



**LEGRAND**  
**UNAUDITED CONSOLIDATED FINANCIAL INFORMATION**  
**MARCH 31, 2014**

**CONTENTS**

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

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## Consolidated Statement of Income

<i>(in € millions)</i>	<b>Legrand</b>	
	<b>3 months ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
<b>Revenue</b>	<b>1,084.3</b>	<b>1,092.9</b>
<b>Operating expenses</b>		
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)
<b>Operating profit</b>	<b>210.9</b>	<b>208.6</b>
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)
<b>Profit before tax</b>	<b>191.7</b>	<b>184.9</b>
Income tax expense	(61.5)	(60.1)
<b>Profit for the period</b>	<b>130.2</b>	<b>124.8</b>
<b>Attributable to:</b>		
– Legrand	<b>129.5</b>	<b>124.5</b>
– Minority interests	<b>0.7</b>	<b>0.3</b>
Basic earnings per share ( <i>euros</i> )	0.488	0.471
Diluted earnings per share ( <i>euros</i> )	0.480	0.463

## Statement of Comprehensive Income

<i>(in € millions)</i>	<b>3 months ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
Profit for the period	130.2	124.8
<i>Items that may be reclassified subsequently to profit or loss</i>		
Translation reserves	0.1	64.4
Income tax relating to components of other comprehensive income	(0.3)	5.2
Actuarial gains and losses after deferred taxes	(0.1)	(0.1)
<b>Comprehensive income for the period</b>	<b>129.9</b>	<b>194.3</b>
<b>Attributable to:</b>		
– Legrand	<b>129.0</b>	<b>194.0</b>
– Minority interests	<b>0.9</b>	<b>0.3</b>

## Consolidated Balance Sheet

<i>(in € millions)</i>	Legrand	
	March 31, 2014	December 31, 2013
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	563.7	602.8
Marketable securities	3.0	3.0
Income tax receivables	43.7	45.9
Trade receivables (Note 3)	603.5	474.3
Other current assets	145.3	138.5
Inventories (Note 4)	641.3	620.9
Other current financial assets	0.0	0.0
<b>Total current assets</b>	<b>2,000.5</b>	<b>1,885.4</b>
<b>Non-current assets</b>		
Intangible assets	1,819.6	1,821.1
Goodwill	2,505.6	2,411.7
Property, plant and equipment	549.4	560.6
Other investments	0.8	0.8
Deferred tax assets	94.9	94.5
Other non-current assets	2.4	2.5
<b>Total non-current assets</b>	<b>4,972.7</b>	<b>4,891.2</b>
<b>Total Assets</b>	<b>6,973.2</b>	<b>6,776.6</b>

<i>(in € millions)</i>	<b>Legrand</b>	
	<b>March 31, 2014</b>	<b>December 31, 2013</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Short-term borrowings (Note 5)	152.6	86.9
Income tax payable	46.2	24.5
Trade payables	471.3	468.8
Short-term provisions	92.6	99.9
Other current liabilities	441.0	441.8
Other current financial liabilities	0.1	0.1
<b>Total current liabilities</b>	<b>1,203.8</b>	<b>1,122.0</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	658.2	661.8
Long-term provisions	104.3	100.4
Other non-current liabilities	0.4	0.4
Provisions for pensions and other post-employment benefits	157.1	156.7
Long-term borrowings (Note 5)	1,497.1	1,486.6
<b>Total non-current liabilities</b>	<b>2,417.1</b>	<b>2,405.9</b>
<b>Equity</b>		
Share capital (Note 6)	1,066.0	1,062.4
Retained earnings	2,676.8	2,575.8
Translation reserves	(400.9)	(400.8)
Equity attributable to equity holders of Legrand	3,341.9	3,237.4
Minority interests	10.4	11.3
<b>Total equity</b>	<b>3,352.3</b>	<b>3,248.7</b>
<b>Total Liabilities and Equity</b>	<b>6,973.2</b>	<b>6,776.6</b>

