

# Legrand

**General Meeting of Shareholders**

*Wednesday, 7 June 2006*

## Disclaimer

*This document includes summarized information taken from (i) the Legrand prospectus (the "Prospectus") which received the approval of the Autorité des marchés financiers (the "AMF") on 22 March 2006 pursuant to visa n° 06-082 and which comprises the registration document filed with the AMF on 21 February 2006 under n° I.06-009 (the "Registration Document") and a securities note dated 22 March 2006, and (ii) the press releases published on April 13, 2006 and May 3, 2006 by Legrand (the "Press Releases").*

*Please consult, for a more complete and more detailed description of the said information, the Prospectus and the Press Releases which can be found on the AMF website ([www.amf-france.org](http://www.amf-france.org)).*

*The warnings, particularly as regards forward-looking statements, set out in the notice reproduced on pages (i) and (ii) of the Registration Document apply to the information contained in this document.*

# Agenda

- Legrand today
- Financial summary
- Shareholders, corporate governance and sustainable development
- Q&A session
- Presentation of resolutions and vote

# Legrand today

# Legrand today

## An attractive industry

- Resilient
- Growing
- Fragmented

## Legrand's strengths

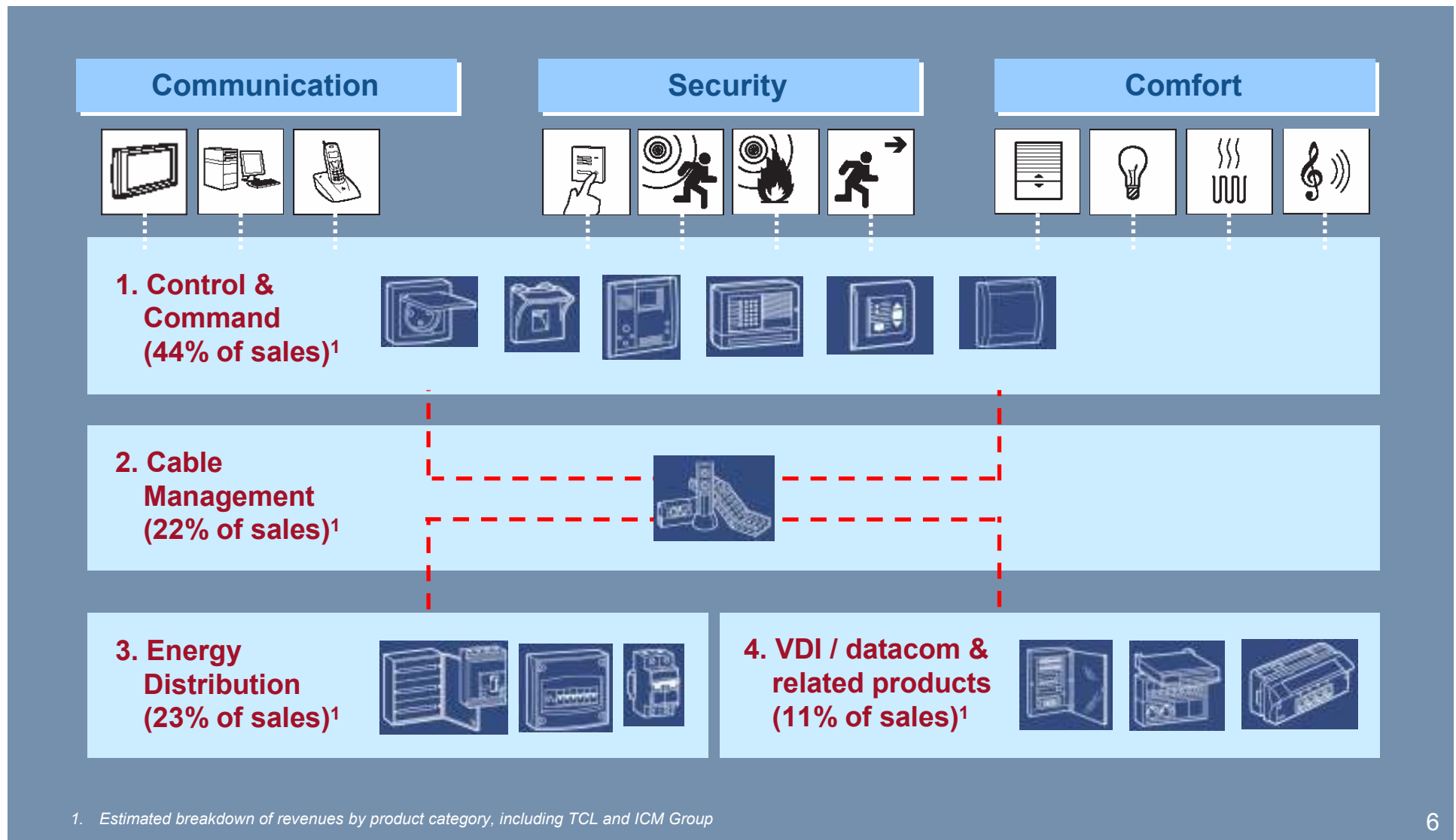
- Global pure player
- Strong local and global leaderships
- Geographic / product positions geared for growth
- Strong acquisition expertise

## Strategy and development

- Growth initiatives
- Cost optimization
- Capital efficiency

# Our product and solution offering

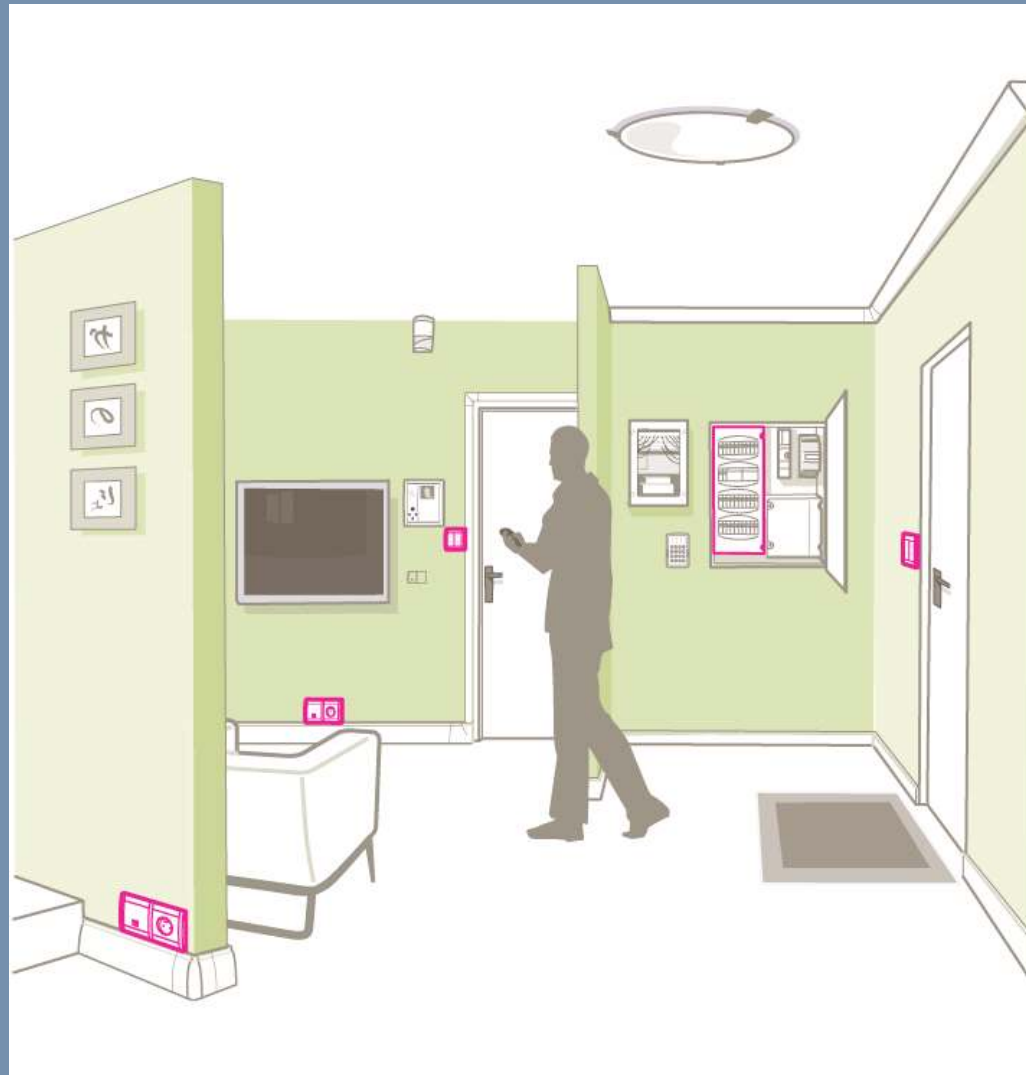
Targeting residential, commercial and industrial buildings



