



# Combined General Meeting of Shareholders

May 26, 2011



# Agenda

- Introduction – G. Schnepp
  - Financial results - A. Burel
  - A self-financed business model - O. Bazil
  - Growth at the heart of our business model - G. Schnepp
  - Mid-term objectives, 2011 targets, 2010 dividend - G. Schnepp
  - A sustainable growth strategy - G. Schnepp
  - Change in free float and share price, governance - G. Schnepp
- 
- Presentation of resolutions - G. Schnepp
  - Statutory auditors' report - D. Descours, G. Morin
  - Q&A
  - Vote of resolutions - J.-L. Fourneau



## Financial results

Antoine Burel  
Chief Financial Officer

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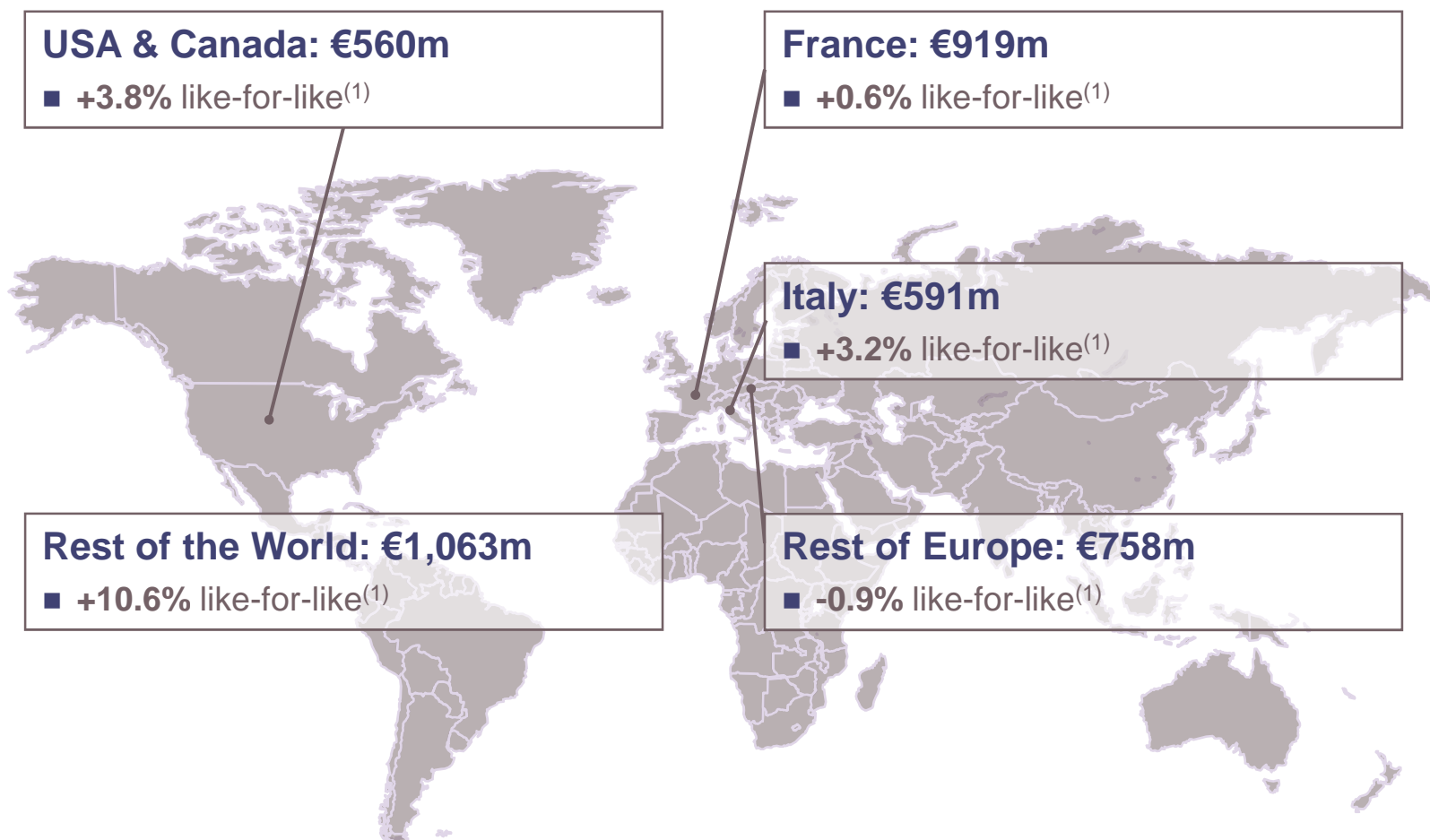
# 2010 full-year results

in € millions	<u>2009</u>	<u>2010</u>	<u>% change</u>
Net sales	3,578	<b>3,891</b>	<b>+8.7%</b>
Adjusted operating income	579	<b>784</b>	<b>+36%</b>
Net income <small>excluding minorities</small>	290	<b>418</b>	<b>+44%</b>

# Change in 2010 net sales by region

**Total net sales: €3,891m**

- +8.7%
- +3.6% like-for-like<sup>(1)</sup>



1. At constant scope of consolidation and exchange rates

## Change in 2010 net sales

### New economies

- Strong total growth +24%
- 1/3 of group total sales today
- Success of new products
- Strong performances in Russia, India, China, Brazil, Turkey, Mexico, Chile, etc.