## Consolidated Statement of Cash Flows

<i>(in € millions)</i>	<b>Legrand</b>	
	<b>3 months ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
<b>Profit for the period</b>	<b>130.2</b>	<b>124.8</b>
Reconciliation of profit for the period to net cash provided by/(used in) operating activities:		
– Depreciation expense	23.4	24.9
– Amortization expense	9.1	9.6
– Amortization of development costs	6.1	5.6
– Amortization of finance expense	0.5	0.5
– Impairment of goodwill	0.0	0.0
– Changes in deferred taxes	(3.5)	(2.9)
– Changes in other non-current assets and liabilities	10.3	8.7
– Exchange (gains)/losses, net	1.3	(0.2)
– Other adjustments	0.2	0.1
– (Gains)/losses on sales of assets, net	0.5	(0.3)
Changes in operating assets and liabilities:		
– Inventories	(21.6)	(16.6)
– Trade receivables	(128.0)	(101.2)
– Trade payables	2.2	34.8
– Other operating assets and liabilities	3.4	(41.5)
<b>Net cash provided by/(used in) operating activities</b>	<b>34.1</b>	<b>46.3</b>
– Net proceeds from sales of fixed and financial assets	0.2	0.7
– Capital expenditure	(15.9)	(17.6)
– Capitalized development costs	(7.2)	(7.4)
– Changes in non-current financial assets and liabilities	0.0	(0.3)
– Acquisitions of subsidiaries, net of cash acquired	(93.1)	(66.2)
<b>Net cash provided by/ (used in) investing activities</b>	<b>(116.0)</b>	<b>(90.8)</b>
– Proceeds from issues of share capital and premium (Note 6)	19.3	9.2
– Net sales (buybacks) of treasury shares and transactions under the liquidity contract (Note 6)	(31.6)	(30.4)
– Dividends paid to equity holders of Legrand	0.0	0.0
– Dividends paid by Legrand subsidiaries	0.0	0.0
– Proceeds from new borrowings and drawdowns	0.1	1.5
– Repayment of borrowings	(1.8)	(1.7)
– Debt issuance costs	0.0	0.0
– Increase (reduction) in bank overdrafts	65.4	(3.5)
– Acquisitions of ownership interests with no gain of control	(7.0)	(0.1)
<b>Net cash provided by/(used in) financing activities</b>	<b>44.4</b>	<b>(25.0)</b>
Effect of exchange rate changes on cash and cash equivalents	(1.6)	7.6
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(39.1)</b>	<b>(61.9)</b>
Cash and cash equivalents at the beginning of the period	602.8	494.3
<b>Cash and cash equivalents at the end of the period</b>	<b>563.7</b>	<b>432.4</b>
Items included in cash flows :		
– Free cash flow* (Note 7)	11.2	22.0
– Interest paid during the period	25.5	42.9
– Income taxes paid during the period	34.7	36.8

\*Normalized free cash flow is presented in Note 7.

## Note 1 - Introduction

This unaudited consolidated financial information of Legrand is presented for a three-month period ending March 31, 2014. This unaudited consolidated financial information should be read in accordance with consolidated financial statements for the year ended December 31, 2013 such as established in the Registration document (Document de référence) deposited under visa no D.14-0274 with the French security regulator (Autorité des Marchés Financiers) on April 2, 2014.

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

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretation Committee (IFRIC) 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.

Therefore Interpretation IFRIC 21 – Levies, that has not yet been approved by European Union, has not been applied. It should be noted that such application should only have a timing impact between quarters in the recognition of certain levies but should be neutral on a full year basis.

## Note 2 - 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
NuVo Technologies	3 months' profit	6 months' profit	9 months' profit	12 months' profit
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
Daneva	3 months' profit
Seico	3 months' profit
S2S	3 months' profit
Adlec Power	3 months' profit
Tynetec	3 months' profit
Lastar Inc.	Balance sheet only
Neat	Balance sheet only

The acquisitions announced in the first three-months of 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 revenues of over €15 million.

In all, acquisitions of subsidiaries (net of cash acquired), and acquisitions of ownership interests with no gain control came to a total of €100.1 million in the first three-months of 2014, versus €66.3 million in the first three-months of 2013. Of this, acquisitions of subsidiaries (net of cash acquired) accounted for €93.1 million in the first three-months of 2014, compared with €66.2 million in the first three-months of 2013.

### Note 3 - Trade receivables

Trade receivables are as follows:

<i>(in € millions)</i>	<b>March 31, 2014</b>	<b>December 31, 2013</b>
Trade accounts and notes receivable	668.4	538.7
Less impairment	(64.9)	(64.4)
	<b>603.5</b>	<b>474.3</b>

### Note 4 - Inventories

Inventories are as follows:

<i>(in € millions)</i>	<b>March 31, 2014</b>	<b>December 31, 2013</b>
Purchased raw materials and components	239.1	231.7
Sub-assemblies, work in progress	93.7	90.8
Finished products	412.3	403.4
	745.1	725.9
Less impairment	(103.8)	(105.0)
	<b>641.3</b>	<b>620.9</b>

## Note 5 - Long-term and short-term borrowings

### 5.1 Long-term borrowings

Long-term borrowings can be analyzed as follows:

<i>(in € millions)</i>	<b>March 31, 2014</b>	<b>December 31, 2013</b>
8 ½% debentures	280.0	279.5
Bonds	1,100.0	1,100.8
Other borrowings*	125.1	114.8
	<b>1,505.1</b>	<b>1,495.1</b>
Debt issuance costs	(8.0)	(8.5)
	<b>1,497.1</b>	<b>1,486.6</b>

\*Including €54.3 million corresponding to private placement notes held by employees through the “Legrand Obligations Privées” corporate mutual fund (€55.2 million at December 31, 2013).

