.8)	10.1	(20.5)	(1.6)	9.0	(7.8)
Translation adjustments	(0.8)	(1.9)	(0.6)	(2.3)	(6.6)	(12.2)
At end of period	**15.8**	**72.9**	**15.8**	**20.6**	**75.2**	**200.3**
Of which non-current portion	*5.0*	*45.2*	*13.5*	*1.2*	*35.5*	*100.4*

Note 16 - Provision for post-employment benefits and other long-term employee benefits (Note 2.15)

16.1 Pension and other post-employment defined benefit obligations

Pension and other post-employment defined benefit obligations can be analyzed as follows:

(in € millions)	**December 31, 2014**	**December 31, 2013**
France (Note 16.1.2)	97.6	89.9
Italy (Note 16.1.3)	39.8	37.3
United Kingdom (Note 16.1.4)	13.4	8.3
United States (Note 16.1.5)	14.2	8.7
Other countries	18.7	16.4
Total pension and other post-employment defined benefit obligations	**183.7**	**160.6**
Of which current portion	*6.7*	*3.9*

The total amount of those liabilities is €183.7 million as of December 31, 2014 (€160.6 million as of December 31, 2013) and is analyzed in Note 16.1.1, which shows total liabilities of €352.8 million as of December 31, 2014 (€302.9 million as of December 31, 2013) less total assets of €169.1 million as of December 31, 2014 (€142.3 million as of December 31, 2013).

The provisions recorded in the balance sheet correspond to the portion of the total liability remaining payable by the Group; this amount is equal to the difference between the total obligation recalculated at each balance sheet date, based on actuarial assumptions, and the net residual value of the plan assets at that date.

16.1.1 Analysis of pension and other post-employment defined benefit obligations

The total (current and non-current) obligation under the Group's pension and other post-employment benefit plans, consisting primarily of plans in France, Italy, the United States and United Kingdom, is as follows:

(in € millions)	**December 31, 2014**	**December 31, 2013**
Defined benefit obligation		
Projected benefit obligation at beginning of period	302.9	316.3
Service cost	9.0	8.7
Interest cost	11.0	9.7
Benefits paid	(17.0)	(17.8)
Employee contributions	0.5	0.3
Plan amendments	(0.1)	0.7
Actuarial loss/(gain)	30.9	(7.1)
Curtailments, settlements, special termination benefits	(0.5)	(0.1)
Translation adjustments	17.1	(7.0)
Other	(1.0)	(0.8)
Projected benefit obligation at end of period (I)	**352.8**	**302.9**
Fair value of plan assets		
Fair value of plan assets at beginning of period	142.3	135.0
Expected return on plan assets	6.3	5.0
Employer contributions	10.4	11.6
Employee contributions	0.7	0.6
Benefits paid	(12.2)	(13.2)
Actuarial (loss)/gain	8.5	7.6
Translation adjustments	13.9	(4.3)
Other	(0.8)	0.0
Fair value of plan assets at end of period (II)	**169.1**	**142.3**
Liability recognized in the balance sheet (I) - (II)	**183.7**	**160.6**
Current liability	6.7	3.9
Non-current liability	177.0	156.7

Actuarial losses recognized in equity (comprehensive income for the period) as of December 31, 2014 amounted to €22.4 million (€16.2 million after tax).

These €22.4 million actuarial losses resulted from:

- €28.4 million losses from changes in financial assumptions;
- €0.4 million losses from changes in demographic assumptions;
- and €6.4 million experience gains.

The discount rates used are determined by reference to the yield on high quality bonds based on the following benchmark indices:

- Euro zone: iBoxx € Corporates AA 10+;
- United Kingdom: iBoxx £ Corporates AA 15+;
- United States: Citibank Pension Liability Index.

Sensitivity tests were performed on:

- the discount rate. According to the results of these tests, a 50-basis point reduction in the rate would lead to the recognition of additional actuarial losses of around €23.5 million and would increase the liability as of December 31, 2014 by the same amount;
- the rate of future salary increases. According to the results of these tests, a 50-basis point increase in the rate would lead to the recognition of additional actuarial losses of around €9.6 million and would increase the liability as of December 31, 2014 by the same amount.

Discounted future payments for the Group's pension and other post-employment benefit plans are as follows:

(in € millions)	
2015	14.4
2016	11.9
2017	13.6
2018	14.5
2019 and beyond	298.4
	352.8

The impact on profit is as follows:

(in € millions)	**December 31, 2014**	**December 31, 2013**
Service cost	(9.0)	(8.7)
Net interest cost	(4.7)	(4.7)
Other	0.8	(0.6)
	(12.9)	**(14.0)**

The weighted-average allocation of pension plan assets is as follows as of December 31, 2014:

(as a percentage)	France	United Kingdom	United States	Weighted total
Equity instruments		43.9	63.4	51.8
Debt instruments		50.2	34.7	42.9
Insurance funds	100.0	5.9	1.9	5.3
	100.0	**100.0**	**100.0**	**100.0**

16.1.2 Provisions for retirement benefits and supplementary pension benefits in France

The provisions recorded in the consolidated balance sheet concern the unvested entitlements of active employees. The Group has no obligation with respect to the vested entitlements of former employees, as the benefits were settled at the time of their retirement, either directly or through payments to insurance companies in full discharge of the liability.

The main defined benefit plan applicable in France concerns statutory length-of-service awards, under which all retiring employees are eligible for a lump-sum payment calculated according to their length of service. This payment is defined either in the collective bargaining agreement to which their company is a party or in a separate company-level agreement, whichever is more advantageous to the employee. The amount generally varies depending on the employee category (manager/non-manager).

