legrand®

PRESS RELEASE

Limoges, February 9, 2017

2016 Results

Acceleration of Legrand's two growth drivers

Growth in sales excluding exchange-rate effect: +6.5% (compared with +2.1% in 2015)

Ongoing success of Eliot program: nearly +40% total growth in sales of connected products

8 bolt-on[1] acquisitions made

Solid integrated performance, targets fully met

Organic growth in sales: +1.8%; near the high end of the target (+2%)

Adjusted operating margin before acquisitions: 19.7%; exceeds the high end of the raised target (19.6%)

Growth in adjusted[2] net income excluding minority interests: +3.0%; proposed dividend: €1.19

Achievement rate of CSR roadmap: 122%

On the closing of full-year accounts for 2016, Gilles Schnepp, Legrand Chairman and CEO, commented:

"Acceleration of Legrand's two growth drivers

In 2016, Legrand continued to expand its market positions by accelerating organic growth, driven by innovation and many commercial initiatives, and by stepping up the pace of acquisitions.

Legrand invested €248m in R&D in 2016, actively pursuing an innovation strategy that saw the launch of many new products again this year, among them the new Ekinox3 cabinet line in India and the Domino Sencia user interface range in Latin America. In connected products, the Group has successfully continued to deploy its Eliot program: in addition to strong showings in its Digital Lighting Management and intelligent PDUs[3] offerings in the United States, where Eliot was rolled out in November 2016, Legrand has strengthened its product offering with ranges such as Class 300X door entry systems, whose launch was particularly well received in France and Italy in 2016. At the 2017 Las Vegas CES[4], Legrand introduced "Celiane with Netatmo", a connected switch and socket solution. More generally, with nearly +40% total growth in sales of connected products in 2016, the Group is ahead of schedule and will continue to deploy Eliot in new countries in 2017.

In 2016, the Group also invested over €400m in eight bolt-on[1] acquisitions representing total annual sales of more than €170m, of which over 80% made with no. 1 or 2 positions. Legrand thus strengthened its presence in buoyant new business segments such as energy efficiency and digital infrastructures, and also in lighting solutions. This strong momentum continued with the acquisition in January 2017 of OCL[5], specialized in architectural lighting solutions for commercial and premium residential buildings in the United States.

All of these initiatives contributed to Legrand's solid performance in 2016 and strengthened the Group's value-creative growth profile in the long term.

[1] Small- to mid-size acquisitions that complement Legrand's activities
[2] Adjusted net income excluding minority interests does not take into account the favorable non-recurring accounting impact of a tax income generated by the mechanical revaluation of deferred tax liabilities on trademarks that resulted from the announcement of reductions in the corporate income tax rate, mainly in France. This €61.2m tax income is adjusted as it has no cash impact, and bears no relationship to the Group's performance. However, these reductions in the corporate income tax rate, if maintained over time, should have a positive impact on the Group's tax rate.
[3] Power Distribution Unit
[4] Consumer Electronics Show
[5] Original Cast Lighting

Solid integrated performance, targets fully met

Legrand has fully met all of its 2016 targets:

- *organic growth in sales came to +1.8% near the high end of the target (+2%), partly driven by one-offs in the United States and Italy,*
- *adjusted operating margin before acquisitions (at 2015 scope of operations) stood at 19.7% and exceeded the high end of the raised target (19.6%), and*
- *CSR roadmap achievement rate reached 122%.*

Growth initiatives undertaken over the past few quarters have successfully fueled the acceleration in the Group's responsible growth. Thus, in 2016, total sales rose by +4.3% (+6.5% excluding exchange-rate effect compared with +2.1% in 2015), adjusted operating profit increased +5.2%, and all four focus points set out in its CSR roadmap were more than 100% achieved.

In 2017, Legrand will pursue its investments aiming at creating value in the long term while respecting all of its stakeholders."

Adjusted net income excluding minority interests

Reflecting the Group's performance, adjusted net income excluding minority interests rose +3.0% in 2016 and stood at €567.3m.
This adjusted net income excluding minority interests does not take into account the favorable non-recurring accounting impact of a tax income generated by the mechanical revaluation of deferred tax liabilities on trademarks that resulted from the announcement of reductions in the corporate income tax rate, mainly in France. This €61.2m tax income is adjusted as it has no cash impact, and bears no relationship to the Group's performance.
However, these reductions in the corporate income tax rate, if maintained over time, should have a positive impact on the Group's tax rate.

