



2015 First-Quarter Results

May 7, 2015

AGENDA

1 HIGHLIGHTS

2 Q1 2015 ACHIEVEMENTS

3 2015 TARGETS

4 APPENDICES

1

HIGHLIGHTS

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□ Change in net sales

- Total growth in sales: +7.4%
- France — organic⁽¹⁾ change in sales: -8.1%, i.e. -3.1% excluding the announced effect⁽²⁾
- Group — organic⁽¹⁾ change in sales: -1.7%, in line with 2015 targets

□ Profitability and free cash flow

- Adjusted operating income: +3.1%
- Adjusted operating margin: 19.0% excluding acquisitions⁽³⁾ (18.8% including acquisitions), in line with 2015 targets
- Robust free cash flow generation

□ 2015 targets confirmed

1. *Organic: at constant scope of consolidation and exchange rates*
2. *Readers are reminded that the press release presenting full-year results for 2014 noted, with respect to the change in sales in France in the fourth quarter of 2014, “a favorable impact of strong demand from distributors at the very end of the year which added 5 points but will, in turn, have the reverse unfavorable effect in the first quarter of 2015.” Adjusted for this reverse 5-point unfavorable effect already announced, organic change in sales in France for the first quarter of 2015 would be -3.1%*
3. *At 2014 scope of consolidation*

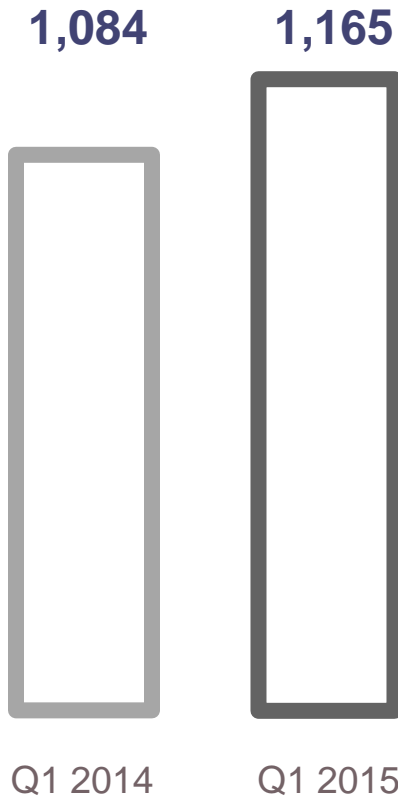
2

**Q1 2015
ACHIEVEMENTS**

Q1 2015
ACHIEVEMENTS

Q1 2015 CHANGE IN NET SALES

€ millions



□ Exchange rate:	+6.5%	} Total growth: +7.4% o/w USA/Canada: +41%
□ External growth:	+2.6%	
□ Organic ⁽¹⁾ change:	-1.7%	
▪ France :	-8.1%, i.e. -3.1% excluding the announced effect ⁽²⁾	
▪ Group excluding France :	+0.1%	

1. Organic: at constant scope of consolidation and exchange rates

2. Readers are reminded that the press release presenting full-year results for 2014 noted, with respect to the change in sales in France in the fourth quarter of 2014 "a favorable impact of strong demand from distributors at the very end of the year which added 5 points but will, in turn, have the reverse unfavorable effect in the first quarter of 2015." Adjusted for this reverse 5-point unfavorable effect already announced, organic change in sales for the first quarter of 2015 would be -3.1% in France.

Q1 2015 ORGANIC⁽¹⁾ CHANGE IN NET SALES BY GEOGRAPHICAL REGION (1/2)

France

- -8.1% organic⁽¹⁾ change in sales
- Reminder: Legrand's press release presenting 2014 full-year results noted, with respect to the change in sales in France in Q4 2014, "a favorable impact of strong demand from distributors at the very end of the year which added 5 points but will, in turn, have the reverse unfavorable effect in the first quarter of 2015"
- Adjusted for this reverse 5-point unfavorable effect already announced, Q1 2015 organic⁽¹⁾ change in sales would be -3.1%, in line with market trends
- New construction continued a marked retreat, whereas renovation was resilient overall

Italy

- -1.2% organic⁽¹⁾ change in sales
- After many years of steep decline in the market, amplified by the effect of distributor destocking, this change in sales is close to that observed in Q4 2014, reflecting a very gradual stabilization of market trends

Q1 2015 ORGANIC⁽¹⁾ CHANGE IN NET SALES BY GEOGRAPHICAL REGION (2/2)