# Solutions for housing

## Control and connection to power

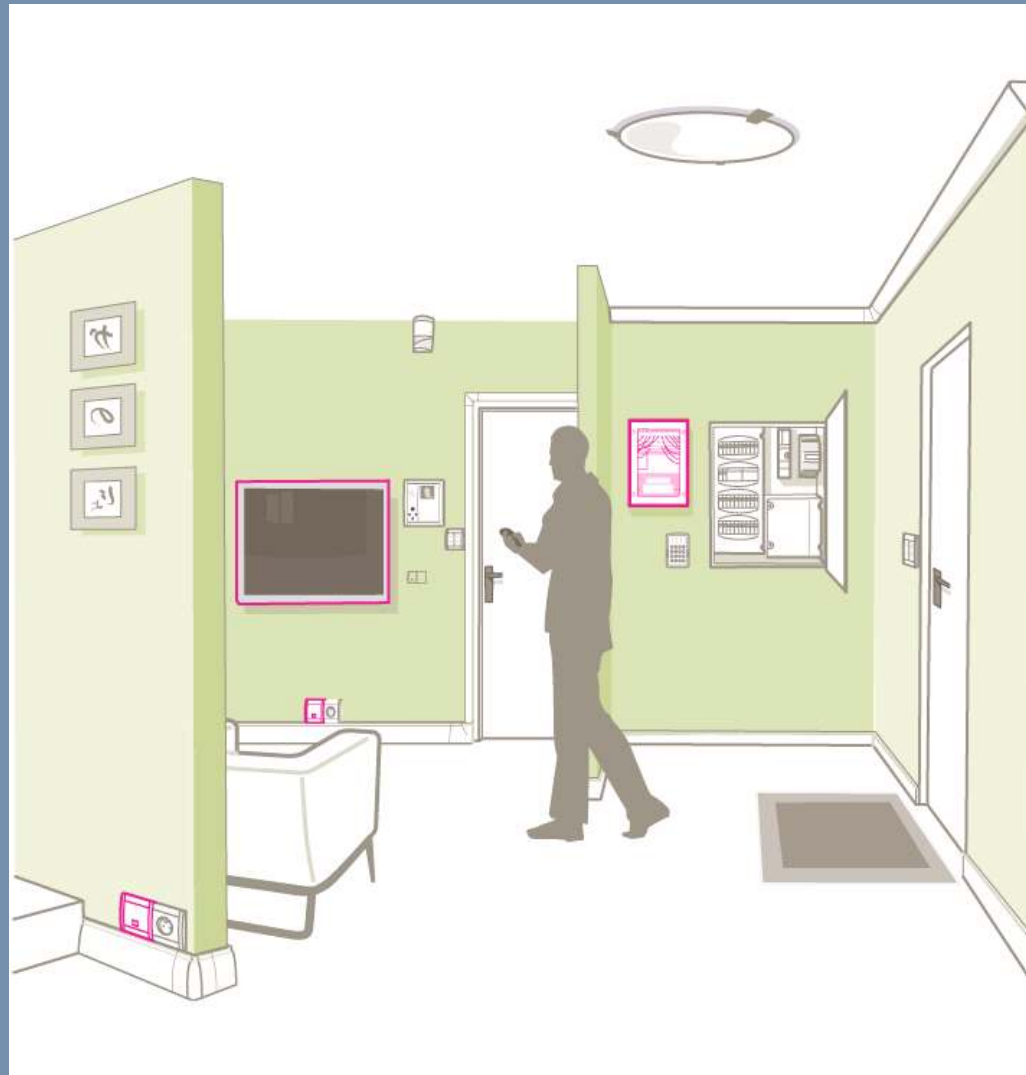
Wiring devices



# Solutions for housing

## Control and connection to data

VDI / datacom

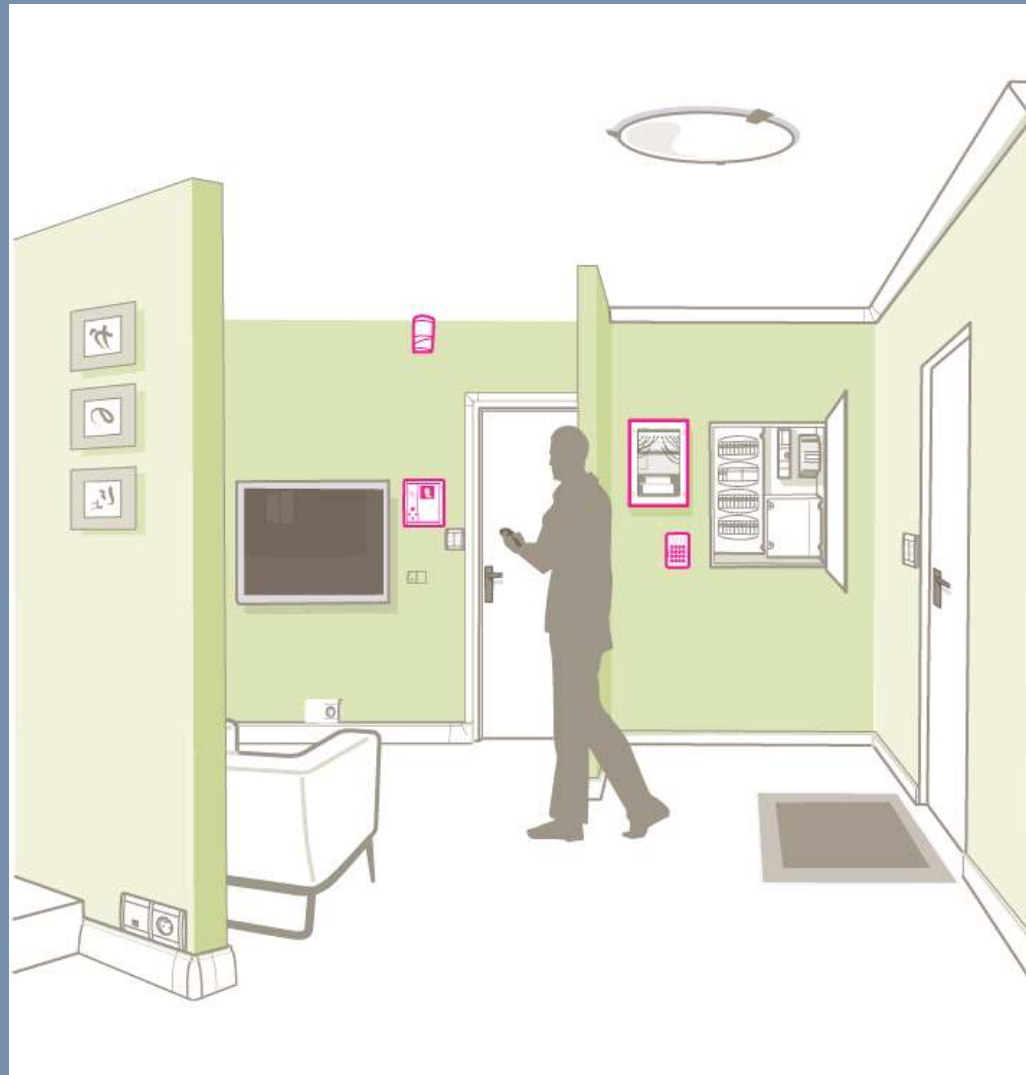




# Solutions for housing

## Safety

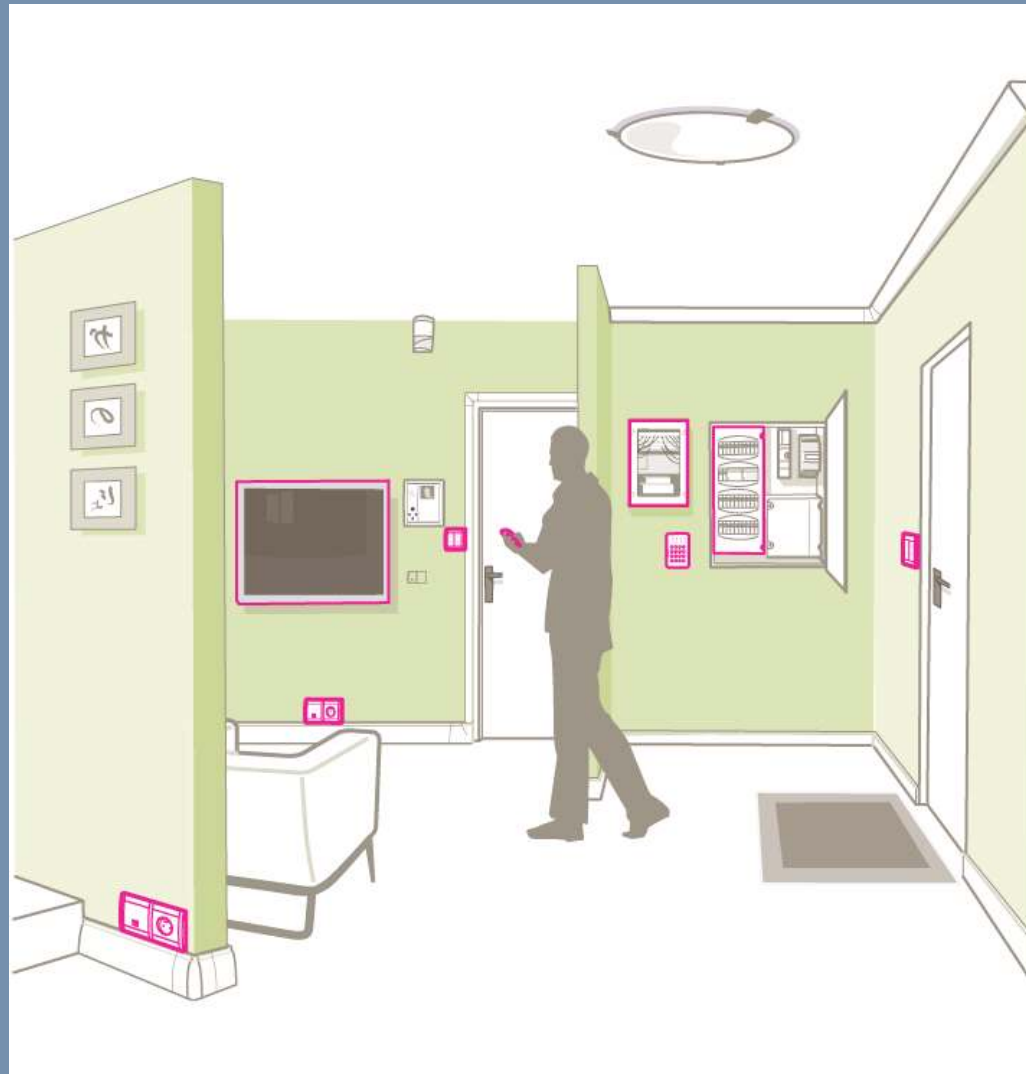
of people and property



# Solutions for housing and the home office

## Home automation

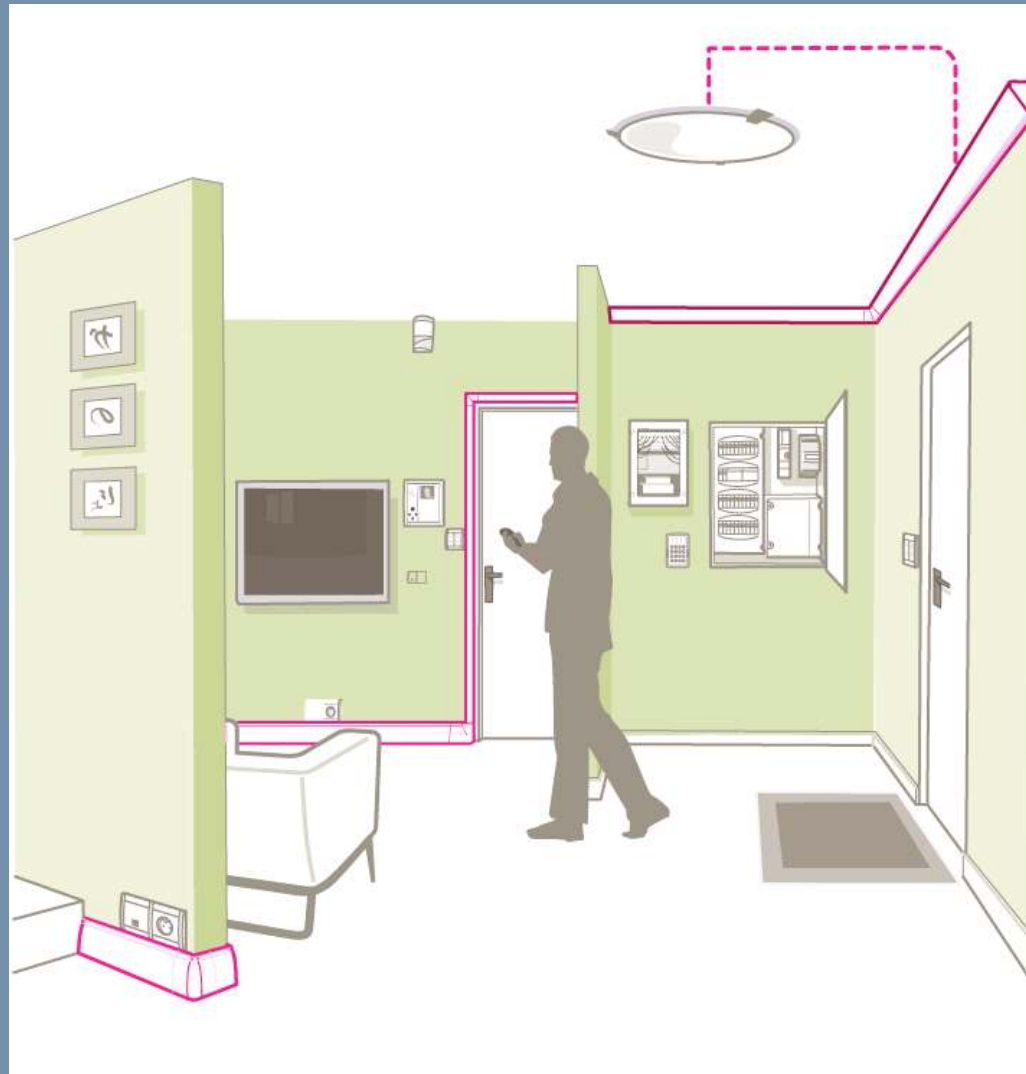
Comfort, safety and communication