Proposed dividend

Legrand will ask the General Meeting of Shareholders to approve the payment of a dividend of €1.19 per share in respect of 2016 (compared with €1.15 in respect of 2015) representing a payout[1] of +56% (equivalent to the 2015 figure).

2017 targets

Macroeconomic projections for 2017 call for a gradual improvement in the economic environment. Against this backdrop but taking into account high bases for comparison for business in the United States and Italy, the Group intends to pursue its strategy of growth and sets 2017 targets for:

- organic growth in sales of between 0% and +3%; and
- adjusted operating margin before acquisitions (at 2016 scope of consolidation) of between 19.3% and 20.1% of sales.

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

[1] Based on adjusted net income excluding minority interests, which does not take into account the favorable non-recurring accounting impact of a tax income generated by the mechanical revaluation of deferred tax liabilities on trademarks that resulted from the announcement of reductions in the corporate income tax rate, mainly in France. This €61.2m tax income is adjusted as it has no cash impact, and bears no relationship to the Group's performance.

Key figures

Consolidated data (€ millions)[1]	2015	2016	Change
Sales	4,809.9	5,018.9	+4.3%
Adjusted operating profit	930.4	978.5	+5.2%
As % of sales	*19.3%*	*19.5%*	
		19.7% before acquisitions(2)	
Operating profit	886.7	934.0	+5.3%
As % of sales	*18.4%*	*18.6%*	
Adjusted(3) net income excluding minority interests	550.6	567.3	+3.0%
As % of sales	*11.4%*	*11.3%*	
Net income excluding minority interests	550.6	628.5	+14.1%
As % of sales	*11.4%*	*12.5%*	
Normalized free cash flow	617.2	623.9	+1.1%
As % of sales	*12.8%*	*12.4%*	
Free cash flow	666.0	673.0	+1.1%
As % of sales	*13.8%*	*13.4%*	
Net financial debt at December 31	802.7	957.0	+19.2%

(1) See appendices to this press release for definitions and reconciliation tables of indicators presented
(2) At 2015 scope of consolidation
(3) 2016 adjusted net income excluding minority interests does not take into account the favorable non-recurring accounting impact of a tax income generated by the mechanical revaluation of deferred tax liabilities on trademarks that resulted from the announcement of reductions in the corporate income tax rate, mainly in France. This €61.2m tax income is adjusted as it has no cash impact, and bears no relationship to the Group's performance. However, these reductions in the corporate income tax rate, if maintained over time, should have a positive impact on the Group's tax rate.

2016 integrated performance

Legrand reported a solid integrated performance in 2016:

- all financial indicators are on the rise, including consolidated sales up +4.3%, adjusted operating profit up +5.2% and adjusted[1] net income excluding minority interests up +3.0%;
- free cash flow stood at €673.0m or 13.4% of sales;
- with a 122% achievement rate for its 2014-2018 CSR roadmap, the Group is ahead of schedule.

More generally, these good showings demonstrate once again the Group's capacity to create value for all of its stakeholders.

Consolidated sales

Total sales for 2016 stood at €5,018.9m, up +4.3% from 2015. The impact of the broader scope of consolidation that resulted from acquisitions was +4.7%. At constant scope of consolidation and exchange rates, sales rose +1.8%, near the high end of the 2016 target, reflecting a +2.8% increase in mature countries and an -0.1% decline in new economies. The exchange-rate effect was -2.1%.

[1] Adjusted net income excluding minority interests does not take into account the favorable non-recurring accounting impact of a tax income generated by the mechanical revaluation of deferred tax liabilities on trademarks that resulted from the announcement of reductions in the corporate income tax rate, mainly in France. This €61.2m tax income is adjusted as it has no cash impact, and bears no relationship to the Group's performance. However, these reductions in the corporate income tax rate, if maintained over time, should have a positive impact on the Group's tax rate.