In France, provisions recorded in the consolidated balance sheet amount to €97.6 million as of December 31, 2014 (€89.9 million as of December 31, 2013) corresponding to the difference between the projected benefit obligation of €99.5 million as of December 31, 2014 (€92.1 million as of December 31, 2013) and the fair value of the related plan assets of €1.9 million as of December 31, 2014 (€22 million as of December 31, 2013).

The projected benefit obligation is computed on the basis of staff turnover and mortality assumptions, estimated rates of salary increases and an estimated discount rate. In France, the calculation was based on a salary increase rate of 2.75%, a discount rate and an expected return on plan assets of 2.0% (respectively 3.0% and 3.0% in 2013).

16.1.3 Provisions for termination benefits in Italy

In Italy, a termination benefit is awarded to employees regardless of the reason for their departure.
Since January 1, 2007, these benefits have been paid either into an independently managed pension fund or to the Italian social security service (INPS). As from that date, the Italian termination benefit plans have been qualified as defined contribution plans under IFRS. Termination benefit obligations arising prior to January 1, 2007 continue to be accounted for under IFRS as defined benefit plans, based on revised actuarial estimates that exclude the effect of future salary increases.

The resulting provisions for termination benefits, which correspond to the obligation as of December 31, 2006 plus the ensuing actuarial revisions, amounted to €39.8 million as of December 31, 2014 (€37.3 million as of December 31, 2013).

The calculation was based on a discount rate of 1.49% (3.0% in 2013).

16.1.4 Provisions for retirement benefits and other post-employment benefits in United Kingdom

The UK plan is a trustee-administered plan governed by article 153 of the 2004 Finance Act, and is managed in a legal entity outside of the Group.
Benefits are paid directly out of funds consisting of contributions paid by the company and by plan participants.

Contributions are calculated as a percentage of each participant's salary while he or she is employed by the UK subsidiary. Upon retirement, participants may choose to receive a lump sum representing up to 25% of their total benefit entitlement, and a regular pension whose amount depends on the amount of the lump-sum payment, if any.

The plan's trustees include three people employed by the subsidiary and two former employees who have retired. They are advised by an independent actuary.

The plan has been closed to new entrants since May 2004.

Active plan participants account for 2.3% of the projected benefit obligation, participants who are no longer accumulating benefit entitlements for 45.5% and retired participants for 52.2%.

Plan assets include equities for 43.9%, debt securities for 50.2% and insurance funds for 5.9%. All of these assets are marked to market.

The provisions recorded in the consolidated balance sheet amounted to €13.4 million as of December 31, 2014 (€8.3 million as of December 31, 2013), corresponding to the difference between the projected benefit obligation of €100.7 million (€80.9 million as of December 31, 2013) and the fair value of the related plan assets of €87.3 million (€72.6 million as of December 31, 2013).

The projected benefit obligation is computed on the basis of staff turnover and mortality assumptions, estimated rates of salary increases and an estimated discount rate. The calculation was based on a salary increase rate of 4.0%, a discount rate and an expected return on plan assets of 3.5% (respectively 4.4% and 4.4% in 2013).

16.1.5 Provisions for retirement benefits and other post-employment benefits in the United States

In the United States, the Group provides pension benefits for employees and health care and life insurance for certain retired employees.

The Legrand North America Retirement Plan is covered by a plan document in force since January 2002 that was last amended in January 2008. The minimum funding requirement is determined based on Section 430 of the Internal Revenue Code.
The trustee-administered plan is funded by employer contributions. Benefits for certain salaried plan participants are a percentage of their salary, which varies based on the participant's seniority. Benefits for certain hourly plan participants are a flat dollar amount based on the participant's seniority.

Salaried participants may choose to receive benefits either in a single lump sum payment or as a regular pension. Hourly participants receive benefits as a regular pension.
To meet its obligations under the plan, the Group has set up a trust with Prudential Financial, Inc. The trust assets include several different investment funds.

The current trustee is Legrand North America. The Wiremold Company is the Plan Administrator and the Custodian is Prudential Financial, Inc.

The plan has been closed to new entrants since August 2006 for salaried employees and since April 2009 for hourly employees.

Active plan participants account for 29.1% of the projected benefit obligation, participants who are no longer accumulating benefit entitlements for 13.2% and retired participants for 57.7%.

Plan assets include equities (mainly US companies) for 63.4%, debt securities (mainly US bonds) for 34.7% and insurance funds for 1.9%. All of these assets are marked to market.

The funding policy consists of ensuring that the legal minimum funding requirement is met at all times.

The provisions recorded in the consolidated balance sheet amounted to €14.2 million as of December 31, 2014 (€8.7 million as of December 31, 2013), corresponding to the difference between the projected benefit obligation of €82.5 million (€65.1 million as of December 31, 2013) and the fair value of the related plan assets of €68.3 million (€56.4 million as of December 31, 2013).

The projected benefit obligation is computed on the basis of staff turnover and mortality assumptions, estimated rates of salary increases and an estimated discount rate. The calculation was based on a salary increase rate of 3.5%, a discount rate and an expected return on plan assets of 3.82% (respectively 3.5% and 4.5% in 2013).

16.2 Other long-term employee benefits

The Group implemented long-term employee benefits plans for members of the Group Executive Committee, including the Chairman and Chief Executive Officer and for other employees deemed to be key for the Group, assuming the grantee is still present within the Group after a vesting period of three years.

In addition to the grantee being still present within the Group, the plans can, as the case may be, depend on the Group's future achievement of economic performance with or without indexation on the share price.