### Mature economies

- Total growth +3%
- Success of new products

## A sound balance sheet structure

- Strong free cash flow generation: 17% of net sales
- Reduction in net debt in 2010: - €142m
- Structural balance sheet improvement
- Rating<sup>(1)</sup>: BBB+, with a positive outlook

1. Standard & Poor's

## 2011 first-quarter results

In € millions	<u>Q1</u> <u>2010</u>	<u>Q1</u> <u>2011</u>	<u>%</u> <u>change</u>
Net sales	912	<b>1,036</b>	<b>+14%</b>
Adjusted operating income <sup>(1)</sup>	189	<b>218</b>	<b>+15%</b>
Net income excluding minorities	90	<b>128</b>	<b>+41%</b>

1. See page 71 for reconciliation with the adjusted operating income published in the first-quarter 2010, €2.0 million lower than presented in the table above





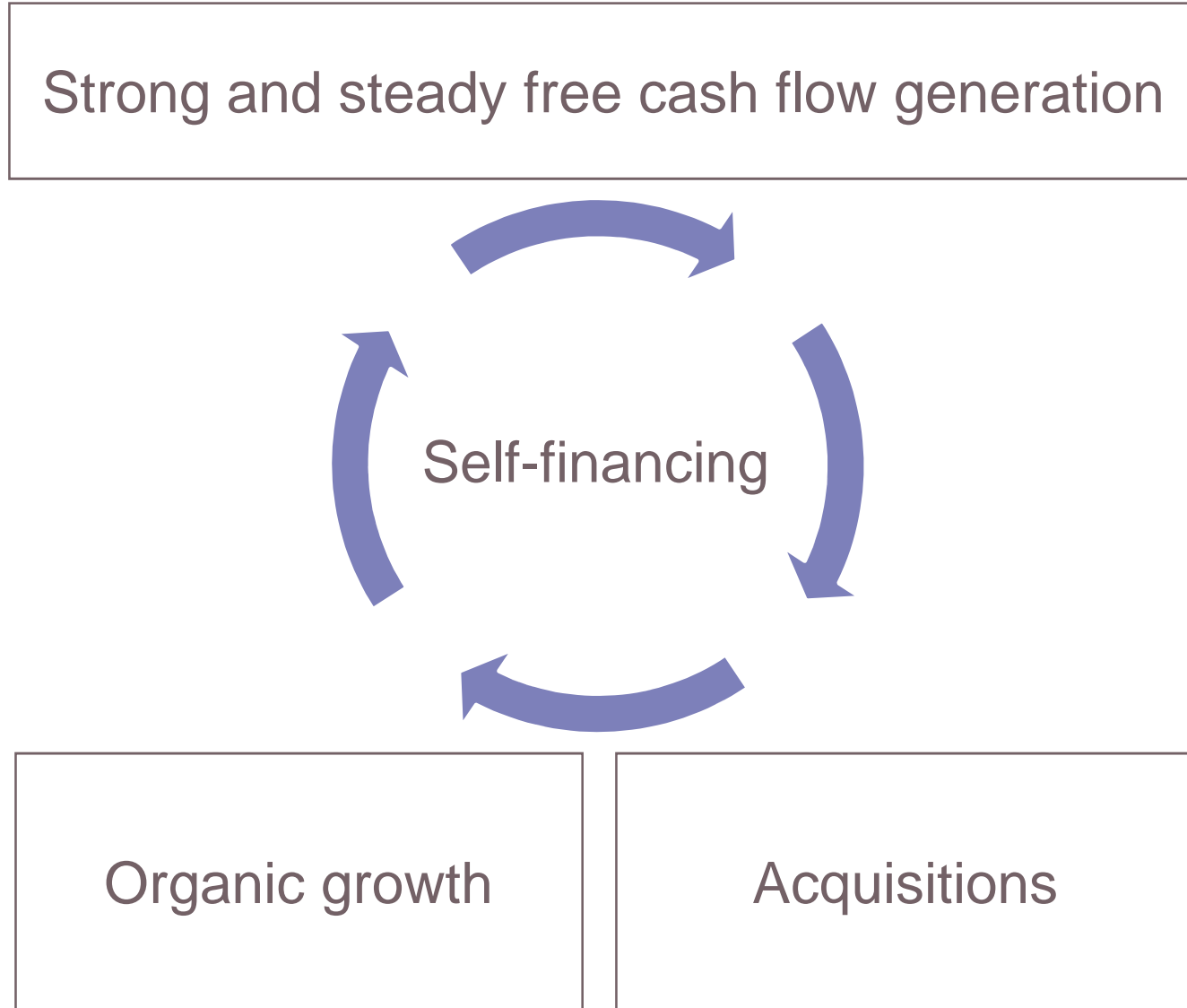
## A self-financed business model

Olivier Bazil

Vice Chairman and Chief Operating Officer



# A 100% self-financed business model



## Enhanced growth profile

- Accelerate new product launches
  
- Speed up small to mid-size bolt-on acquisitions
  
- Seize market opportunities
  - New economies
  - New market segments
  - New medium-term opportunities