Changes in sales by destination and by geographical region at constant scope of consolidation and exchange rates broke down as follows:

	2016 / 2015	**4th quarter 2016 / 4th quarter 2015**
France	-2.7%	-3.8%[1]
Italy	+3.4%	+2.2%
Rest of Europe	+5.2%	+3.9%
North and Central America	+5.8%	+3.9%
Rest of the World	-2.1%	-2.0%
Total	**+1.8%**	**+0.7%**

These changes at constant scope of consolidation and exchange rates are analyzed below by geographical region:

- **France** (17.4% of Group sales): the organic change in sales in France was -2.7% in 2016, with the fourth quarter hit, as announced, by an unfavorable calendar effect. Excluding this calendar effect, the change in sales in the fourth quarter alone would only be down very slightly. As observed in 2016, the improvement in leading indicators for new residential construction, which accounts for between 15% and 20% of sales in France, should be reflected in Legrand's business over the next few quarters.

- **Italy** (9.8% of Group sales): organic growth in sales for full-year 2016 was a solid +3.4%, buoyed by the success of new Class 300X connected door entry systems, and more particularly, in the first half alone, by one-off projects in energy distribution. Excluding these two one-offs, organic growth in sales in Italy would come to around +2%, in line with the estimated market trend.

- **Rest of Europe** (17.4% of Group sales): sales rose +5.2% from 2015 at constant scope of consolidation and exchange rates. Countries in Eastern Europe turned in good showings for the year as a whole. Sales also rose sharply in several mature countries in the region, more particularly in Southern Europe[2], as well as in the United Kingdom (around 2.4% of total Group sales[3]), Germany, Austria and Belgium.
Finally, sales in Turkey were down due to the political situation in the country.

- **North and Central America** (29.2% of Group sales): sales rose +5.8% in 2016 at constant scope of consolidation and exchange rates.

This rise was driven by good performances in the United States, where organic growth reached +5.6%, buoyed notably by the success of the *Digital Lighting Management* offering and good showings in non-residential segment. In the second half more particularly, one-off load-in in the retail business also contributed to strong growth. Excluding one-offs, full-year organic growth in the United States was around +3%.
Other countries in the region, including Mexico, also reported a good rise in sales.

- **Rest of the World** (26.2% of Group sales): sales were down -2.1% from 2015 at constant scope of consolidation and exchange rates. A number of countries including India, Chile and Colombia reported strong showings for the year as a whole. Sales in North Africa[4] were also up in 2016. These good results could not offset declines in activity in some other countries, including Brazil and certain countries in Asia and the Middle East. In China, full-year sales were steady compared with 2015, sustained by one-off government measures in the first quarter.

[1] Excluding the calendar effect, change in sales in France in the fourth quarter would only be down very slightly
[2] Southern Europe = Spain + Greece + Portugal
[3] Based on average exchange rates for 2016 and annual sales of the last acquisitions
[4] North Africa = Algeria + Egypt + Morocco + Tunisia

Adjusted operating profit and margin

Adjusted operating profit was up +5.2% in 2016 and stood at €978.5m, reflecting the Group's capacity to create value.

Thanks to a good operating performance against a backdrop of rising sales, adjusted operating margin before acquisitions (at 2015 scope of consolidation) came to 19.7% of sales, 0.4 point higher than the 2015 figure of 19.3%.

Taking acquisitions into account, the Group's adjusted operating margin stood at 19.5% of sales in 2016.

Net income excluding minority interests

Reflecting the Group's performance, adjusted[1] net income excluding minority interests was up +3.0% in 2016 and stood at €567.3m.

This rise results from:

- a good operating performance, with a substantial +€47.3m improvement in operating profit;
- a slight +€0.5m rise in the foreign-exchange result;

partially offset by:

- a +€21.8m increase in income tax expense;
- a +€7.7m increase in net financial expense (which remains under control at less than 2% of sales), due in large part to the temporary impact from the December 2015 bond issue that anticipated refinancing of bonds maturing in February 2017, and
- the result of equity-accounted entities (-€1.3m).

Net income excluding minority interests as reported came to €628.5m in 2016, and includes the favorable non-recurring accounting impact of a tax income generated by the mechanical revaluation of deferred tax liabilities on trademarks that resulted from the announcement of reductions in the corporate income tax rate, mainly in France. This €61.2m tax income is adjusted as it has no cash impact, and bears no relationship to the Group's performance. However, these reductions in the corporate income tax rate, if maintained over time, should have a positive impact on the Group's tax rate.