Rest of Europe

- Steady organic⁽¹⁾ sales
- Healthy growth in Turkey and most countries in:
 - Southern Europe⁽²⁾
 - Eastern Europe, including Hungary, Romania, the Czech Republic and Slovakia
- Double digit decline in sales in Russia

USA/Canada

- +4.0% organic⁽¹⁾ growth
- Rising residential activity
- Growth in commercial segment seems to be well under way
- Good performances, particularly in highly energy-efficient lighting control, digital infrastructure and wire-mesh cable management
- As announced, the USA became the group's #1 country by sales in Q1 2015

Rest of the World

- -1.6% organic⁽¹⁾ change in sales
- Rising sales in:
 - most countries in Latin America, in particular Mexico, Colombia and Peru
 - India and South-east Asia, including Malaysia, Singapore and Thailand
- Sales down in China and South Korea

1. Organic: at constant scope of consolidation and exchange rates
 2. Southern Europe = Spain + Greece + Portugal

Q1 2015 ADJUSTED⁽¹⁾ OPERATING MARGIN

Q1 2014	adjusted operating margin	19.6%⁽²⁾
	<ul style="list-style-type: none"> ▪ Mechanical effect of organic change in sales -0.5 pt / -0.4pt ▪ Lower inventory build-up of manufactured products -0.1 pt ▪ Near-offset of -0.1 pt / 0 pt <ul style="list-style-type: none"> ✓ Productivity initiatives: product platforms, efforts to adapt in many countries (Italy, Russia, etc.) and ✓ Country margin mix: very strong growth in the USA/Canada zone (where profitability, although continuously improving, is lower than the group average) and lower activity in France due to the announced effect⁽³⁾ 	
Q1 2015	adjusted operating margin before acquisitions⁽⁴⁾	19.0%
	Impact of acquisitions	-0.2pt
Q1 2015	adjusted operating margin	18.8%

1. Operating income adjusted for amortization of revaluation of intangible assets at the time of acquisitions and for expense/income relating to acquisitions (€8.0million in Q1 2014 and €10.1million in Q1 2015) and, where applicable, for impairment of goodwill (€0 in Q1 2014 and Q1 2015)

2. March 31, 2014 figures restated as explained in Note 3 of the consolidated financial information as at March 31, 2015

3. See footnote 2 on page 6 of this presentation

4. At 2014 scope of consolidation

SPECIAL FOCUS: VALUE CREATION IN USA/CANADA ZONE IN Q1 2015

Sales

Adjusted EBIT

- Exchange rate: +21.5%
 - External growth: +11.4%
 - Organic⁽¹⁾ growth: +4.0%
- } +41%

+44%

from €27m to €39m

USA alone:

#1

Group country by sales

1. Organic: at constant scope of consolidation and exchange rates

Q1 2015 FREE CASH FLOW GENERATION

- Robust cash flow from operations: €196m, i.e., 16.9% of sales including positive non-recurring cash FX effects
- Capital employed under control

Normalized⁽¹⁾ free cash flow as % of sales:

14.9%⁽²⁾

1. 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 first quarter.

2. Over the long term and on an annual basis, normalized free cash flow should represent between 12% and 13% of sales

Q1 2015 NET INCOME⁽¹⁾

Net income

€127m

i.e. close to **11%** of sales

3

2015 TARGETS

2015 TARGETS CONFIRMED

Excerpt of 2014 full-year results presentation

- Macroeconomic projections currently call for:
 - a continued supportive environment in the United States;
 - attractive prospects in new economies, which nonetheless present short-term uncertainties, particularly in Russia;
 - and conditions on our markets in mature Europe which should remain difficult overall in 2015.

- Against this backdrop and in an industry with no order book, Legrand, whose sales face a demanding basis for comparison in the first quarter of 2015, is targeting 2015 organic growth in sales of between **-3% and +2%**⁽¹⁾.

The group has also set a 2015 target for **adjusted operating margin before acquisitions**⁽²⁾ at **between 18.8% and 20.1%** of sales, which is consistent with its target for organic growth and the ongoing effects of its productivity efforts.

- Legrand will also pursue its strategy of value-creating acquisitions.