# Accelerate new product launches

**4 to 5%**  
of sales  
invested in R&D  
each year

**More efficient R&D:**

- Reduced time to market
- More projects
- Partnerships

Steady flow of new products  
in recent years

Even more new products in 2011



# Speed up targeted bolt-on acquisitions



**New economies**

					(1)

**Mature economies**

					(2)

(1) Subject to the approval of competent authorities in Brazil; (2) Subject to customary conditions precedent



- #1 for UPS<sup>(1)</sup> in Turkey

- \$70m sales



Inverter systems



Automatic voltage regulators



UPS systems



Rectifier systems

Accelerating expansion in energy performance

1. Uninterruptible Power Supply

- Key player for protection devices in India
- €35m sales
- 12,000 retail outlets sales network
- Approximately 2,000 employees at 3 sites



Miniature circuit breakers



Residual current circuit breakers



Distribution panels

- Strengthening Legrand's position in India
- Accelerating global expansion in new economies



- #1 for UPS<sup>(2)</sup> in Brazil
- About €80m sales
- Nationwide coverage of the market
- Over 1,100 employees at 3 sites



UPS-Line interactive



UPS-OnLine sinus triphases

- Rounding out Legrand's robust position in Brazil
  - #1 in wiring devices
  - #1 in door-entry systems
  - #1 in miniature circuit breakers
  - #1 in industrial enclosures

- Stepping up development in energy performance

1. Subject to the approval of competent authorities in Brazil  
2. Uninterruptible Power Supply





## Growth at the heart of our business model

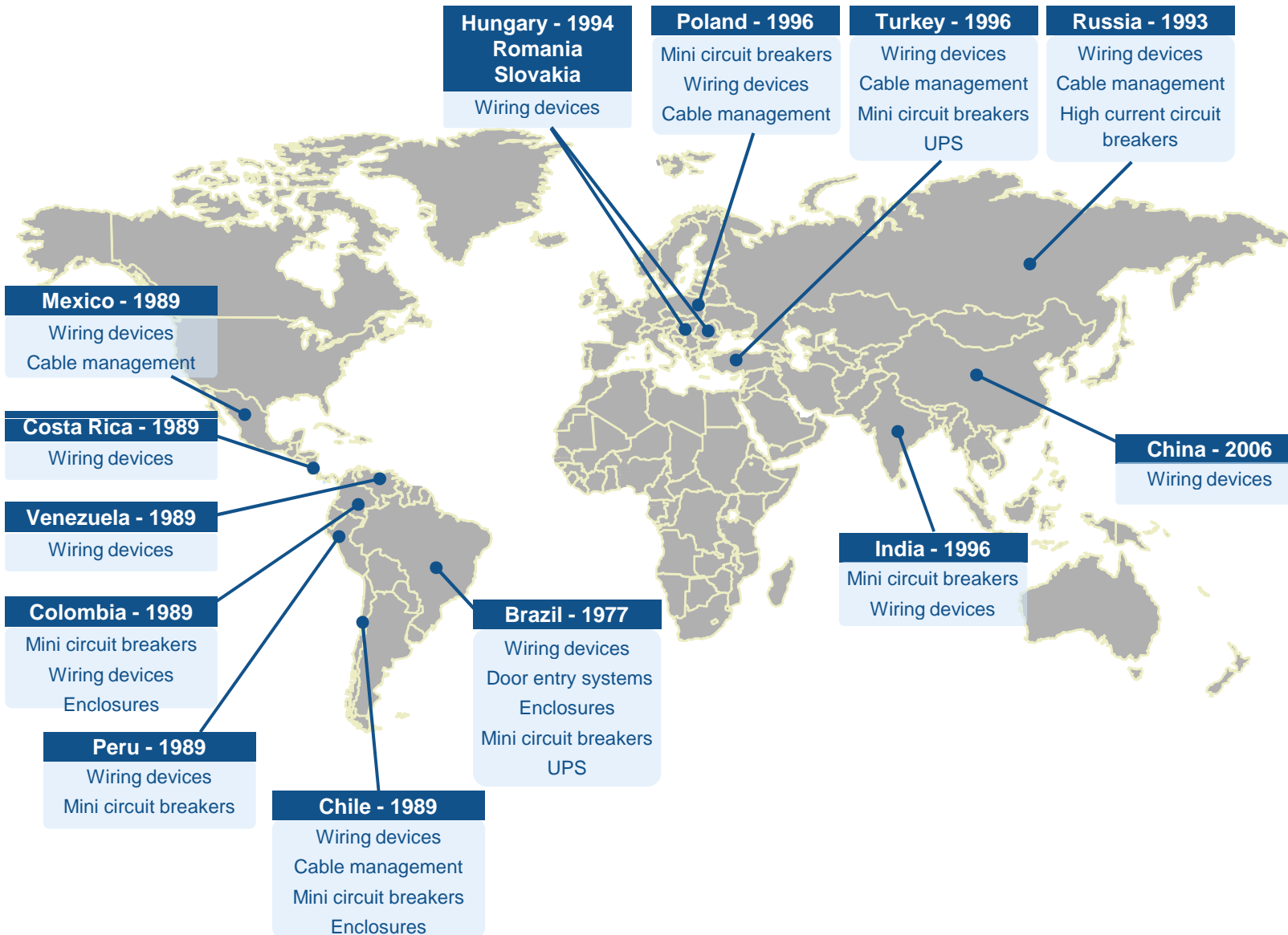
- New economies
- New business segments
- New medium-term opportunities