Cash generation and net debt

Cash flow from operations was robust in 2016 and stood at €791.4m or 15.8% of sales.

Investments and working capital requirement were under control at respectively 3.2% and 6.1% of 2016 sales. Investments as a percentage of sales are in line with the average observed over the past ten years and are consistent with Group's ambition (3% to 3.5% of sales over the long term). Working capital requirement expressed as a percentage of sales at the end of 2016 was temporarily at an exceptionally low level compared with the past ten years, which makes a challenging basis for comparison in 2017.

Normalized free cash flow stood at 12.4% of sales.

After paying a dividend amounting to over €300m and investing more than €400m in acquisitions (compared with over €250m in 2015), net financial debt stood at nearly €1bn at December 31, 2016, up more than €150m from December 31, 2015.

Non financial performance

In 2014, Legrand published its third multi-year CSR roadmap, this time for 2014-2018, integrating ambitious and innovative targets. It reflects the Group's careful consideration for all stakeholders and more particularly a commitment to developing access to electricity and encouraging its responsible use.

With a 122% global achievement rate at the end of 2016 for the targets set in the CSR roadmap (which, as a reminder, comprises 21 targets with annual milestones), the Group was ahead of planned schedule. This performance reflects Legrand's capacity to push ahead on all fronts in meeting the 4 focus points of its CSR roadmap[2].

[1] Adjusted net income excluding minority interests does not take into account the favorable non-recurring accounting impact of a tax income generated by the mechanical revaluation of deferred tax liabilities on trademarks that resulted from the announcement of reductions in the corporate income tax rate, mainly in France. This €61.2m tax income is adjusted as it has no cash impact, and bears no relationship to the Group's performance. However, these reductions in the corporate income tax rate, if maintained over time, should have a positive impact on the Group's tax rate.

[2] Full details on Legrand's 2016 CSR performance are available on the corporate website at (http://www.legrand.com/EN/progress-tracking_13157.html)

Specific achievements in 2016 include:

- joining the *Science Based Targets* initiative under which companies contribute to fight climate change by committing to meet CO_2 emissions targets;
- helping launch, through the Legrand Foundation, a pilot program for bi-generational housing that aims at bringing seniors and students in the medical field live together under the same roof;
- receiving the Grand Prix de l'Assemblée Générale's CSR Trophy for successfully integrating CSR issues into the Group's strategy presented at its General Meeting of Shareholders; and
- maintaining its ranking among the *Global 100 - Most Sustainable Corporations*, and remaining a component of the FTSE4Good, DJSI and Vigeo Euronext benchmark indexes.

Dividend

In keeping with its balance sheet structure and solid achievements in 2016, Legrand will ask the General Meeting of Shareholders to be held on May 31, 2017 to approve the payment of a €1.19 per-share dividend in respect of 2016 (compared with €1.15 in respect of 2015). This corresponds to a payout[1] of 56%, equivalent to the 2015 figure. The ex-dividend date will be on June 2, 2017 and the dividend will be paid on June 6, 2017.

Dividend distribution in respect of 2016 will be effected under the same conditions as that in respect of the previous year. That is to say, based on the number of shares in circulation at December 31, 2016, by deduction from:

- distributable income[1] in an amount of €0.79[2] per share on the one hand, and
- the "issue premium" account in an amount of €0.40[2] per share on the other.

Acceleration of Legrand's two growth drivers

Organic growth step up driven by innovation

Innovation-led initiatives, particularly ones involving digital technology, contributed to the acceleration of organic growth reported in 2016 (+1.8% compared with +0.5% in 2015).

Readers are reminded that, through the Eliot program, Legrand's ambitious target for 2014-2020 calls for double-digit average annual growth in total sales of connected products. In 2016, it was ahead of schedule in achieving this goal, with nearly +40% total growth in sales of connected products. Altogether, sales linked to Eliot totaled almost €440m in 2016.