### 5.2 Short-term borrowings

Short-term borrowings can be analyzed as follows:

<i>(in € millions)</i>	<b>March 31, 2014</b>	<b>December 31, 2013</b>
Commercial paper	55.0	0.0
Other borrowings	97.6	86.9
	<b>152.6</b>	<b>86.9</b>

## Note 6 - Share capital

Share capital as of March 31, 2014 amounted to €1,065,970,696 represented by 266,492,674 ordinary shares with a par value of €4 each, for 278,337,200 voting rights.

### 6.1 Changes in share capital

	<b>Number of shares</b>	<b>Par value</b>	<b>Share capital (euros)</b>	<b>Premiums (euros)</b>
As of December 31, 2013	265,590,517	4	1,062,362,068	1,108,075,425
Exercise of options under the 2007 plan	50,869	4	203,476	1,078,423
Exercise of options under the 2008 plan	79,227	4	316,908	1,313,584
Exercise of options under the 2009 plan	46,448	4	185,792	423,606
Exercise of options under the 2010 plan	725,613	4	2,902,452	12,930,424
As of March 31, 2014	266,492,674	4	1,065,970,696	1,123,821,462



Share capital consists exclusively of ordinary shares, each with a par value of €4.

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

In the first three-months of 2014, 902,157 shares were issued under the 2007 to 2010 stock option plans, resulting in a €3.6 million capital increase with a €15.7 million premium.

## **6.2 Share buyback program and transactions under the liquidity contract**

### Share buyback program

As of December 31, 2013, the Group held 63,027 shares in treasury. During the first three-months of 2014, it acquired a further 820,000 shares, at a cost of €35,580,154 and has allocated 817,240 shares to employees under performance share plans.

As of March 31, 2014, the Group held 65,787 shares, acquired at a total cost of €1,692,253. These shares are being held for the following purposes:

- For allocation upon exercise of performance share plans (60,866 shares purchased at a cost of €1,569,622).
- For allocation upon sale to employees who choose to re-invest their profit-shares in Legrand stock through a corporate mutual fund (4,921 shares purchased at a cost of €122,631).

### 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.

Cash used to purchase shares under the liquidity contract is capped at €15.0 million.

As of March 31, 2014, the Group held 16,192 shares under this contract, purchased at a total cost of €706,220.

Transactions in the first three-months of 2014, under the liquidity contract, led to a net cash inflow of €3,961,707 and correspond to a net disposal of 91,308 shares.

## Note 7 - Information by geographical segment

The information by geographical segment presented below corresponds to the information used by the 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.

3 months ended March 31, 2014 (in € millions)	Geographical segments					Items not allocated to segments	Total
	France	Europe Italy	Others	USA/ Canada	Rest of the world		
<b>Revenue to third parties</b>	<b>270.7</b>	<b>143.4</b>	<b>199.1</b>	<b>181.9</b>	<b>289.2</b>		<b>1,084.3</b>
Cost of sales	(96.8)	(50.4)	(111.9)	(92.1)	(166.4)		(517.6)
Administrative and selling expenses, R&D costs	(106.8)	(42.1)	(48.9)	(64.5)	(80.6)		(342.9)
Other operating income (expense)	(5.0)	0.5	(2.3)	(0.9)	(5.2)		(12.9)
<b>Operating profit</b>	<b>62.1</b>	<b>51.4</b>	<b>36.0</b>	<b>24.4</b>	<b>37.0</b>		<b>210.9</b>
- of which acquisition-related amortization , expense and income*							
• accounted for in administrative and selling expenses, R&D costs	(1.7)	0.0	(0.6)	(2.6)	(3.1)		(8.0)
• accounted for in other operating income (expense)							0.0
- of which goodwill impairment							0.0
<b>Adjusted operating profit</b>	<b>63.8</b>	<b>51.4</b>	<b>36.6</b>	<b>27.0</b>	<b>40.1</b>		<b>218.9</b>
- of which depreciation expense	(6.9)	(5.1)	(3.7)	(2.2)	(5.4)		(23.3)
- of which amortization expense	(0.6)	(0.9)	(0.3)	(0.5)	(0.3)		(2.6)
- of which amortization of development costs	(4.3)	(1.6)	0.0	(0.1)	(0.1)		(6.1)
- of which restructuring costs	(2.1)	(0.2)	(0.2)	0.0	(1.5)		(4.0)
Net cash provided by operating activities						34.1	34.1
Net proceeds from sales of fixed and financial assets						0.2	0.2
Capital expenditure	(4.0)	(2.8)	(3.2)	(1.5)	(4.4)		(15.9)
Capitalized development costs	(5.3)	(1.8)	0.0	(0.1)	(0.0)		(7.2)
<b>Free cash flow**</b>						<b>11.2</b>	<b>11.2</b>
<b>Normalized free cash flow***</b>						<b>153.0</b>	<b>153.0</b>
Normalized free cash flow as % of sales							14.1%
Segment assets from operations excluding taxes	269.2	159.3	279.3	167.2	515.1		1,390.1
Net tangible assets	178.5	121.9	85.1	42.6	121.3		549.4
Segment liabilities from operations excluding taxes	370.5	181.3	112.2	87.5	253.4		1,004.9