1. The low-end of the target includes a marked drop in sales in Russia. Excluding Russia, the 2015 target of organic growth in sales for the group is between -2% and +2%


2. At 2014 scope of consolidation

4

APPENDICES

REMINDER: FRANCE – ANALYSIS OF Q4 2014 SALES TRENDS AND OF CARRYOVER EFFECT IN Q1 2015

Excerpt of 2014 full-year results presentation

Organic growth	<u>Q4 2014</u>	<u>Q1 2015</u>
Reported	-5.7%	
of which :		
Basis for comparison	~ -7 pts ⁽¹⁾	
Over sell-in in Q4 2014 ⁽²⁾	~ +5 pts	 ~-5 pts
Organic growth adjusted for basis for comparison and over sell-in	~ -3.7%	

1. Q4 2013 at +1.7% vs 9M 2013 at -5.1%

2. Driven by higher demand from distributors at the very end of the year. Estimate

ACQUISITIONS

IME⁽¹⁾ (ANNOUNCED IN MAY 2015)

- Leading Italian and European specialist in measuring electrical installation parameters
- Annual revenues of €23 million
- 160 employees



- Ideal complement to Legrand's existing offer in energy distribution and energy efficiency
- Makes Legrand a significant player in the promising market of measuring instruments for the electrical installation

1. Subject to standard and legal conditions precedent.

ACQUISITIONS VALRACK (ANNOUNCED IN MAY 2015)



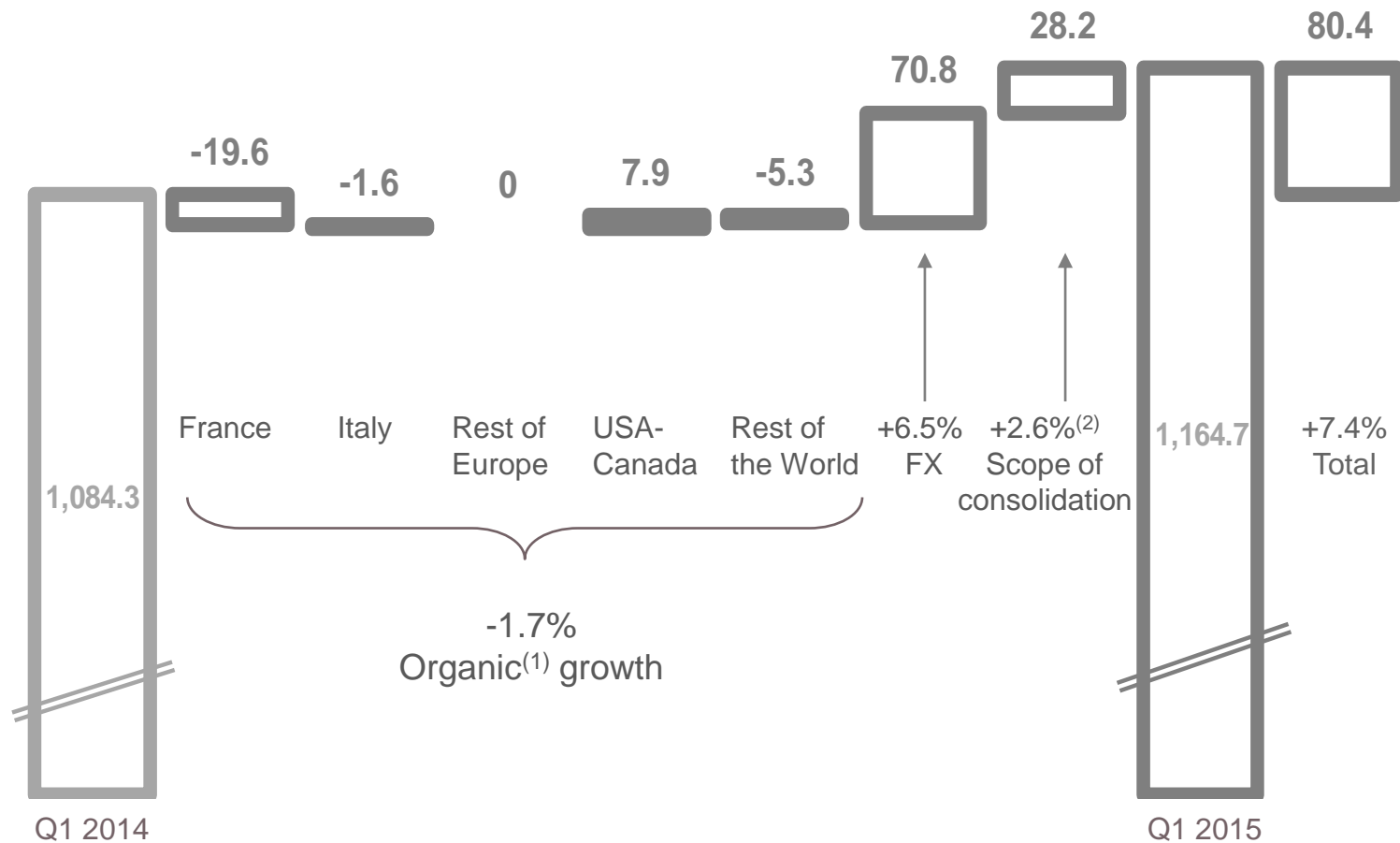
- Indian specialist in racks, Voice-Data-Image cabinets and related products for data centers
- Annual revenues below €10 million
- 250 employees