A number of initiatives during the year explain this strong performance. In particular, the Group:

- successfully pursued roll-out of its *Digital Lighting Management* systems and intelligent PDU[3] offerings in the United States;
- enriched its offer of connected products, in particular with the successful launch of Class 300X door entry systems;
- deployed Eliot in the United States (with launches planned in many other countries in 2017); and
- forged new partnerships with leading players in the Internet of Things, including in July 2016 with China's TCL, a world specialist in consumer goods, electronic equipment, and internet solutions.

Moreover, at the CES in Las Vegas in January 2017, Legrand announced the launch of its "Celiane with Netatmo" connected switch and socket solution that was recognized in the 2017 CES Innovations Design and Engineering Awards' *Smart Home* and *Home Appliance* categories.

More generally, Legrand is also continuing to renew its other product families and in 2016 launched for instance:

- new Ekinox3 cabinets for residential and commercial buildings in India;
- the new Domino Sencia user interface range in Central and South America; and
- new configurable PDUs[3] in Europe, Africa and the Middle East.

Legrand invested a total of €248 million in R&D, or 4.9% of 2016 Group sales.

[1] Based on adjusted net income excluding minority interests. Adjusted net income excluding minority interests does not take into account the favorable non-recurring accounting impact of a tax income generated by the mechanical revaluation of deferred tax liabilities on trademarks that resulted from the announcement of reductions in the corporate income tax rate, mainly in France. This €61.2m tax income is adjusted as it has no cash impact, and bears no relationship to the Group's performance.
[2] Indicative split released for informative purposes only and likely to be amended, depending on the change in number of shares entitling their holders to the distribution by the payment date.
[3] Power Distribution Unit

Active external growth: 8 acquisitions in 2016 (compared with 4 in 2015)

In 2016, Legrand actively pursued its strategy of self-financed bolt-on[1] acquisitions of companies with leading positions or proven technological expertise. The Group thus acquired eight companies (compared with four in 2015) representing annual sales of over €170m and strengthening the Group's positions with:

- over 80% of acquired sales generated by companies with no. 1 or 2 positions, and
- six out of eight acquisitions in new business segments[2] offering high growth potential.

Legrand intends to maintain an active external growth policy in 2017 and recently announced its first deal of the year, purchasing OCL[3], a specialist in lighting solutions for commercial and premium residential buildings in the United States. OCL has around 60 employees and reports annual sales of about $15m, mostly in the United States.

Based on acquisitions announced and their likely date of consolidation, the contribution of the broader scope of consolidation to Group growth should be over +1.3% in 2017.

----

[1] Small- to mid-size acquisitions that complement Legrand's activities
[2] Energy efficiency, digital infrastructures, home systems and assisted living
[3] Original Cast Lighting

The Board adopted audited consolidated financial statements for 2016 at its meeting on February 8, 2017. These consolidated financial statements, a presentation of 2016 annual results and the related teleconference (live and replay) are available at www.legrand.com.

Key financial dates

- 2017 first-quarter results: **May 10, 2017**
  "Quiet period[1]" starts April 10, 2017
- General Meeting of Shareholders: **May 31, 2017**
- Ex-dividend date: **June 2, 2017**
- Dividend payment : **June 6, 2017**
- 2017 first-half results: **July 28, 2017**
  "Quiet period[1]" starts June 28, 2017

ABOUT LEGRAND

Legrand is the global specialist in electrical and digital building infrastructures. Its comprehensive offering of solutions for commercial, industrial and residential markets makes it a benchmark for customers worldwide. Drawing on an approach that involves all teams and stakeholders, Legrand is pursuing its strategy of profitable and sustainable growth driven by acquisitions and innovation, with a steady flow of new offerings—including Eliot connected products with enhanced value in use. Legrand reported sales of more than €5 billion in 2016. The company is listed on Euronext Paris and is a component stock of indexes including the CAC 40, FTSE4Good, MSCI World, Corporate Oekom Rating, DJSI World, Vigeo Euronext Eurozone 120 Europe 120-France 20 and World 120, and Ethibel Sustainability Index Excellence.*
(code ISIN FR0010307819).
http://www.legrand.com

**Eliot is a program launched in 2015 by Legrand to speed up deployment of the Internet of Things in its offering. A result of the group's innovation strategy, Eliot aims to develop connected and interoperable solutions that deliver lasting benefits to private individual users and professionals.*
http://www.legrand.com/EN/eliot-program_13238.html

Investor relations
Legrand
François Poisson
Tel: +33 (1) 49 72 53 53

francois.poisson@legrand.fr

Press Relations
Publicis Consultants
Robert Amady/Vilizara Lazarova
Tel: +33 (0)1 44 82 46 31 / +33 (0)1 44 82 46 34
Mob: +33 (0)6 72 63 08 91 / +33 (0)6 26 72 57 14
robert.amady@consultants.publicis.fr
vilizara.lazarova@consultants.publicis.fr

[1] Period of time when all communication is suspended in the run-up to publication of results.