Gilles Schnepf

Chairman and Chief Executive Officer

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# New economies – Historical and robust positions



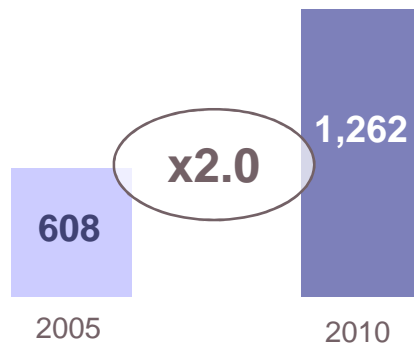
New economies

New business segments

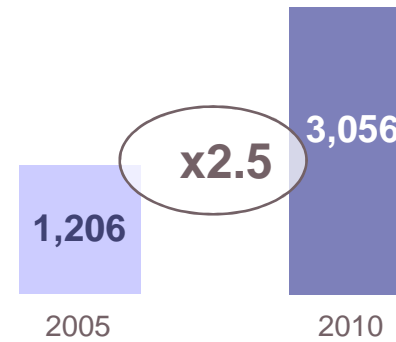
New medium-term opportunities

# New economies – Acceleration over the last 5 years

**Net sales**  
in €m

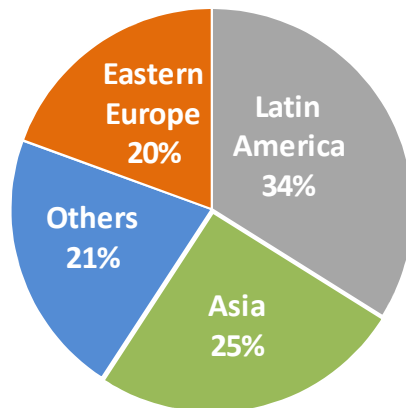


**Sales & marketing employees**  
in average number of employees



**Balanced exposure**

Breakdown of sales in new economies



**Leadership**

**2/3 of sales generated**  
by products enjoying a  
**#1 or #2** market  
position

**New economies**

**New business segments**

**New medium-term opportunities**

# New economies – A major step ahead



New  
economies

New  
business  
segments

New  
medium-term  
opportunities

# New business segments – Accelerating growth in our core businesses

- Digital infrastructures



- Energy performance



- Wire mesh



- Residential systems



Close to  
**20%**  
of sales

**+13%**  
of total annual  
growth since  
2005

# New medium-term opportunities

- Assisted living
- Smart grid
- Electric vehicle charging stations

New  
economies

New  
business  
segments

**New  
medium-term  
opportunities**

# Assisted living – A major economic and social issue



Easy-fit socket



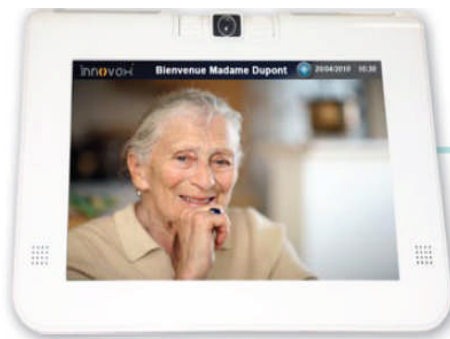
Lighting path



Door entry with teleloop



Remote assistance control



Communicating tablet  
Visiovox

## A very promising market

- World population older than 80 <sup>(1)</sup>
  - 109 millions today
  - 400 millions in 2050
- Need for solutions to maintain seniors at home
- Acquisition of French leader 

1. Source: UNO

# Our businesses, a vital last mile in smart-grid success

Screen measuring energy consumption included in Bticino Living Light new wiring-device range



Thanks to communication functions embedded in the new EMDX<sup>3</sup> centrals and counters, measurements are displayed in real time on PCs, smartphones and tablets



New economies

New business segments

New medium-term opportunities



# Electric vehicle charging stations



Public charging station

A very significant growth potential /  
Example: France

- 2 million electric vehicles expected by 2020<sup>(1)</sup>
- New offerings from car manufacturers to be released in 2011
- Government support
- “Green Up” offer



Private home charging station



Car park charging station with identification check

New economies

New business segments

New medium-term opportunities

1. According to Department of Ecology, Energy and Sustainable Development



## Mid-term objectives, 2011 targets and 2010 dividend

Gilles Schnepp

Chairman and Chief Executive Officer

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# Mid-term financial objectives

- Annual growth in sales: **+10%**<sup>(1)</sup>
- Adjusted operating margin: **20%**<sup>(2)</sup>

1. *On average, including organic (at constant scope of consolidation and exchange rate) and acquisition-driven growth, excluding major FX or economic downturns*
2. *On average rate, including bolt-on acquisitions*

# 2011 targets

- Sales: **+5%** organic growth<sup>(1)</sup> + acquisitions
- Adjusted operating margin: **≥ 20%**<sup>(2)</sup>

1. Organic growth: at constant scope of consolidation and exchange rates  
2. Including small to mid-size bolt-on acquisitions