# Solutions for housing and the home office

## Cable management

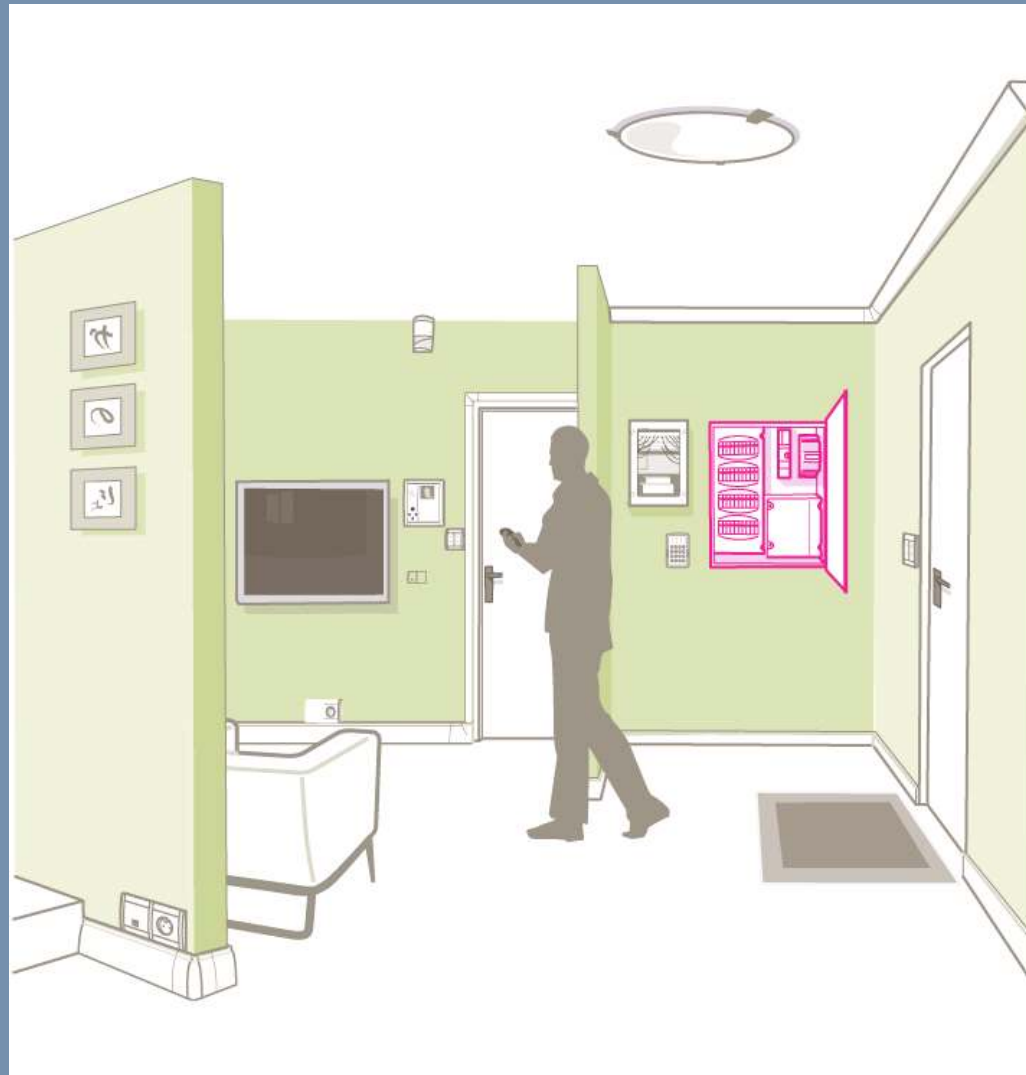
Overhead, perimeter, floor



# Solutions for housing and the home office

## Energy distribution

Protection against electrical hazards



# Solutions for the commercial sector and industry

## Control and connection to power

### Wiring devices



# Solutions for the commercial sector and industry

## Control and connection to data

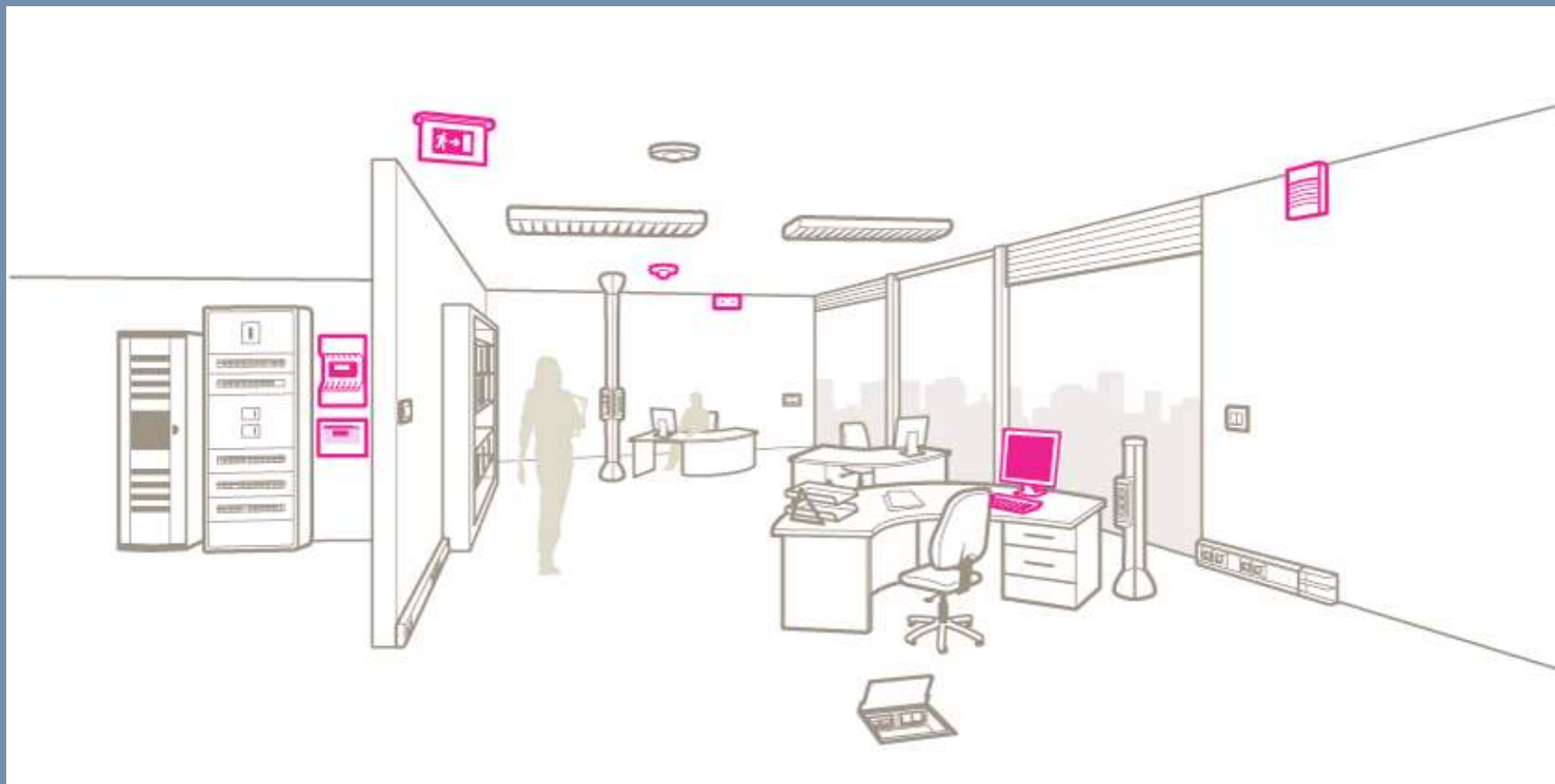