Appendices

Glossary

Working capital requirement
Working capital requirement is defined as the sum of trade receivables, inventories, other current assets, income tax receivables and short-term deferred tax assets, less the sum of trade payables, other current liabilities, income tax payables, short-term provisions and short-term deferred tax liabilities.

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

Normalized free cash flow
Normalized free cash flow is defined as the sum of net cash from operating activities—based on a normalized working capital requirement representing 10% of the last 12 month's sales and whose change at constant scope of consolidation and exchange rates is adjusted for the period considered—and net proceeds of sales from fixed and financial assets, less capital expenditure and capitalized development costs.

Organic growth
Organic growth is defined as the change in sales at constant structure (scope of consolidation) and exchange rates.

Net financial debt
Net financial debt is defined as the sum of short-term borrowings and long-term borrowings, less cash and cash equivalents and marketable securities.

EBITDA
EBITDA is defined as operating profit plus depreciation and impairment of tangible assets, amortization and impairment of intangible assets (including capitalized development costs) and impairment of goodwill.

Cash flow from operations
Cash flow from operations is defined as net cash from operating activities excluding changes in working capital requirement.

Adjusted operating profit
Adjusted operating profit is defined as operating profit adjusted for amortization of revaluation of intangible assets at the time of acquisitions and for expense/income relating to acquisitions and, where applicable, for impairment of goodwill.

CSR
Corporate Social responsibility

Payout
Payout is defined as the ratio between the proposed dividend per share for a given year, divided by the net income excluding minority interests per share of the same year, calculated on the basis of the average number of ordinary shares at December 31 of that year, excluding shares held in treasury.

Calculation of working capital requirement

In € millions	2015	2016
Trade receivables	545.4	564.2
Inventories	680.3	670.6
Other current assets	170.0	164.8
Income tax receivables	28.6	41.1
Short-term deferred taxes assets/(liabilities)	94.8	83.1
Trade payables	(531.3)	(558.3)
Other current liabilities	(501.3)	(546.2)
Income tax payables	(41.0)	(30.8)
Short-term provisions	(104.8)	(82.4)
Working capital requirement	**340.7**	**306.1**

Calculation of net financial debt

In € millions	2015	2016
Short-term borrowings	67.9	346.4
Long-term borrowings	1,823.2	1,550.7
Cash and cash equivalents	(1,085.9)	(940.1)
Marketable securities	(2.5)	0.0
Net financial debt	**802.7**	**957.0**

Reconciliation of adjusted[1] net income excluding minority interests with net income excluding minority interests

In € millions	2015	2016
Net income excluding minority interests	**550.6**	**628.5**
Tax income generated by the mechanical revaluation of deferred tax liabilities on trademarks that resulted from the announcement of reductions in the corporate income tax rate, mainly in France.	0.0	(61.2)
Adjusted[1] net income excluding minority interests	**550.6**	**567.3**

[1] 2016 adjusted net income excluding minority interests does not take into account the favorable non-recurring accounting impact of a tax income generated by the mechanical revaluation of deferred tax liabilities on trademarks that resulted from the announcement of reductions in the corporate income tax rate, mainly in France. This €61.2m tax income is adjusted as it has no cash impact, and bears no relationship to the Group's performance. However, these reductions in the corporate income tax rate, if maintained over time, should have a positive impact on the Group's tax rate.