The plan based on the share price will be cash-settled and, in accordance with IFRS 2, the corresponding liability has thus been recorded in the balance sheet and will be remeasured at each period-end until the transaction is settled.
The other plans qualify as long-term employee benefit plans, with a corresponding provision recognized in compliance with IAS 19.

For the twelve months ended December 31, 2014, an expense of €25.2 million was recognized in operating profit in respect to these plans. As mentioned in Note 15, the resulting provision amounted to €38.6 million as of December 31, 2014 (including payroll taxes). See also Note 12.1 for stock option plans and performance shares plans previously granted and Note 12.1.4 for IFRS 2 charges accounted for in previous and actual periods.

Note 17 - Other current liabilities

Other current liabilities can be analyzed as follows:

(in € millions)	**December 31, 2014**	**December 31, 2013**
Tax liabilities	70.3	66.2
Accrued employee benefits expense	194.9	186.1
Statutory and discretionary profit-sharing reserve	24.9	26.6
Payables related to fixed asset purchases	14.2	15.3
Accrued expenses	62.3	50.6
Accrued interest	47.0	46.2
Deferred revenue	9.3	15.0
Pension and other post-employment benefit obligations	6.8	3.9
Other current liabilities	31.8	31.9
	461.5	**441.8**

Note 18 - Analysis of certain expenses

18.1 Analysis of operating expenses

Operating expenses include the following main categories of costs:

(in € millions)	**December 31, 2014**	**December 31, 2013**
Raw materials and component costs	(1,471.5)	(1,437.8)
Personnel costs	(1,170.8)	(1,143.5)
Depreciation expense	(94.5)	(101.5)
Amortization expense	(71.0)	(66.9)

As of December 31, 2014 the Group had 33,556 employees on the payroll (December 31, 2013: 33,272).

18.2 Analysis of other operating income and expense

(in € millions)	**December 31, 2014**	**December 31, 2013**
Restructuring costs	(21.7)	(29.3)
Goodwill impairment	0.0	0.0
Other	(25.1)	(42.9)
	(46.8)	**(72.2)**

Other operating income and expense primarily include impairment losses and reversals on trade receivables (Note 8) and inventories (Note 7) and provisions for contingencies (Note 15).

Note 19 - Total net financial expense

19.1 Exchange gains and losses

(in € millions)	**December 31, 2014**	**December 31, 2013**
Exchange gains and losses	1.5	(1.8)

19.2 Net financial expense

(in € millions)	**December 31, 2014**	**December 31, 2013**
Financial income	8.6	6.8
Change in fair value of financial instruments	0.0	0.1
Total financial income	8.6	6.9
Financial expense	(85.6)	(87.7)
Change in fair value of financial instruments	(0.3)	0.0
Total financial expense	(85.9)	(87.7)
Net financial expense	**(77.3)**	**(80.8)**

Financial expense corresponds essentially to interest costs on borrowings (Note 14).

Note 20 - Income tax expense (Note 2.10)

Income tax expense consists of the following:

(in € millions)	**December 31, 2014**	**December 31, 2013**
Current taxes:		
France	(67.9)	(70.7)
Outside France	(176.3)	(167.7)
	(244.2)	(238.4)
Deferred taxes:		
France	3.5	(5.7)
Outside France	2.3	10.6
	5.8	4.9
Total income tax expense:		
France	(64.4)	(76.4)
Outside France	(174.0)	(157.1)
	(238.4)	**(233.5)**

The reconciliation of total income tax expense for the period to income tax calculated at the standard tax rate in France is as follows, based on profit before tax of €771.7 million in 2014 versus €766.8 million in 2013:

(Tax rate)	**December 31, 2014**	**December 31, 2013**
Standard French income tax rate	**34.43%**	**34.43%**
Increases (reductions):		
- Additional contributions in France	0.41%	0.66%
- Effect of foreign income tax rates	(5.00%)	(5.01%)
- Non-taxable items	(1.43%)	(0.10%)
- Income taxable at specific rates	0.52%	0.55%
- Other	2.09%	0.00%
	31.02%	30.53%
Impact on deferred taxes of:		
- Changes in tax rates	0.05%	0.05%
- Recognition or non-recognition of deferred tax assets	(0.18%)	(0.13%)
Effective tax rate	**30.89%**	**30.45%**

Deferred taxes recorded in the balance sheet result from temporary differences between the carrying amount of assets and liabilities and their tax base and can be analyzed as follows:

(in € millions)	**December 31, 2014**	**December 31, 2013**
Deferred taxes recorded by French companies	(304.3)	(309.2)
Deferred taxes recorded by foreign companies	(260.6)	(258.1)
	(564.9)	**(567.3)**
Origin of deferred taxes:		
- Impairment losses on inventories and receivables	46.6	44.0
- Margin on inventories	19.4	22.4
- Recognized operating losses carried forward	8.0	11.5
- Finance leases	(4.2)	(13.5)
- Fixed assets	(143.4)	(131.5)
- Trademarks	(533.7)	(532.7)
- Developed technology	(1.1)	(1.3)
- Other provisions	30.3	25.4
- Statutory profit-sharing	3.4	2.4
- Pensions and other post-employment benefits	46.2	39.9
- Fair value adjustments to derivative instruments	(1.8)	(2.0)
- Other	(34.6)	(31.9)
	(564.9)	**(567.3)**
- Of which deferred tax assets	93.7	94.5
- Of which deferred tax liabilities	(658.6)	(661.8)

Short and long-term deferred taxes can be analyzed as follows:

(in € millions)	**December 31, 2014**	**December 31, 2013**
Deferred taxes – short term	76.9	73.9
Deferred taxes – long term	(641.8)	(641.2)
	(564.9)	**(567.3)**

Tax losses carried forward break down as follows:

(in € millions)	**December 31, 2014**	**December 31, 2013**
Recognized operating losses carried forward	**31.3**	**40.3**
Recognized deferred tax assets	8.0	11.5
Unrecognized operating losses carried forward	**149.7**	**128.3**
Unrecognized deferred tax assets	38.5	32.8
Total net operating losses carried forward	**181.0**	**168.6**

The recognized deferred tax assets are expected to be utilized no later than five years from the period-end.