VDI / Datacom



# Solutions for the commercial sector and industry

## Safety

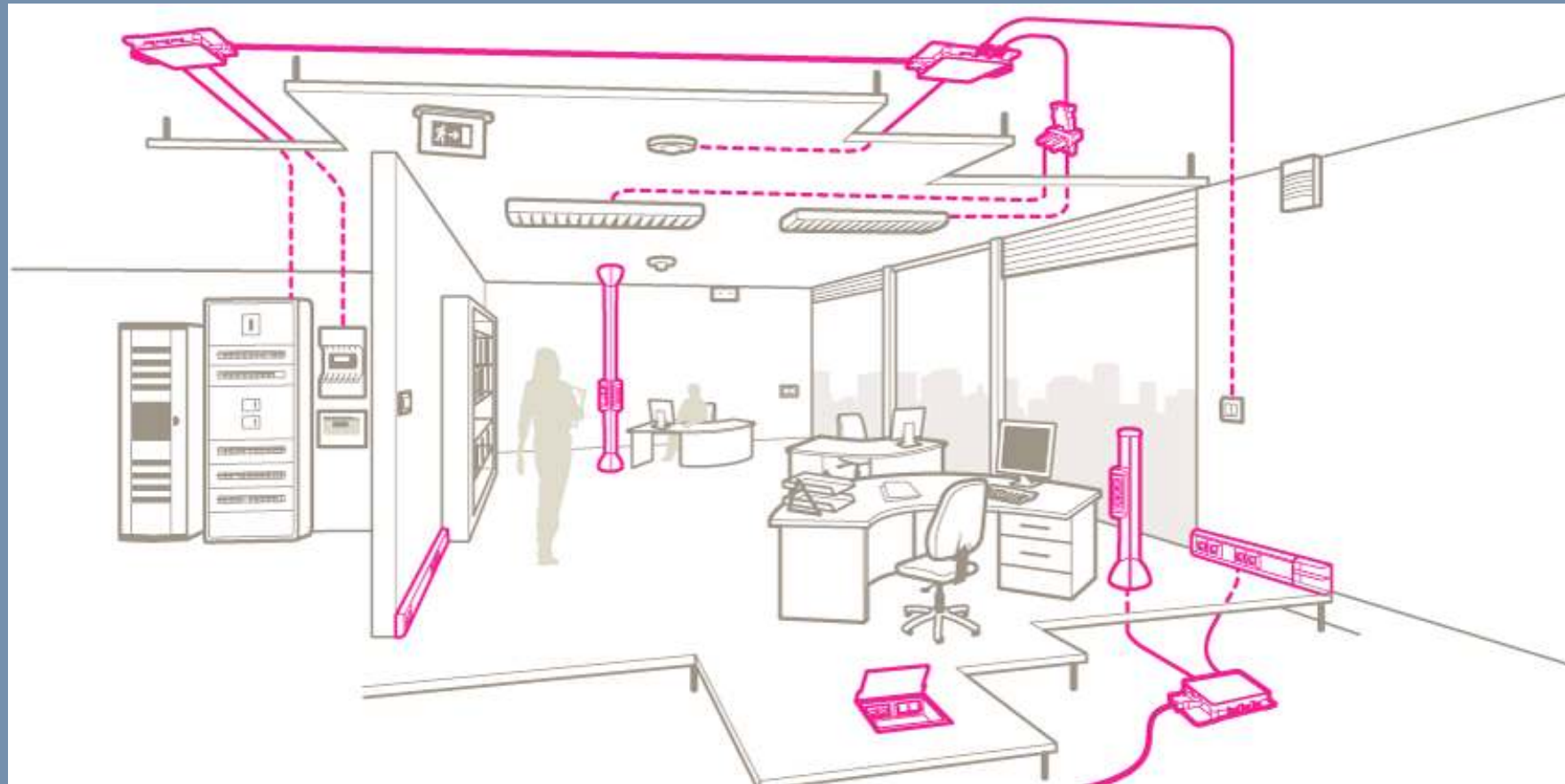
of people and property



# Solutions for the commercial sector and industry

## Cable management

Overhead, perimeter, floor





# Solutions for the commercial sector and industry


## Energy distribution

Protection against electrical hazards



*An Attractive Industry Offering  
Resilience and Growth*

## Barriers to entry

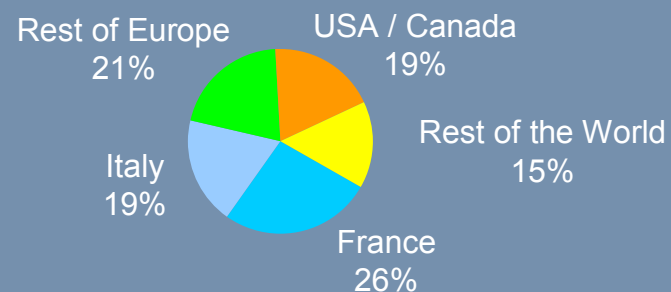
- 
- A large, solid red arrow pointing from the left column of text to the right column of text, indicating a flow or relationship between the two sets of information.
- National standards / Local preferences
  - Brand loyalty / Longstanding commercial relationships with installers
  - Breadth of product line
  - Technology
- No significant new player in the market for 20 years
  - Non-deflationary industry