Reconciliation of adjusted operating profit with profit for the period

In € millions	**2015**	**2016**
Profit for the period	**552.0**	**630.2**
Share of profits (losses) of equity-accounted entities	0.0	1.3
Income tax expense	258.0	218.6
Exchange (gains) / losses	(6.0)	(6.5)
Financial income	(11.0)	(10.9)
Financial expense	93.7	101.3
Operating profit	**886.7**	**934.0**
Amortization of revaluation of intangible assets at the time of acquisitions and expense/income relating to acquisitions	43.7	44.5
Impairment of goodwill	0.0	0.0
Adjusted operating profit	**930.4**	**978.5**

Reconciliation of EBITDA with profit for the period

In € millions	**2015**	**2016**
Profit for the period	**552.0**	**630.2**
Share of profits (losses) of equity-accounted entities	0.0	1.3
Income tax expense	258.0	218.6
Exchange (gains) / losses	(6.0)	(6.5)
Financial income	(11.0)	(10.9)
Financial expense	93.7	101.3
Operating profit	**886.7**	**934.0**
Depreciation and impairment of tangible assets	97.4	97,1
Amortization and impairment of intangible assets (including capitalized development costs) and impairment of goodwill	72,3	77,9
EBITDA	**1,056.4**	**1,109.0**

Reconciliation of cash flow from operations, free cash flow and normalized free cash flow with profit for the period

In € millions	2015	2016
Profit for the period	**552.0**	**630.2**
Adjustments for non-cash movements in assets and liabilities:		
Depreciation, amortization and impairment	171.9	177.4
Changes in other non-current assets and liabilities and long-term deferred Taxes	21.1	(3.0)
Unrealized exchange (gains)/losses	3.4	(16.2)
(Gains)/losses on sales of assets, net	1.3	0.8
Other adjustments	0.3	2.2
Cash flow from operations	**750.0**	**791.4**
Decrease (Increase) in working capital requirement	46.2	40.4
Net cash provided from operating activities	**796.2**	**831.8**
Capital expenditure (including capitalized development costs)	(133.4)	(160.9)
Net proceeds from sales of fixed and financial assets	3.2	2.1
Free cash flow	**666.0**	**673.0**
Increase (Decrease) in working capital requirement	(46.2)	(40.4)
(Increase) Decrease in normalized working capital requirement	(2.6)	(8.7)
Normalized free cash flow	**617.2**	**623.9**

Scope of consolidation

2015	Q1	H1	9M	Full year
Full consolidation method				
Valrack	Balance sheet only	Balance sheet only	Balance sheet only	10 months
IME		Balance sheet only	Balance sheet only	7 months
Raritan			Balance sheet only	3 months
QMotion				Balance sheet only

2016	Q1	H1	9M	Full year
Full consolidation method				
Valrack	3 months	6 months	9 months	12 months
IME	3 months	6 months	9 months	12 months
Raritan	3 months	6 months	9 months	12 months
QMotion	3 months	6 months	9 months	12 months
Fluxpower	Balance sheet only	Balance sheet only	8 months	11 months
Primetech	Balance sheet only	Balance sheet only	8 months	11 months
Pinnacle Architectural Lighting		Balance sheet only	5 months	8 months
Luxul Wireless		Balance sheet only	5 months	8 months
Jontek		Balance sheet only	5 months	8 months
Trias		Balance sheet only	Balance sheet only	8 months
CP Electronics		Balance sheet only	Balance sheet only	7 months
Solarfective			Balance sheet only	5 months
Equity method				
TBS[1]		6 months	9 months	12 months

[1] Created together with a partner, TBS is to produce and sell transformers and busways in the Middle East.

Disclaimer

This press release may contain forward-looking statements which are not historical data. Although Legrand considers these statements to be based on reasonable assumptions at the time of publication of this release, they are subject to various risks and uncertainties that could cause actual results to differ from those expressed or implied herein.

Details on risks are provided in the Legrand Registration Document filed with the Autorité des marchés financiers (Financial Markets Authority, AMF), which is available on-line on the websites of both AMF (www.amf-france.org) and Legrand (www.legrand.com).

No forward-looking statement contained in this press release is or should be construed as a promise or a guarantee of actual results, which are liable to differ significantly. Therefore, such statements should be used with caution, taking into account their inherent uncertainty.

Subject to applicable regulations, Legrand does not undertake to update these statements to reflect events or circumstances occurring after the date of publication of this release.

This press release does not constitute an offer to sell, or a solicitation of an offer to buy Legrand shares in any jurisdiction.