- Ideal complement to Legrand's existing offer for datacenters: Electrorack (USA), Minkels (the Netherlands) and SJ Manufacturing (Singapore)
- Strengthens Legrand's positions in India and more generally in new economies

CHANGE IN NET SALES

Breakdown of change in 2015 first-quarter net sales by destination (€m)



1. Organic: at constant scope of consolidation and exchange rates
2. Due to the consolidation of Lastar, Neat and SJ Manufacturing

2015 FIRST QUARTER – NET SALES BY DESTINATION⁽¹⁾

In € millions	Q1 2014	Q1 2015	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
France	242.4	222.8	-8.1%	0.0%	-8.1%	0.0%
Italy	132.6	131.0	-1.2%	0.0%	-1.2%	0.0%
Rest of Europe	203.3	203.0	-0.1%	2.8%	0.0%	-2.9%
USA/Canada	178.7	251.6	40.8%	11.4%	4.0%	21.5%
Rest of the World	327.3	356.3	8.9%	0.6%	-1.6%	9.9%
Total	1,084.3	1,164.7	7.4%	2.6%	-1.7%	6.5%

1. Market where sales are recorded

2015 FIRST QUARTER – NET SALES BY ORIGIN⁽¹⁾

In € millions	Q1 2014	Q1 2015	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
France	270.7	250.3	-7.5%	0.0%	-7.5%	0.0%
Italy	143.4	137.2	-4.3%	0.0%	-4.3%	0.0%
Rest of Europe	199.1	200.4	0.7%	2.1%	1.7%	-3.1%
USA/Canada	181.9	258.2	41.9%	12.4%	3.9%	21.6%
Rest of the World	289.2	318.6	10.2%	0.5%	-1.2%	10.9%
Total	1,084.3	1,164.7	7.4%	2.6%	-1.7%	6.5%

1. Zone of origin of the product sold

2015 FIRST QUARTER – P&L

In € millions	Q1 2014 proforma ⁽¹⁾	Q1 2015	% change
Net sales	1,084.3	1,164.7	+7.4%
Gross profit	564.4	599.3	+6.2%
<i>as % of sales</i>	52.1%	51.5%	
Adjusted⁽²⁾ operating profit	212.0	218.6	+3.1%
<i>as % of sales</i>	19.6%	18.8%⁽³⁾	
Amortization and expense/income related to acquisitions	(8.0)	(10.1)	
Operating profit	204.0	208.5	+2.2%
<i>as % of sales</i>	18.8%	17.9%	
Financial income (costs)	(18.7)	(19.2)	
Exchange gains (losses)	(0.5)	(0.6)	
Income tax expense	(59.1)	(60.7)	
Profit	125.7	128.0	+1.8%
Profit excluding minority interests	125.0	127.4	+1.9%

1. March 31, 2014 figures restated as explained in Note 3 of the consolidated financial information as at March 31, 2015
2. Operating income adjusted for amortization of revaluation of intangible assets at the time of acquisitions and for expense/income, relating to acquisitions (€8.0 million in Q1 2014 and €10.1 million in Q1 2015) and, where applicable, for impairment of goodwill (€0 in Q1 2014 and Q1 2015)
3. 19.0% excluding acquisitions (at 2014 scope of consolidation)

2015 FIRST QUARTER – ADJUSTED OPERATING PROFIT BEFORE AND AFTER OTHER OPERATING INCOME (EXPENSE) BY GEOGRAPHICAL REGION

APPENDICES

Q1 2015 (in € millions)	France	Italy	Rest of Europe	USA/ Canada	Rest of the World	Total
Net sales	250.3	137.2	200.4	258.2	318.6	1,164.7
Cost of sales	(93.8)	(46.8)	(113.4)	(128.2)	(183.2)	(565.4)
Administrative and selling expenses, R&D costs	(103.4)	(41.6)	(52.3)	(93.5)	(88.8)	(379.6)
Reversal of acquisition-related amortization, expense and income accounted for in administrative and selling expenses, R&D costs	(1.5)	0.0	(0.6)	(3.8)	(4.2)	(10.1)
Adjusted operating profit before other operating income (expense)	54.6	48.8	35.3	40.3	50.8	229.8
as % of sales	21.8%	35.6%	17.6%	15.6%	15.9%	19.7%
Other operating income (expense)	(5.3)	(0.8)	(1.7)	(1.3)	(2.1)	(11.2) ⁽¹⁾
Reversal of acquisition-related amortization, expense and income accounted for in other operating income (expense)	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted operating profit	49.3	48.0	33.6	39.0	48.7	218.6
as % of sales	19.7%	35.0%	16.8%	15.1%	15.3%	18.8%