Note 21 - Off-balance sheet commitments and contingent liabilities

21.1 Specific transactions

Specific commitments and their expiry dates are discussed in the following notes:

- Note 6: Property, plant and equipment;
- Note 16: Pension and other post-employment benefit obligations.

21.2 Routine transactions

21.2.1 Financial guarantees

(in € millions)	**December 31, 2014**	**December 31, 2013**
Assets mortgaged or pledged as collateral	16.9	18.5
Guarantees given to banks	172.0	168.3
Guarantees given to other organizations	31.7	28.6
	220.6	**215.4**

Most of these guarantees are given by the Company to banks for Group subsidiaries located outside of France.

21.2.2 Operating leases

The Group uses certain facilities under lease agreements and leases certain equipment. There are no special restrictions related to these operating leases. Future minimum rental commitments under leases are detailed below:

legrand®

(in € millions)	**December 31, 2014**	**December 31, 2013**
Due within one year	45.9	45.7
Due in one to two years	35.5	38.5
Due in two to three years	27.7	30.3
Due in three to four years	21.6	22.4
Due in four to five years	17.0	18.2
Due beyond five years	47.5	48.9
	195.2	**204.0**

21.2.3 Commitments to purchase property, plant and equipment

Commitments to purchase property, plant and equipment amounted to €7.4 million as of December 31, 2014.

21.3 Contingent liabilities

The Group is involved in a number of claims and legal proceedings arising in the normal course of business. In the opinion of management, all such matters have been adequately provided for or are without merit, and are of such nature that, should the outcome nevertheless be unfavorable to the Group, they should not have a material adverse effect on the Group's consolidated financial position or results of operations.

Note 22 - Financial instruments and management of financial risks

22.1 Financial instruments

22.1.1 Derivatives

	December 31, 2014			
(in € millions)	**Financial income and expense, net**	**Equity**	**Book value**	**IFRS designation**
Exchange rate derivatives				
Forwards and options designated as fair value hedges	7.9		0.2	FVH*
Forward contracts designated as net investment hedges				NIH**
Commodity derivatives				
Futures and options				FVH*
Interest rate derivatives				
Interest rate caps				FVH*
	7.9		**0.2**	

**Fair Value Hedge*

*** Net Investment Hedge*

All financial instruments are classified in Level 2 of the fair value hierarchy described in Note 2.12.

legrand®

22.1.2 Impact of financial instruments

	12 months ended December 31, 2014			
	Impact on	Impact on equity		
(in € millions)	financial income and expense, net	Fair value	Translation adjustment	Other
Trade receivables				
Trade payables				
Borrowings	(71.2)		(39.0)	
Derivatives	7.9			
	(63.3)		**(39.0)**	

Debentures denominated in US dollars ("Yankee bonds") are designated as hedges of the foreign currency risk associated with the net investment in the United States (see discussion of net investment hedges in Note 2.12).

22.1.3 Breakdown of balance sheet items by type of financial instrument

	December 31, 2014					December 31, 2013
			Type of financial instrument			
(in € millions)	Carrying amount	Fair value	Instruments designated at fair value through profit or loss	Receivables, payables and borrowings at amortized cost	Derivatives	Carrying amount
ASSETS						
Current assets						
Trade receivables	500.4	500.4		**500.4**		474.3
Other current financial assets	0.6	0.6			0.6	0.0
Total current assets	**501.0**	**501.0**		**500.4**	**0.6**	**474.3**
EQUITY AND LIABILITIES						
Current liabilities						
Short-term borrowings	71.4	71.4		71.4		86.9
Trade payables	481.8	481.8		481.8		468.8
Other current financial liabilities	0.4	0.4			0.4	0.1
Total current liabilities	**553.6**	**553.6**		**553.2**	**0.4**	**555.8**
Non-current liabilities						
Long-term borrowings	1,513.3	1,659.1		1,513.3		1,486.6
Total non-current liabilities	**1,513.3**	**1,659.1**		**1,513.3**		**1,486.6**

Only items classified as "Other current financial assets and liabilities" are measured at fair value. In accordance with IFRS 13, fair value measurement of other current financial assets takes counterparty default risk into account.
In light of the Group's credit rating, the measurement of other current financial liabilities is subject to insignificant credit risk.

22.2 Management of financial risks

The Group's cash management strategy is based on overall financial risk management principles and involves taking specific measures to manage the risks associated with interest rates, exchange rates, commodity prices and the investment of available cash. The Group does not conduct any trading in financial instruments, in line with its policy of not carrying out any speculative transactions. All transactions involving derivative financial instruments are conducted with the sole purpose of managing interest rate, exchange rate and commodity risks and as such are limited in duration and value.

This strategy is centralized at Group level. Its implementation is deployed by the Financing and Treasury Department who recommends appropriate measures and implements them after they have been validated by the Corporate Finance Department and Group management. A detailed reporting system has been set up to enable permanent close tracking of the Group's positions and effective oversight of the management of the financial risks described in this note.