## Dividend proposal for 2010<sup>(1)</sup>

- **€0.88** per share, **+26%**
- Payable on **June 3**
- **3%** yield

1. *Subject to the approval of the General Meeting of shareholders on May 26, 2011, yield calculated on the share value as of May 24, 2011*



## A sustainable growth strategy

Gilles Schnepf

Chairman and Chief Executive Officer

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# Continuous evolution of our approach – milestones



## 2004

Creation of the Group Sustainable Development function

## 2007

- Definition of 9 SD targets (2007-2010)
- Legrand share included for the first time in the FTSE4Good Index

## 2010

- Broadening of the scope
- Internal and external communication of Group SD messages

## 2011

- Definition of 28 SD targets (2011-2013)



## Change in free float and share price, governance

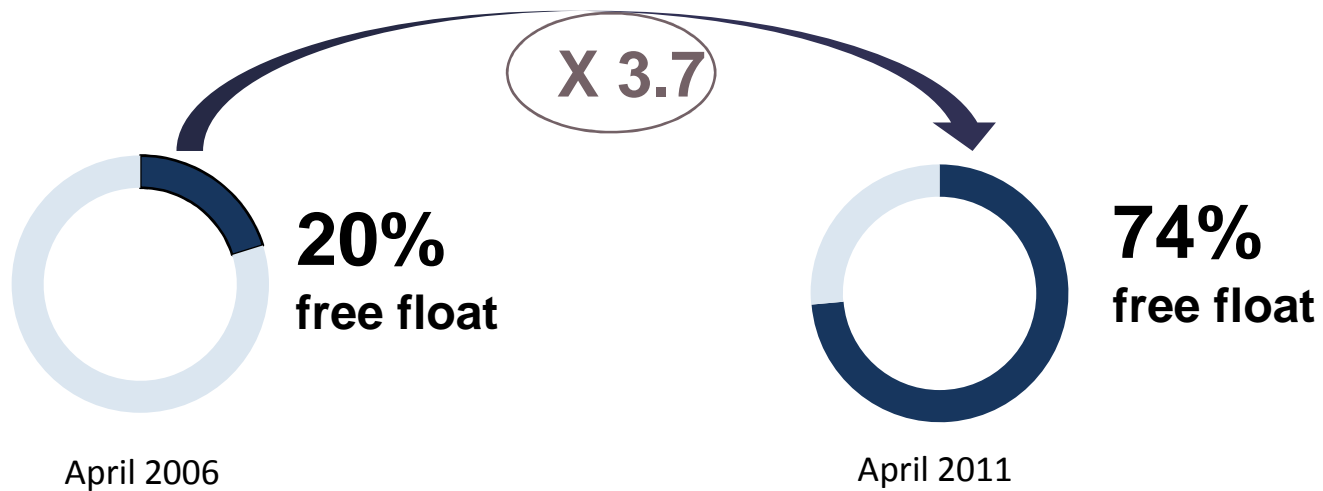
Gilles Schnepf

Chairman and Chief Executive Officer

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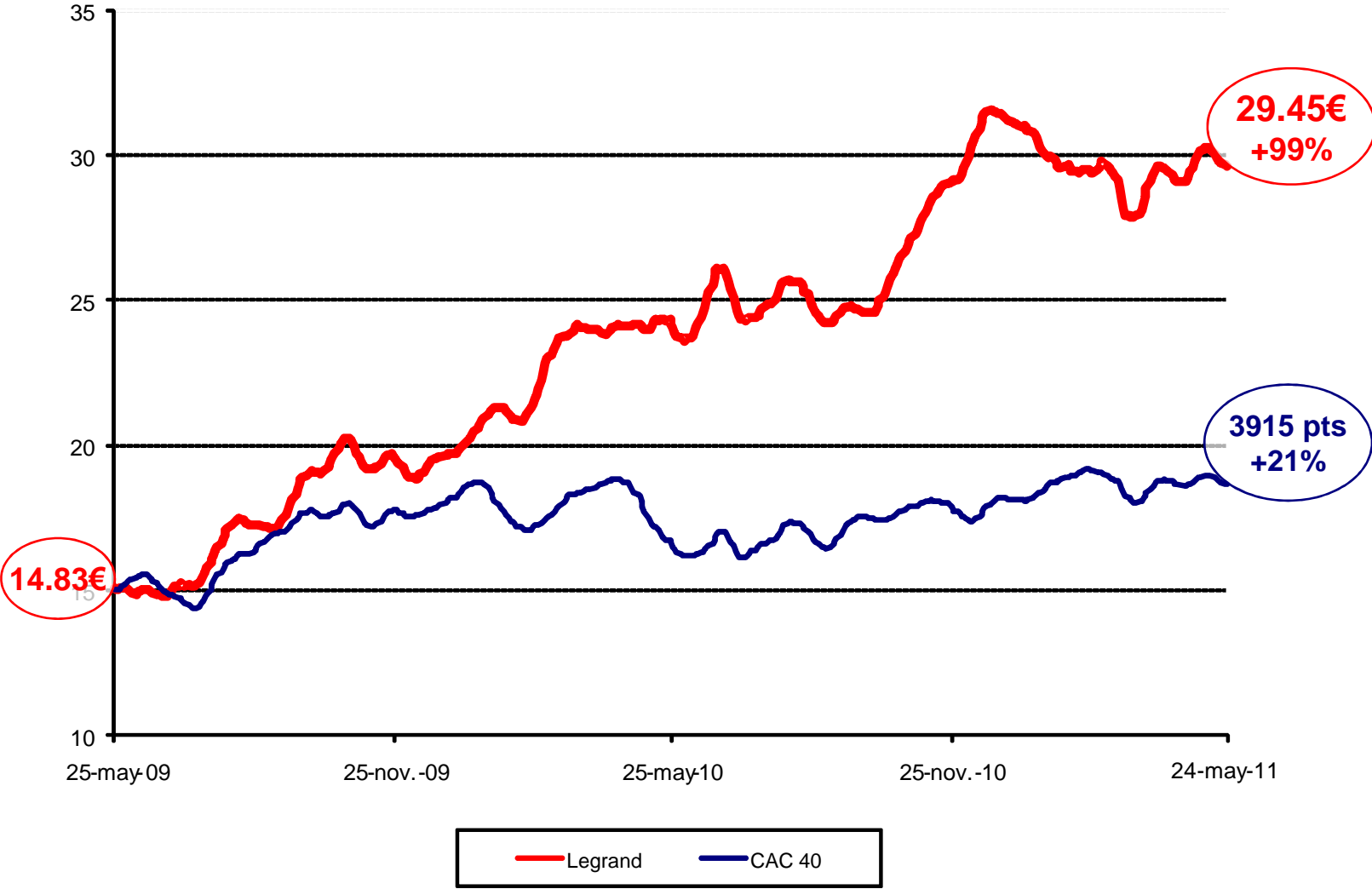