# Limited cyclicalty through balanced exposure

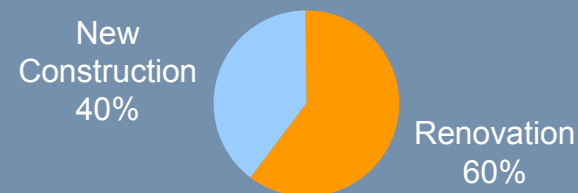
## Our €50bn industry

### ■ Global geographical diversity

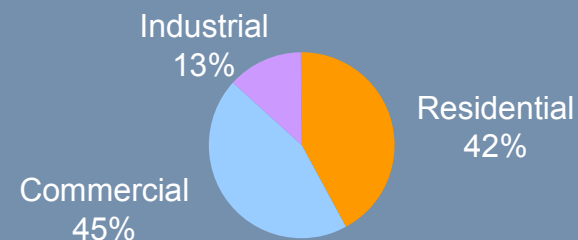
## Legrand's balanced exposure



### ■ Exposure to new construction and renovation markets

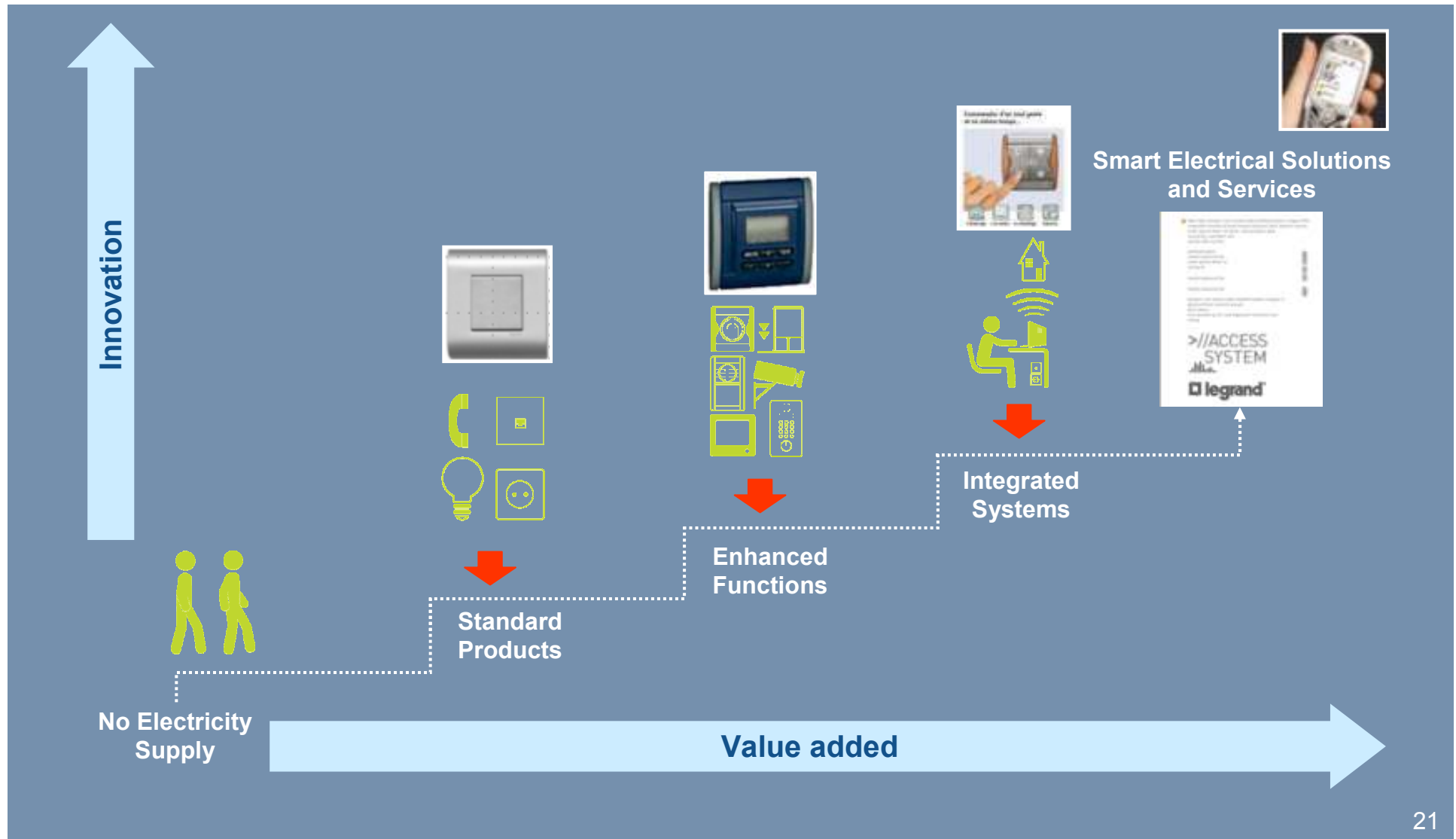


### ■ Residential, commercial and industrial



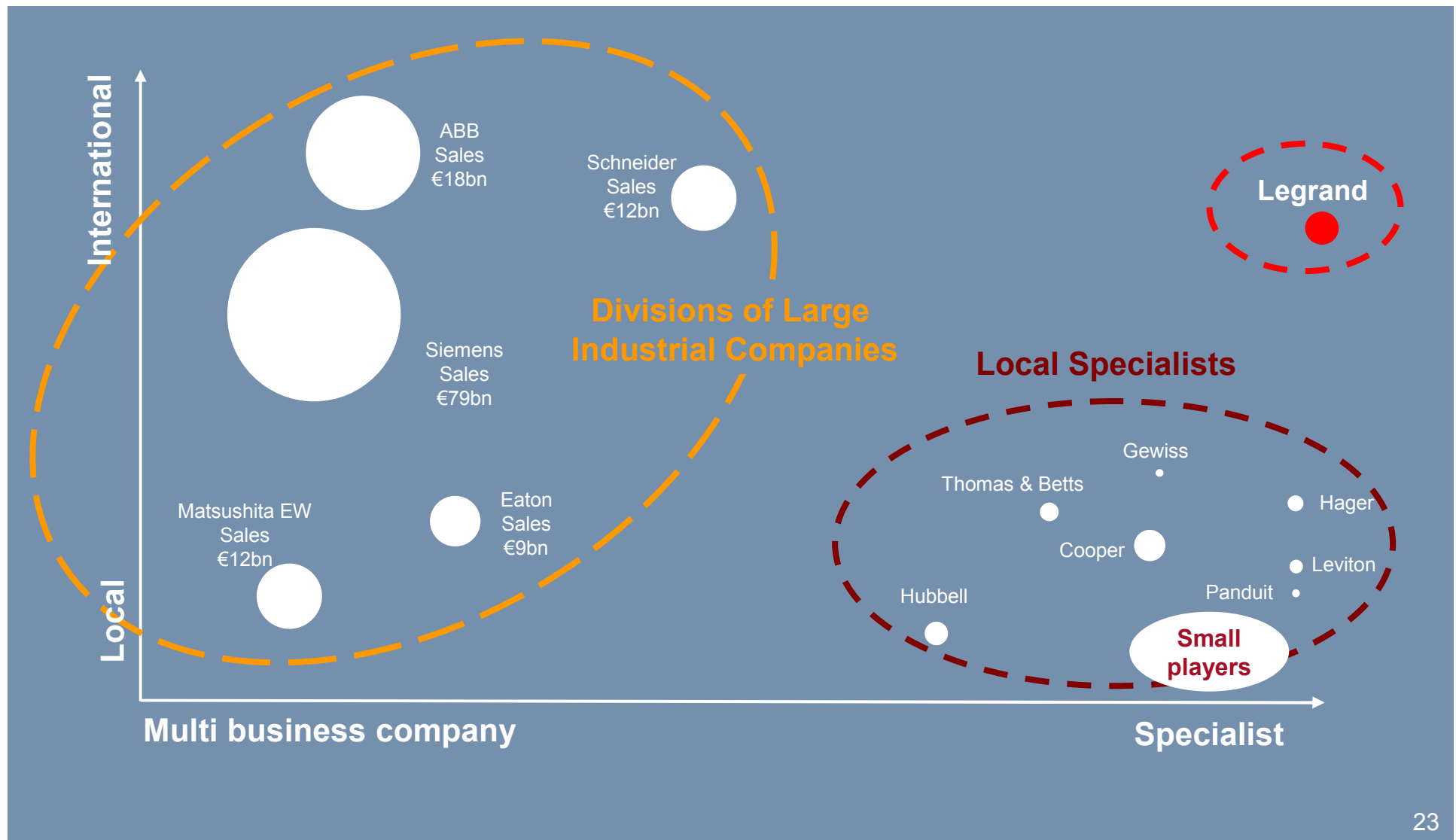
# Low voltage is the best place to be

Positive market dynamics fuel growth



# *Legrand's Strengths*

# The only pure player in low voltage with global scale



# Global and local leaderships

## Global leaderships

■ Global #1 in 2 product families

- 18% market share in Wiring Devices
- 15% market share in Cable Management



## Local leaderships

■ #1 in at least one product family in over 24 countries

- Europe: including France, Italy, Spain, Russia, Poland, etc.
- Americas: including US, Mexico, Brazil, Chile, etc.
- Rest of the world: including China, India, Korea, Australia, etc.

■ 47% of our sales come from these #1 positions



■ Countries with #1 positions    
 ■ Other worldwide locations



## Acknowledged know-how in terms of acquisitions

- Historically, acquisitions have provided around 50% of our top line growth
- More than 100 acquisitions over the last 50 years
- In-depth knowledge of potential targets
- Proven ability to integrate successfully and realize synergies
- Strict financial criteria

*Disciplined approach to self financed acquisitions and proven ability to integrate successfully, realising cost and revenue synergies*

# Over €300m revenue added through 8 acquisitions since January 2005

## Growth Markets

TCL

■ #1 in China in wiring devices

Shidean

■ #1 in China in audio and video door-entry systems

Cemar

■ #1 in Brazil in consumer units and industrial enclosures

OnQ

■ #1 in the US for residential structured wiring

## Market Access

Van Geel

■ #1 in the Netherlands in metal cable management systems

RM