Current financial assets and liabilities are measured based on observable market data and are as follows:

(in € millions)	**December 31, 2014**	**December 31, 2013**
Other current financial assets	**0.6**	**0.0**
Swaps	0.0	0.0
Financial derivatives with a positive fair value	0.6	0.0
Other current financial liabilities	**0.4**	**0.1**
Swaps	0.0	0.0
Financial derivatives with a negative fair value	0.4	0.1

22.2.1 Interest rate risk

As part of an interest rate risk management policy aimed mainly at managing the risk of a rate increase, the Group has structured its debt into a combination of fixed and variable rate financing.

Net debt (excluding debt issuance costs) breaks down as follows between fixed and variable interest rates before the effect of hedging instruments:

	December 31, 2014							December 31, 2013
(in € millions)	**Due within 1 year**	**Due in 1 to 2 years**	**Due in 2 to 3 years**	**Due in 3 to 4 years**	**Due in 4 to 5 years**	**Due beyond 5 years**	**Total**	**Total**
Financial assets*								
Fixed rate								
Variable rate	726.6	2.5					729.1	605.8
Financial liabilities**								
Fixed rate	(3.8)	(14.4)	(317.0)	(410.6)	(7.7)	(718.9)	1,472.4)	(1,439.0)
Variable rate	(67.6)	(23.2)	(1.8)	(18.7)	(1.4)	(7.2)	(119.9)	(143.0)
Net exposure								
Fixed rate	(3.8)	(14.4)	(317.0)	(410.6)	(7.7)	(718.9)	(1,472.4)	(1,439.0)
Variable rate	659.0	(20.7)	(1.8)	(18.7)	(1.4)	(7.2)	609.2	462.8

*Financial assets: cash and marketable securities

**Financial liabilities: borrowings (excluding debt issuance costs)

In April 2011, the Group purchased interest rate swaps on a notional amount of €275.0 million expiring on March 21, 2015.

In 2011, the Group cancelled the interest rate swaps and accordingly adjusted the hedged debt by €12.3 million. In accordance with IAS 39, this adjustment will be amortized to profit or loss as a deduction to financial expense in the period through March 2015, i.e. over the initial life of the swaps. The gain recognized in 2014 was €3.5 million (€3.5 million in 2013).

As part of Group's interest rate risk management policy, further interest rate swaps may be set up in the future, based on changes in market conditions.

The following table shows the sensitivity of net debt costs to changes in interest rates, before hedging instruments:

	December 31, 2014		December 31, 2013	
(in € millions)	**Impact on profit before tax**	**Impact on equity before tax**	**Impact on profit before tax**	**Impact on equity before tax**
Impact of a 100-bps increase in interest rates	3.9	3.9	3.1	3.1
Impact of a 100-bps decrease in interest rates	(4.8)	(4.8)	(4.1)	(4.1)

The impact of a 100 basis point increase in interest rates would result in a gain of €3.9 million due to a net positive variable-rate exposure. Conversely, the impact of a 100 basis points decrease in interest rates would result in a loss of €4.8 million.

22.2.2 Currency risk

The Group operates in international markets and is therefore exposed to risks through its use of several different currencies.

The following table shows the breakdown of net debt (excluding debt issuance costs) by currency:

	December 31, 2014					December 31,2013
(in € millions)	**Financial assets***	**Financial liabilities****	**Net exposure before hedging**	**Hedging**	**Net exposure after hedging**	**Net exposure after hedging**
Euro	404.4	(1,193.3)	(788.9)	(51.3)	(840.2)	(853.1)
US dollar	79.3	(350.9)	(271.6)	81.9	(189.7)	(240.6)
Other currencies	245.4	(48.1)	197.3	(30.6)	166.7	117.5
	729.1	**(1,592.3)**	**(863.2)**	**0.0**	**(863.2)**	**(976.2)**

*Financial assets: cash and marketable securities

**Financial liabilities: borrowings (excluding debt issuance costs)

The following table shows the sensitivity of gross debt to changes in the exchange rate of the euro against other currencies, before hedging instruments:

	December 31, 2014		December 31, 2013	
	Impact on profit before tax	**Impact on equity before tax**	**Impact on profit before tax**	**Impact on equity before tax**
(in € millions)	10% increase		10% increase	
US dollar	2.6	34.5	1.3	29.3
Other currencies	3.2	7.8	1.4	11.7

	December 31, 2014		December 31, 2013	
	Impact on profit before tax	**Impact on equity before tax**	**Impact on profit before tax**	**Impact on equity before tax**
(in € millions)	10% decrease		10% decrease	
US dollar	(2.4)	(31.4)	(1.2)	(26.6)
Other currencies	(2.9)	(7.1)	(1.3)	(10.6)

"Natural" hedges are preferred, in particular by balancing the breakdown by currency of net debt with the breakdown by currency of operating profit.

If required, when the acquisition of an asset is financed using a currency other than the functional currency of the country, the Group may enter into forward contracts to hedge its exchange rate risk. As of December 31, 2014 the Group has set up forward contracts in Australian dollars, in Brazilian reals, and in US dollars which are accounted for in the balance sheet at their fair value.

Operating assets and liabilities break down as follows by reporting currency:

	December 31, 2014			December 31, 2013
(in € millions)	**Operating assets***	**Operating liabilities****	**Net exposure**	**Net exposure**
Euro	398.7	(565.6)	(166.9)	(141.2)
US dollar	246.7	(127.5)	119.2	80.2
Other currencies	629.8	(336.8)	293.0	284.1
	1,275.2	**(1,029.9)**	**245.3**	**223.1**

*Operating assets: trade receivables, inventories and other receivables, net of impairment

**Operating liabilities: trade payables, short-term provisions and other current liabilities

The table below presents the breakdown of net sales and operating expenses by currency as December 31, 2014:

(in € millions)	**Net sales**		**Operating expenses**	
Euro	1,874.7	41.7%	1,437.3	39.3%
US dollar	954.5	21.2%	812,9	22.3%
Other currencies	1,669.9	37.1%	1,401.4	38.4%
	4,499.1	**100.0%**	**3,651.6**	**100.0%**

As shown in the above table, natural hedges are also set up by matching costs and revenues in each of the Group's operating currencies.