# Shareholding structure – Increase in free float



Integration of CAC Large 60 index

# Change in share price over 2 years (1)



1. 10-day moving average

## Cumulated return **since IPO (april 2006)**

- **€100** invested in Legrand at IPO are today worth **€149**, despite the crisis
  
- **€100** invested in the CAC 40 index at IPO are today worth **€75**

# Changes in the shareholding and in the Board of Directors membership

- Free float increase
- Decrease in the number of Board members representing the reference shareholders
- Proposal for the appointment of a new independent director

## Mrs. Eliane Rouyer-Chevalier



Director of Investor Relations and Financial Communication of Accor from 1992 to 2010.

Vice President, Corporate Communication, Investors Relations and Corporate Social Responsibility of Edenred (company set up when the Accor group was split up) since 2010.

Chairman of the French association for investor relations (CLIFF) since 2004.

No other directors duties.

# Stock-options and free shares plans as factors of competitiveness

- Strong increase in the number of beneficiaries (1,571 beneficiaries, i.e. + 70% in 2 years)
  
- Strong ratio of employees in international subsidiaries (2/3 of allocations)
  
- Stringent selection process based on individual and collective performance:
  - For all beneficiaries, allocations contingent upon the completion of an initial performance condition based on challenging objectives relating to the economic income
  
  - In addition, for executive directors, prospective performance condition based on external and internal criteria of long-term performance

# Chairman & Chief Executive Officer compensation contingent upon performance

<b>Gilles Schnepf</b>	<b>2009 Attributable<sup>(4)</sup></b>	<b>2009 Attributed<sup>(4)</sup></b>	<b>2010</b>	<b>2011</b>
Fixed compensation	€550,000	€550,000	€550,000	€625,000
Bonus <sup>(1)</sup>	€769,799	€392,500	€825,000	(5)
Attendance fees <sup>(2)</sup>	€20,000	€20,000	€20,000	€0
Benefits in kind <sup>(3)</sup>	-	€3,805	€5,365	
<b>Total</b>	<b>€1,339,799</b>	<b>€966,305</b>	<b>€1,400,365</b>	
Number of stock-options	158,177	134,351	0	(5)
Number of free shares	43,938	38,373	65,737	(5)

(1) Due in respect of the current year and paid on the following year.

(2) Attendance fees received from Legrand SA. Mr. Gilles Schnepf will no longer receive attendance fees from 2011 financial year. Moreover, no compensation (attendance fees or other) was paid or due under mandates held in Group companies.

(3) Company car and cell phone.

(4) The difference between attributable and attributed sums reflects the voluntary reduction in compensation and benefits in respect of 2009 applied to Mr. Gilles Schnepf, on his own initiative.

(5) Will be determined at the beginning of 2012.