■ #1 in Denmark in metal cable management systems

## Complementary Products

ICM Group

■ #1 worldwide in wire cable trays

Zucchini

■ #1 in Italy in prefabricated busbar systems

# *Strategy and Development*

# Local front offices and a global infrastructure

More locally focused than diversified competitors — more global scale than local competitors

## Previous Model

### A federation of local businesses

- Local responsibility for:
  - Manufacturing
  - Purchasing
  - Logistics
  - R&D
  - Marketing
  - Sales
  - Customer Service


## New Enhanced Model

### Global infrastructure

- 5 global industrial divisions focused on manufacturing and R&D
- 1 global purchasing organization
- 1 global logistics organization

### Local front offices

- 60 countries exclusively focused on:
  - Marketing
  - Sales
  - Customer Service

- 
- ✓ *Enhanced local focus and responsiveness*
  - ✓ *Global scale benefits achieved*
  - ✓ *Incentivization on clear objectives*

## Growth drivers: “premium growth” regions

### ■ Emerging countries

- Asia, Eastern Europe, Latin America, Africa/Middle-East

19% of 2005 revenue  
+16%<sup>1</sup> growth in 2005

### ■ USA / Canada

- Sustained market growth and benefits from trading up

19% of 2005 revenue  
+16%<sup>1</sup> growth in 2005

- 38% of 2005 revenue
- +16%<sup>1</sup> growth in 2005

# Growth drivers: “premium growth” products

New product introductions drive growth

## Premium Growth Products

■ Home systems



■ VDI



■ Energy Distribution



- 36% of 2005 revenue
- +16% growth in 2005

## R&D

- Cash R&D expenses<sup>1</sup>  
~ 5% of sales
- 40% of capex on new products
- C.1,800 employees
- C.4,500 utility patents

- 30 new product ranges launched in 2005, vs. 9 in 2003
- High-profile innovations
- Targeting 50% of sales from new products (up from 37% in 2005)

1. Equals R&D expenses as shown in the income statement, plus capitalised R&D, minus amortisation of capitalised R&D, minus amortisation of R&D related to the 2002 step up