Residual amounts are hedged by options to limit the Group's exposure to fluctuations in the main currencies concerned. These hedges are for periods of less than 18 months.

The Group estimates that, all other things being equal, a 10% increase in the exchange rate of the euro against all other currencies would have resulted in 2014 in a decrease in net revenue of approximately €238.6 million (€233.6 million in 2013) and a decrease in operating profit of approximately €37.3 million (€36.9 millon in 2013), while a 10% decrease would have resulted in 2014 in an increase in net revenue of approximately €262.4 million (€257.0 million in 2013) and an increase in operating profit of approximately €41.0 million (€40.6 mllion in 2013).

22.2.3 Commodity risk

The Group is exposed to commodity risk arising from changes in the price of raw materials.

Raw materials consumption (except components) amounted to around €430 million in 2014.

A 10% increase in the price of the above-mentioned consumption would theoretically feed through to around a €43 million increase in annual purchasing costs. The Group believes that it could, circumstances permitting, raise the prices of its products in the short term to offset the overall adverse impact of any such increases.

Additionally, the Group can set up specific derivative financial instruments (options) for limited amounts and periods to hedge part of the risk of an unfavorable change in copper and certain other raw material prices.

The Group did not set up any such hedging contracts in 2014.

22.2.4 Credit risk

As explained in Note 8, a substantial portion of Group revenue is generated with two major distributors. Other revenue is essentially derived from distributors of electrical products but sales are diversified due to the large number of customers and their geographic dispersion. The Group actively manages its credit risk by establishing regularly reviewed individual credit limits for each customer, constantly monitoring collection of its outstanding receivables and systematically chasing up past due receivables. In addition, the situation is reviewed regularly with the Corporate Finance Department. When the Group is in a position to do so, it can resort to either credit insurance or factoring.

22.2.5 Counterparty risk

Financial instruments that may potentially expose the Group to counterparty risk are principally cash equivalents, short-term investments and hedging instruments. These assets are placed with well-rated financial institutions or Corporates with the aim of fragmenting the exposure to these counterparties. Those strategies are decided and monitored by the Corporate Finance Department, which ensures a daily follow up of ratings and Credit Default Swap rates of any one of these counterparties.

22.2.6 Liquidity risk

The Group considers that managing liquidity risk depends primarily on having access to diversified sources of financing as to their origin and maturity. This approach represents the basis of the Group's financing policy.
The total amount of net debt (€855.6 million as of December 31, 2014) is fully financed by financing facilities expiring at the earliest in 2017 and at the latest in 2025. The average maturity of gross debt is six years.

Legrand is rated A- Stable Outlook by Standard & Poor's, attesting to the strength of the Group's business model and balance sheet.

Rating agency	Long term debt	Outlook
S&P	A-	Stable

Note 23 - Information relating to corporate officers

The only individuals qualifying as related parties within the meaning of IAS 24 are the corporate officers who serve on the Executive Committee.

Compensation and benefits provided to the members of the Board of Directors for their services are detailed in the following table:

(in € millions)	**December 31, 2014**	**December 31, 2013**
Compensation (amounts paid during the period)		
Fixed compensation	3.5	3.6
Variable compensation	2.0	1.4
Other short-term benefits [1]	0.1	0.1
Pension benefits and other post-employment benefits [2]	**0.1**	**1.3**
Other long-term benefits (charge for the period) [3]	**3.6**	**1.3**
Termination benefits (charge for the period)	**0.0**	**0.0**
Share-based payments (charge for the period) [4]	**0.8**	**2.3**

[1] Other short-term benefits include benefits in kind.

[2] Change in the obligation's present value (in accordance with IAS 19).

[3] As per the long-term employee benefits plans described in Note 16.2.

[4] As per the performance share plans and the stock option plans described in Note 12.

Note 24 - Information by geographical segment (Note 2.16)

The information by geographical segment presented below corresponds to the information used by Group management to allocate resources to the various segments and to assess each segment's performance. It is extracted from the Group's consolidated reporting system.

12 months ended December 31, 2014	Geographical segments					Items not allocated to segments	
	Europe			USA/	Rest of		
(in € millions)	France	Italy	Others	Canada	the world		Total
Revenue to third parties	**1,033.0**	**499.6**	**809.5**	**874.5**	**1,282.5**		**4,499.1**
Cost of sales	(385.7)	(182.8)	(458.7)	(434.9)	(735.1)		(2,197.2)
Administrative and selling expenses, R&D costs	(398.3)	(160.3)	(205.9)	(298.8)	(344.3)		(1,407.6)
Other operating income (expense)	(3.4)	(0.4)	(12.6)	(6.6)	(23.8)		(46.8)
Operating profit	**245.6**	**156.1**	**132.3**	**134.2**	**179.3**		**847.5**
- of which acquisition-related amortization, expense and income*							
• accounted for in administrative and selling expenses, R&D costs	(3.7)	0.0	(2.8)	(12.1)	(14.3)		(32.9)
• accounted for in other operating income (expense)							0.0
- of which goodwill impairment							0.0
Adjusted operating profit	**249.3**	**156.1**	**135.1**	**146.3**	**193.6**		**880.4**
- of which depreciation expense	(27.6)	(20.9)	(14.0)	(8.8)	(22.7)		(94.0)
- of which amortization expense	(2.6)	(3.9)	(0.9)	(2.2)	(1.1)		(10.7)
- of which amortization of development costs	(21.7)	(7.0)	0.0	(1.5)	(0.5)		(30.5)
- of which restructuring costs	(9.0)	(3.2)	(3.0)	0.5	(7.0)		(21.7)
Net cash provided by operating activities						726.4	726.4
Net proceeds from sales of fixed and financial assets						6.3	6.3
Capital expenditure	(24.2)	(16.3)	(20.5)	(7.9)	(27.4)		(96.3)
Capitalized development costs	(21.6)	(6.5)	(0.7)	(0.1)	(0.1)		(29.0)
Free cash flow**						**607.4**	**607.4**
Normalized free cash flow***						**607.5**	**607.5**
Normalized free cash flow as % of sales							**13.5%**
Current operating assets excluding taxes	196.4	117.8	242.1	212.2	506.7		1,275.2
Net tangible assets	175.7	113.4	87.2	47.7	132.6		556.6
Current operating liabilities excluding taxes	346.1	172.4	98.8	125.0	287.6		1,029.9