# Relinquishing of duties by Mr. Olivier Bazil, Vice Chairman and Chief Operating Officer

- Company's statutory age limit reached
- Relinquishing of duties at the end of this General Meeting of Shareholders
- Mission to be conferred by the Board of Directors in order to finalize, by the end of 2011, ongoing acquisition projects





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## Presentation of resolutions

Gilles Schnepf

Chairman and Chief Executive Officer

Resolutions relating to the approval of the financial statements, the appropriation of earnings and the distribution of dividend

**No. 1: Approval of the Company's financial statements as at December 31, 2010**

**No. 2: Approval of the consolidated financial statements as at December 31, 2010**

**No. 3: Appropriation of earnings**

Resolution relating to agreements within the scope of article L.225-38 of the French commercial code

**No. 4: Agreements within the scope of article L.225-38 of the French commercial code**

Resolutions relating to the renewal of the mandates of a statutory auditor and a deputy statutory auditor

**No. 5: Renewal of the mandate of one of the statutory auditors**

**No. 6: Renewal of the mandate of one of the deputy statutory auditors**

## Resolutions relating to share buybacks

**No. 7: Authorization granted to the Board of Directors to allow the Company to purchase, sell or transfer its own shares**

**No. 10: Authorization to cancel shares purchased pursuant to the share buyback program**

Resolution relating to the allocation of directors' fees to members of the Board of Directors

**No. 8: Determination of directors' fees to be allocated to members of the Board of Directors**

# Resolution relating to the appointment of a Director

## **No. 9: Appointment of a Director**

Resolutions relating to authorizations of making allotment of options for the purchase of or subscription to shares, allotment of free shares and issuance of shares or securities in favor of participants in employee share-ownership programs

- No.11: Authorization granted to the Board for the purpose of making one or several allotments of options for the purchase of or subscription to shares**
- No.12: Authorization granted to the Board of Directors for the purpose of making free share allotments**
- No. 13: Delegation of powers to the Board of Directors for the purpose of issuing shares or securities giving access to the Company's share capital in favor of participants in employee share-ownership programs of the Company or group**



## Resolution relating to the amendment of Company articles

**No. 14: Amendment of Company articles concerning declaration of breaches of ownership thresholds**

**No. 15: Amendment of Company articles to empower the Board of Directors to appoint *censeurs* (advisers)**

**No. 16: Powers to effect formalities**



## Reports of the Statutory Auditors

Dominique Descours, Deloitte et Associés  
G rard Morin, PricewaterhouseCoopers

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# Reports of the Statutory Auditors

## **For the Ordinary General Meeting:**

- on consolidated financial statements and the Company's financial statements
- on regulated agreements and commitments with third parties
- on the report of the Chairman of the Board of Directors on internal controls

## **For the Extraordinary General Meeting:**

- on capital stock reduction by cancellation of shares purchased (10<sup>th</sup> resolution)
- on allotments of options for the purchase of or subscription to shares to the employees and/or executive directors (11<sup>th</sup> resolution)
- on free allotments of existing shares or shares to be issued to the employees and executive directors (12<sup>th</sup> resolution)
- on issuance of shares and/or securities in favor of participants in employee share-ownership programs of the Company or group (13<sup>th</sup> resolution)



Questions/Answers

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## Vote on resolutions

Jean-Luc Fourneau  
Company secretary

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Vote on the first resolution

## **Approval of the Company's financial statements as at December 31, 2010**

Vote on the second resolution

## **Approval of the consolidated financial statements as at December 31, 2010**

Vote on the third resolution

## **Appropriation of earnings**



Vote on the fourth resolution

## **Agreements within the scope of article L.225-38 of the French commercial code**

Vote on the fifth resolution

## **Renewal of the mandate of one of the statutory auditors**

Vote on the sixth resolution

## **Renewal of the mandate of one of the deputy statutory auditors**

Vote on the seventh resolution

**Authorization granted to the Board of Directors to allow the Company to purchase, sell or transfer its own shares**

Vote on the eighth resolution

**Determination of directors' fees to be allocated to members of the Board of Directors**

Vote on the ninth resolution

## **Appointment of a Director**

Vote on the tenth resolution

## **Authorization to cancel shares purchased pursuant to the share buyback program**

Vote on the eleventh resolution

**Authorization granted to the Board for the purpose of making one or several allotments of options for the purchase of or subscription to shares**



Vote on the twelfth resolution

**Authorization granted to the Board of Directors for the purpose of making free share allotments**

Vote on the thirteenth resolution

**Delegation of powers to the Board of Directors for the purpose of issuing shares or securities giving access to the Company's share capital in favor of participants in employee share-ownership programs of the Company or group**

Vote on the fourteenth resolution

**Amendment of Company articles  
concerning declaration of breaches of  
ownership thresholds**

Vote on the fifteenth resolution

**Amendment of Company articles to  
empower the Board of Directors to appoint  
*censeurs* (advisers)**

Vote on the sixteenth resolution

## **Powers to effect formalities**



Appendices

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# Reconciliation between the 2010 reported statement of income and those presented for comparative purposes

**3 months ended  
March 31, 2010**

	Reported		Restated		Change	
	<i>in € million</i>	<i>as % of sales</i>	<i>in € million</i>	<i>as % of sales</i>	<i>in € million</i>	<i>Impact in bps</i>
<b>Net sales</b>	<b>912</b>	<b>100%</b>	<b>912</b>	<b>100%</b>	-	-
<b>Operating expenses</b>						
Cost of sales	-411	45.1%	-415	45.5%	-3.5	-40
Administrative and selling expenses	-248	27.2%	-253	27.7%	-4.4	-50
Research and development costs	-46	5.1%	-45	5.0%	1.0	10
Other operating income (expense)	-26	2.8%	-19	2.1%	6.9	80
<b>Operating income</b>	<b>181</b>	<b>19.8%</b>	<b>181</b>	<b>19.8%</b>	-	-
of which amort. and costs related to acquisitions	-6	-0.7%	-8	-0.9%	-2.0	20
<b>Adjusted operating income</b>	<b>187</b>	<b>20.5%</b>	<b>189</b>	<b>20.7%</b>	<b>2.0</b>	<b>20</b>