\* 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 whose change at constant scope of consolidation and exchange rates is adjusted for the quarter and (ii) the net proceeds from sales of non-current assets minus (iii) capital expenditure and capitalized development costs.

3 months ended March 31, 2013 (in € millions)	Geographical segments					Items not allocated to segments	Total
	Europe			USA/ Canada	Rest of the world		
	France	Italy	Others				
<b>Revenue to third parties</b>	<b>268.7</b>	<b>151.7</b>	<b>187.5</b>	<b>185.0</b>	<b>300.0</b>		<b>1,092.9</b>
Cost of sales	(97.8)	(54.3)	(108.9)	(93.3)	(171.2)		(525.5)
Administrative and selling expenses, R&D costs	(104.4)	(44.6)	(50.7)	(65.6)	(83.2)		(348.5)
Other operating income (expense)	(4.5)	0.2	(1.6)	(0.4)	(4.0)		(10.3)
<b>Operating profit</b>	<b>62.0</b>	<b>53.0</b>	<b>26.3</b>	<b>25.7</b>	<b>41.6</b>		<b>208.6</b>
- of which acquisition-related amortization, expense and income*							
• accounted for in administrative and selling expenses, R&D costs	(0.9)	0.0	(0.9)	(2.4)	(3.3)		(7.5)
• accounted for in other operating income (expense)							0.0
- of which goodwill impairment							0.0
<b>Adjusted operating profit</b>	<b>62.9</b>	<b>53.0</b>	<b>27.2</b>	<b>28.1</b>	<b>44.9</b>		<b>216.1</b>
- of which depreciation expense	(7.8)	(5.5)	(3.3)	(2.3)	(5.8)		(24.7)
- of which amortization expense	(0.9)	(0.9)	(0.3)	(0.5)	(0.3)		(2.9)
- of which amortization of development costs	(3.8)	(1.5)	0.0	(0.2)	(0.1)		(5.6)
- of which restructuring costs	(1.8)	0.0	(1.0)	(0.2)	(0.9)		(3.9)
Net cash provided by operating activities						46.3	46.3
Net proceeds from sales of fixed and financial assets						0.7	0.7
Capital expenditure	(4.9)	(3.7)	(2.5)	(2.3)	(4.2)		(17.6)
Capitalized development costs	(5.5)	(1.7)	0.0	(0.1)	(0.1)		(7.4)
<b>Free cash flow**</b>						<b>22.0</b>	<b>22.0</b>
<b>Normalized free cash flow***</b>						147.2	147.2
Normalized free cash flow as % of sales							13.5%
Current operating assets excluding taxes	282.3	187.1	266.0	168.9	477.9		1,382.2
Net tangible assets	189.9	132.5	76.6	48.7	125.9		573.6
Current operating liabilities excluding taxes	362.5	191.4	116.0	93.4	256.3		1,019.6

\* 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 whose change at constant scope of consolidation and exchange rates is adjusted for the quarter and (ii) the net proceeds from sales of non-current assets minus (iii) capital expenditure and capitalized development costs (Q1 reported figures unadjusted for the quarter: €149.2 million and 13.7%).

## Note 8 - Quarterly data – non-audited

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### 8.1 Quarterly revenue by geographical segment (billing region)

<i>(in € millions)</i>	<b>1<sup>st</sup> quarter 2014</b>	<b>1<sup>st</sup> quarter 2013</b>
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
<b>Total</b>	<b>1,084.3</b>	<b>1,092.9</b>

## Note 9 - Subsequent events

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