# Cost initiatives: ongoing efficiency improvements

Infrastructure established – benefits continue apace

**Industrial divisions**



- “Make or Buy”
- Relocation of production

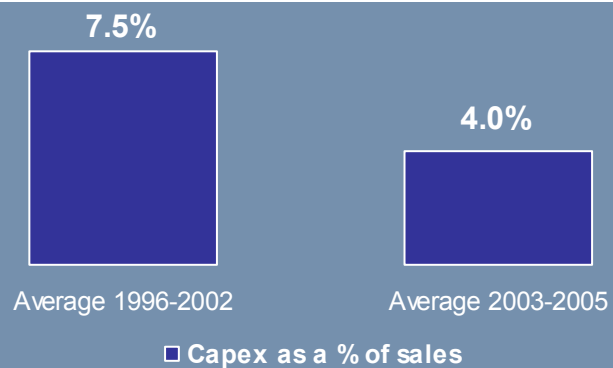
**Purchasing organization**



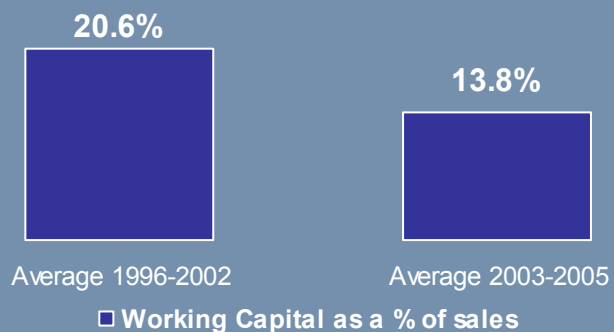
- Globalization
- Internationalization

# Capital discipline yielding high cash flow

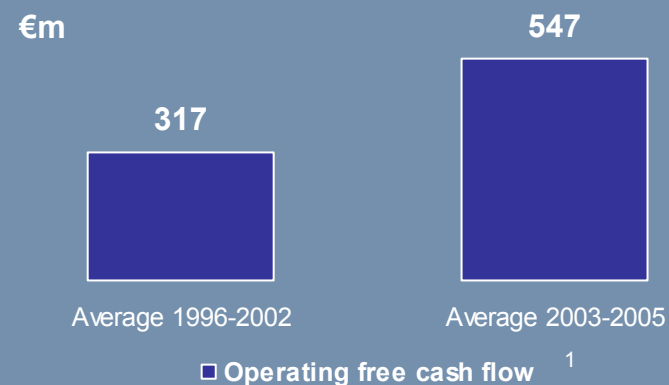
## Optimized capex



## Optimized working capital



## Higher cash flow generation



**Capital continuously redeployed for growth**

1. Defined as maintainable EBITDA – Capex – change in working capital and excluding acquisition fees in 2003



# Financial Summary

# *2005 Performance*

## Strong top line like-for-like growth momentum

**Group €3,248m in 2005**

+ 6.6% LFL in 2005

+ 16% LFL over 2 years

**USA/Canada €618m**

+ 12.3% LFL in 2005

+ 27% LFL over 2 years

**France €857m**

+ 5.0% LFL in 2005

+ 10% LFL in over 2 years

**Rest of Europe €692m**

+ 5.4% LFL in 2005

+ 20% LFL over 2 years

**Italy €606m**

+ 3.7% LFL in 2005

+ 7.5% LFL over 2 years

**Rest of the World €475m**

+ 8.5% LFL in 2005

+ 21% LFL over 2 years

# Strong growth and improved profitability

## Key figures

IFRS, € million	2003	2004	2005
Revenue	2,762	2,926	3,248
% growth		6.0%	11.0%
Adjusted <sup>1</sup> EBIT	366	473	509
Margin	13.2%	16.2%	15.7%
Free Cash Flow <sup>2</sup>	175	362	328
% of revenue	6.3%	12.4%	10.1%

**Since 2003:**

**18% revenue growth**

**39% adjusted EBIT growth**

**250 bps increase in adjusted EBIT margin**

1. Excluding goodwill amortization and depreciation of revalued tangible and intangible assets related to 2002 asset step-up. Excluding 2003 non cash purchase accounting entry related to inventory revaluation of €126m

2. Free cash flow: cash flow from operations – change in working capital – capex + net proceeds from sale of fixed assets

# *2006 First Quarter Performance*

## Strong top line like-for-like growth

### Group: €941m in Q1 2006

+ 10.1% LFL in Q1 2006

+ 17% over 2 years

### USA/Canada €162m

+ 9.8% LFL in Q1 2006

+ 23% over 2 years

### France €247m

+ 4.2% LFL in Q1 2006

+ 9.0% over 2 years

### Rest of Europe €192m

+ 10.5% LFL in Q1 2006

+ 20% over 2 years

### Italy €193m

+ 11.6% LFL in Q1 2006

+ 14% over 2 years

### Rest of the World €147m

+ 20% LFL in Q1 2006

+ 27% over 2 years

## Growth and improvement in cash generation

IFRS, € million	1 <sup>st</sup> quarter 2005	1 <sup>st</sup> quarter 2006
Net sales	766	941
<i>% growth</i>		23%
Adjusted <sup>1</sup> EBIT	132	164
<i>Margin</i>	17.2%	17.4%
Free Cash Flow <sup>2</sup>	- 25	15

*As a comparison with the first quarter of 2006:*

*+ 23% revenue growth*

*+ 24% adjusted EBIT growth*

1. Excluding goodwill amortization and depreciation of revalued tangible and intangible assets related to 2002 asset step-up

2. Free cash flow: cash flow from operations – change in working capital – capex + net proceeds from sale of fixed assets

## Attractive capital structure to create shareholder value

- **An optimum capital structure**
  - Value creation opportunity through leverage
  - Investment grade rating
  
- **High free cash flow to finance growth and pay dividends**

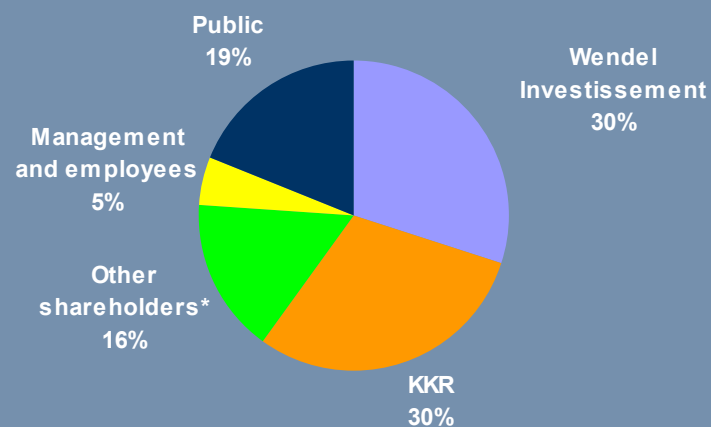


# Shareholders, Corporate Governance and Sustainable Development

# Shareholding

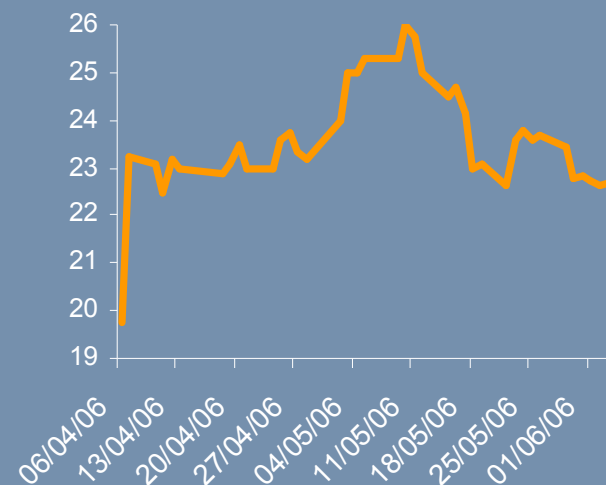
- Success of the Initial Public Offering: offering over-subscribed by approximately 30 times
- Strong increase in share price: + 15.4% since the IPO on April 6, 2006

## Shareholders



## Share price since IPO

Legrand's share price in €



\* Principally West LB AG, MPE and Goldman Sachs Capital Partners

# Corporate Governance

- **Board of directors**
  - 11 members
  - including 2 independent directors
  
- **3 committees**
  - Audit committee
  - Nominating and compensation committee
  - Strategy committee
  
- **Internal control complies with the most demanding international standards**
  
- **External control: 2 statutory auditors**

# Sustainable development

## ■ Charter of Fundamental Principles

- Strong, shared values: ethics of behavior, customer awareness, resource enhancement, innovation
- Stepped-up commitment to safety
  - Management unit dedicated to risk prevention
  - Charter for Risk Prevention
  - Deployment of safety management system (ref ILO OSH 2001)
- Active commitment to the environment
  - 65% of sites are ISO 14 001-certified
  - Eco-design approach
  - Customers made aware of environmental priorities and issues

## ■ Careful management of human resources

- Career mobility platforms
- Management Center
- Organization Staffing Review

# Questions & Answers

# Presentation of Resolutions and Vote

## Resolution #1

**Exceptional distribution of €0.41 per share for each of 269,693,376 shares making up Legrand share capital for a total €110,574,284.16. This amount will be taken from “retained earnings”.**

## Resolution #2

**Granting of powers to accomplish formalities**



# Legrand