1. Restructuring (€5.4m) and other miscellaneous items (€5.8m)

2014 FIRST QUARTER – ADJUSTED OPERATING PROFIT BEFORE AND AFTER OTHER OPERATING INCOME (EXPENSE) BY GEOGRAPHICAL REGION

APPENDICES

Q1 2014 proforma ⁽¹⁾ (in € millions)	France	Italy	Rest of Europe	USA/ Canada	Rest of the World	Total
Net sales	270.7	143.4	199.1	181.9	289.2	1,084.3
Cost of sales	(99.1)	(50.4)	(111.9)	(92.1)	(166.4)	(519.9)
Administrative and selling expenses, R&D costs	(111.4)	(42.1)	(48.9)	(64.5)	(80.6)	(347.5)
Reversal of 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)
Adjusted operating profit before other operating income (expense)	61.9	50.9	38.9	27.9	45.3	224.9
as % of sales	22.9%	35.5%	19.5%	15.3%	15.7%	20.7%
Other operating income (expense)	(5.0)	0.5	(2.3)	(0.9)	(5.2)	(12.9) ⁽²⁾
Reversal of acquisition-related amortization, expense and income accounted for in other operating income (expense)	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted operating profit	56.9	51.4	36.6	27.0	40.1	212.0
as % of sales	21.0%	35.8%	18.4%	14.8%	13.9%	19.6%

1. March 31, 2014 figures restated as explained in Note 3 of the consolidated financial information as at March 31, 2015

2. Restructuring (€4.0m) and other miscellaneous items (€8.9m)

2015 FIRST QUARTER – RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT

In € millions	Q1 2014 proforma ⁽¹⁾	Q1 2015
Profit	125.7	128.0
Depreciation & amortization	39.1	41.0
Change in other non-current assets and liabilities and deferred tax	6.8	7.9
Exchange (gains)/losses net	1.3	19.6
(Gains)/losses on sales of assets, net	0.5	(0.1)
Other adjustments	0.2	(0.1)
Cash flow from operations	173.6	196.3

1. March 31, 2014 figures restated as explained in Note 3 of the consolidated financial information as at March 31, 2015

2015 FIRST QUARTER – RECONCILIATION OF FREE CASH FLOW AND NORMALIZED FREE CASH FLOW WITH CASH FLOW FROM OPERATIONS

In € millions	Q1 2014 proforma ⁽¹⁾	Q1 2015	% change
Cash flow from operations⁽²⁾	173.6	196.3	13.1%
as % of sales	16.0%	16.9%	
Change in working capital requirement	(139.5)	(115.2)	
Net cash provided by operating activities	34.1	81.1	137.8%
as % of sales	3.1%	7.0%	
Capital expenditures (including capitalized R&D)	(23.1)	(24.7)	
Net proceeds of sales of fixed assets	0.2	0.4	
Free cash flow	11.2	56.8	407.1%
as % of sales	1.0%	4.9%	
Change in working capital requirement	(139.5)	(115.2)	
Change in normalized working capital requirement	(2.2)	2.0	
Normalized⁽³⁾ free cash flow	148.5	174.0	17.2%
as % of sales	13.7%	14.9%	

1. March 31, 2014 figures restated as explained in Note 3 of the consolidated financial information as at March 31, 2015

2. Cash flow from operations is defined as the sum of net cash from operating activities and change in working capital requirement.

3. 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 first quarter.

SCOPE OF CONSOLIDATION

2014	Q1	H1	9M	FY
Lastar	Balance sheet only	3 months	6 months	9 months
Neat	Balance sheet only	Balance sheet only	7 months	10 months
SJ Manufacturing		Balance sheet only	Balance sheet only	7 months

2015	Q1	H1	9M	FY
Lastar	3 months	6 months	9 months	12 months
Neat	3 months	6 months	9 months	12 months
SJ Manufacturing	3 months	6 months	9 months	12 months
Valrack	Balance sheet only	To be determined	To be determined	To be determined
IME		To be determined	To be determined	To be determined

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