* Amortization of intangible assets remeasured as part of the purchase price allocation process, plus any acquisition-related expense and income.

** Free cash flow is defined as the sum of net cash provided by operating activities and net proceeds from sales of fixed and financial assets minus capital expenditure and capitalized development costs.

*** Normalized free cash flow is defined as the sum of (i) net cash provided by operating activities, based on a working capital requirement representing 10% of the last 12 months' sales, and (ii) the net proceeds from sales of non-current assets minus (iii) capital expenditure and capitalized development costs.

12 months ended December 31, 2013	Geographical segments					Items not	
	Europe			USA/	Rest of	allocated to	
(in € millions)	France	Italy	Others	Canada	the world	segments	Total
Revenue to third parties	**1,053.9**	**522.5**	**800.1**	**773.3**	**1,310.6**		**4,460.4**
Cost of sales	(391.2)	(184.0)	(465.7)	(378.8)	(736.9)		(2,156.6)
Administrative and selling expenses, R&D costs	(403.2)	(163.8)	(200.2)	(269.2)	(345.8)		(1,382.2)
Other operating income (expense)	(14.3)	(5.6)	(4.4)	(13.6)	(34.3)		(72.2)
Operating profit	**245.2**	**169.1**	**129.8**	**111.7**	**193.6**		**849.4**
- of which acquisition-related amortization, expense and income*							
• accounted for in administrative and selling expenses, R&D costs	(6.0)	0.0	(2.6)	(10.7)	(13.6)		(32.9)
• accounted for in other operating income (expense)							0.0
- of which goodwill impairment							0.0
Adjusted operating profit	**251.2**	**169.1**	**132.4**	**122.4**	**207.2**		**882.3**
- of which depreciation expense	(30.5)	(22.9)	(13.3)	(9.0)	(25.1)		(100.8)
- of which amortization expense	(3.5)	(4.1)	(1.1)	(2.0)	(1.1)		(11.8)
- of which amortization of development costs	(19.6)	(7.1)	0.0	(0.7)	(0.3)		(27.7)
- of which restructuring costs	(15.1)	(1.1)	(0.5)	(4.2)	(8.4)		(29.3)
Net cash provided by operating activities						691.9	691.9
Net proceeds from sales of fixed and financial assets						4.3	4.3
Capital expenditure	(23.6)	(16.7)	(25.3)	(8.8)	(29.5)		(103.9)
Capitalized development costs	(22.6)	(5.7)	(0.2)	(0.4)	(0.2)		(29.1)
Free cash flow**						**563.2**	**563.2**
Normalized free cash flow***						**588.8**	**588.8**
Normalized free cash flow as % of sales							13.2%
Current operating assets excluding taxes	223.5	123.2	257.7	148.5	480.8		1,233.7
Net tangible assets	182.5	124.8	87.6	44.1	121.6		560.6
Current operating liabilities excluding taxes	352.8	177.9	108.7	101.2	269.9		1,010.5

*Amortization of intangible assets remeasured as part of the purchase price allocation process, plus any acquisition-related expense and income.

** Free cash flow is defined as the sum of net cash provided by operating activities and net proceeds from sales of fixed and financial assets minus capital expenditure and capitalized development costs.

*** Normalized free cash flow is defined as the sum of (i) net cash provided by operating activities, based on a working capital requirement representing 10% of the last 12 months' sales and (ii) the net proceeds from sales of non-current assets minus (iii) capital expenditure and capitalized development costs.

Note 25 - Quarterly data – unaudited

25.1 Quarterly revenue by geographical segment (billing region)

(in € millions)	1st quarter 2014	1st quarter 2013
France	270.7	268.7
Italy	143.4	151.7
Rest of Europe	199.1	187.5
USA/Canada	181.9	185.0
Rest of the world	289.2	300.0
Total	**1,084.3**	**1,092.9**

(in € millions)	2nd quarter 2014	2nd quarter 2013
France	268.7	271.2
Italy	133.1	137.4
Rest of Europe	193.9	197.3
USA/Canada	225.7	207.5
Rest of the world	318.9	347.7
Total	**1,140.3**	**1,161.1**

(in € millions)	3rd quarter 2014	3rd quarter 2013
France	227.9	231.5
Italy	109.3	114.2
Rest of Europe	205.6	197.6
USA/Canada	235.2	202.6
Rest of the world	321.3	318.7
Total	**1,099.3**	**1,064.6**

(in € millions)	4th quarter 2014	4th quarter 2013
France	265.7	282.5
Italy	113.8	119.2
Rest of Europe	210.9	217.7
USA/Canada	231.7	178.2
Rest of the world	353.1	344.2
Total	**1,175.2**	**1,141.8**

25.2 Quarterly income statements

(in € millions)	**1st quarter 2014**	**1st quarter 2013**
Revenue	**1,084.3**	**1,092.9**
Operating expenses		
Cost of sales	(517.6)	(525.5)
Administrative and selling expenses	(294.1)	(297.9)
Research and development costs	(48.8)	(50.6)
Other operating income (expense)	(12.9)	(10.3)
Operating profit	**210.9**	**208.6**
Financial expense	(20.9)	(22.9)
Financial income	2.2	3.1
Exchange gains (losses)	(0.5)	(3.9)
Total net financial expense	(19.2)	(23.7)
Profit before tax	**191.7**	**184.9**
Income tax expense	(61.5)	(60.1)
Profit for the period	**130.2**	**124.8**
Attributable to:		
- Equity holders of Legrand	**129.5**	**124.5**
- Minority interests	**0.7**	**0.3**

(in € millions)	**2nd quarter 2014**	**2nd quarter 2013**
Revenue	**1,140.3**	**1,161.1**
Operating expenses		
Cost of sales	(552.9)	(553.0)
Administrative and selling expenses	(308.1)	(303.1)
Research and development costs	(46.8)	(49.9)
Other operating income (expense)	(7.0)	(21.6)
Operating profit	**225.5**	**233.5**
Financial expense	(21.4)	(20.0)
Financial income	2.0	0.2
Exchange gains (losses)	0.4	(2.2)
Total net financial expense	(19.0)	(22.0)
Profit before tax	**206.5**	**211.5**
Income tax expense	(64.1)	(65.1)
Profit for the period	**142.4**	**146.4**
Attributable to:		
- Equity holders of Legrand	**142.0**	**145.3**
- Minority interests	**0.4**	**1.1**

(in € millions)	**3rd quarter 2014**	**3rd quarter 2013**
Revenue	**1,099.3**	1,064.6
Operating expenses		
Cost of sales	(540.8)	(517.9)
Administrative and selling expenses	(298.2)	(283.5)
Research and development costs	(47.5)	(45.2)
Other operating income (expense)	(11.2)	(13.1)
Operating profit	**201.6**	**204.9**
Finance costs	(21.6)	(21.2)
Financial income	2.0	1.5
Exchange gains (losses)	1.5	4.0
Total net finance expense	(18.1)	(15.7)
Profit before tax	**183.5**	**189.2**
Income tax expense	(56.7)	(56.3)
Profit for the period	**126.8**	**132.9**
Attributable to:		
- Equity holders of Legrand	**126.8**	**132.3**
- Minority interests	**0.0**	**0.6**

(in € millions)	**4th quarter 2014**	**4th quarter 2013**
Revenue	**1,175.2**	**1,141.8**
Operating expenses		
Cost of sales	(585.9)	(560.2)
Administrative and selling expenses	(314.0)	(299.9)
Research and development costs	(50.1)	(52.1)
Other operating income (expense)	(15.7)	(27.2)
Operating profit	**209.5**	**202.4**
Financial expense	(22.0)	(23.6)
Financial income	2.4	2.1
Exchange gains (losses)	0.1	0.3
Total net financial expense	(19.5)	(21.2)
Profit before tax	**190.0**	**181.2**
Income tax expense	(56.1)	(52.0)
Profit for the period	**133.9**	**129.2**
Attributable to:		
- Equity holders of Legrand	**133.4**	**128.4**
- Minority interests	**0.5**	**0.8**

Note 26 - List of consolidated companies

The consolidated financial statements comprise the financial statements of Legrand and its 170 subsidiaries.
All Legrand Group subsidiaries are fully consolidated.
The main fully consolidated operating subsidiaries as of December 31, 2014 are as follows:

French subsidiaries

Groupe Arnould
Legrand France
Legrand SNC

Foreign subsidiaries	
Bticino Spa	Italy
Bticino Chile Ltda	Chile
Bticino de Mexico SA de CV	Mexico
Daneva	Brazil
DongGuan Rocom Electric	China
EMB Electrical Industries	Egypt
GL Eletro-Eletronicos Ltda	Brazil
HDL Da Amazonia Industria Eletronica Ltda	Brazil
Inform Elektronik	Turkey
Kontaktor	Russia
Lastar Inc.	United States
Legrand	Russia
Legrand Colombia	Colombia
Legrand Electric	United Kingdom
Legrand Electrical	China
Legrand Elektrik	Turkey
Legrand Group Belgium	Belgium
Legrand Group España	Spain
Legrand Group Pty Ltd	Australia
Legrand Home Systems	United States
Legrand Polska	Poland
Legrand SNC FZE	United Arab Emirates
Legrand Zrt	Hungary
Middle Atlantic Products Inc	United States
Minkels BV	Netherlands
Novateur Electrical and Digital Systems (NEDS)	India
Ortronics Inc.	United States
Pass & Seymour Inc.	United States
Shidean	China
TCL International Electrical	China
TCL Wuxi	China
WattStopper	United States
Wiremold Company	United States

legrand®

At December 31, 2014 all subsidiaries were wholly owned except for Alborz Electrical Industries Ltd, Kontaktor, Legrand Polska and Shidean, which were all over 96%-owned, Megapower, which is 80%-owned, Adlec Power, which is 70%-owned, and Neat which is 51%-owned.

Note 27 - Subsequent events

No significant events occurred between December 31, 2014 and the date when the consolidated financial statements were prepared.

www.legrand.com

COMPANY HEADQUARTERS
128, avenue de Lattre de Tassigny
87045 Limoges Cedex, France
+33 (0) 5 55 06 87 87

legrand®