# SUSTAINABLE DEVELOPMENT 2011-2013 TARGETS





## .FROM THE CHAIRMAN

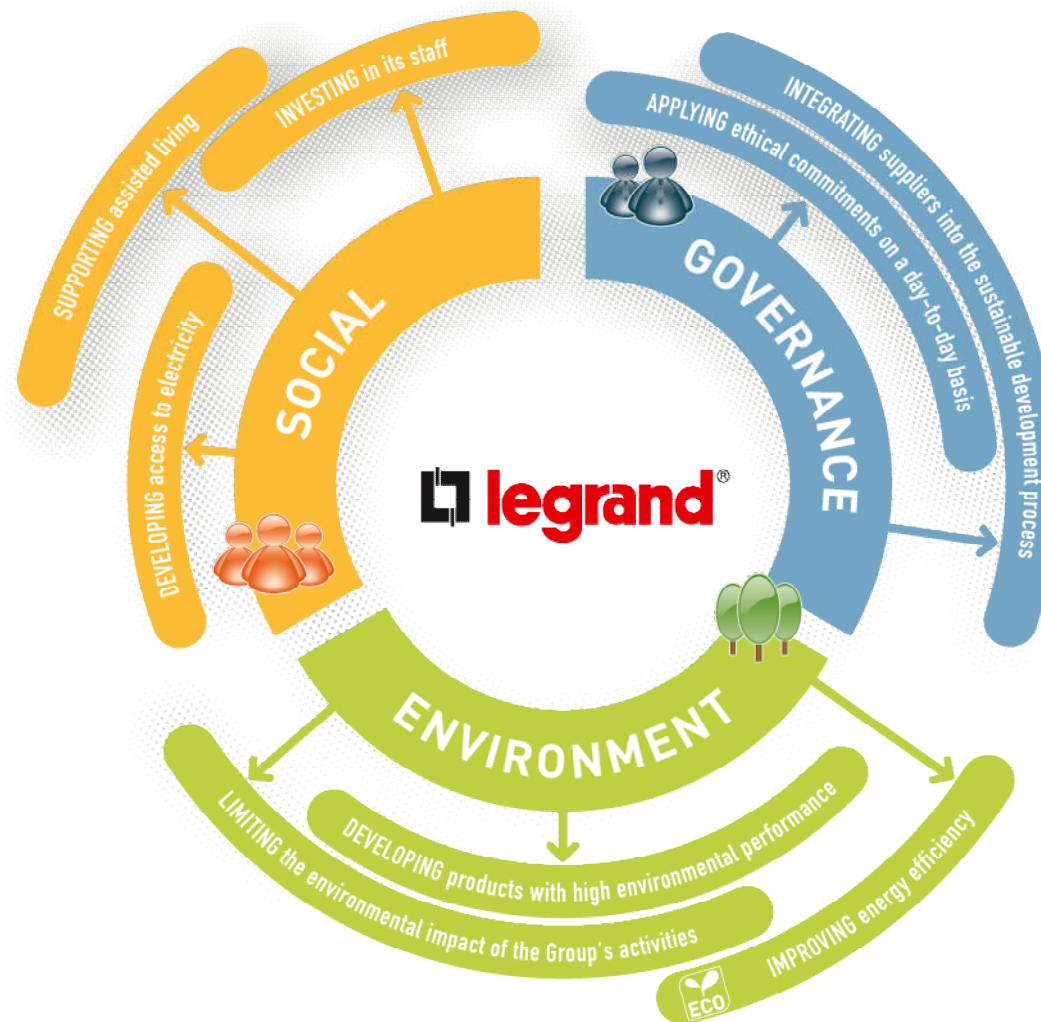
« Following on from the first set of Sustainable Development objectives we set for the 2007-2010 timeframe, we are today defining 28 new targets for **2011-2013** which are detailed on the following pages.

The Legrand Group teams are already working towards achieving these targets, and we shall be reporting on their progress each year.»



# LEGRAND'S SUSTAINABLE DEVELOPMENT STAKES

2011-2013  
TARGETS



For additional information – especially regarding Energy Efficiency and Assisted Living which are described on complementary documentation to the 2011-2013 targets – : [www.legrandgroup.com](http://www.legrandgroup.com)

## APPLYING ETHICAL COMMITMENTS ON A DAY-TO-DAY BASIS

2011-2013  
TARGETS



Commitments	Next steps 2011-2013
<p><b>Work together with the Group's stakeholders</b></p>	<p>Progressively <b>structure</b> dialogue with Group stakeholders</p>
<p><b>Train teams on the commitments made in the Group's Charter of Fundamental Principles, and monitor the implementation of those principles</b></p>	<p><b>Train</b> the Group's Ethics Representatives on human rights and combating corruption</p> <p><b>Continue</b> the training of Group staff on compliance with the Charter of Fundamental Principles and the additional section on competition</p>

# INTEGRATING SUPPLIERS INTO THE SUSTAINABLE DEVELOPMENT PROCESS

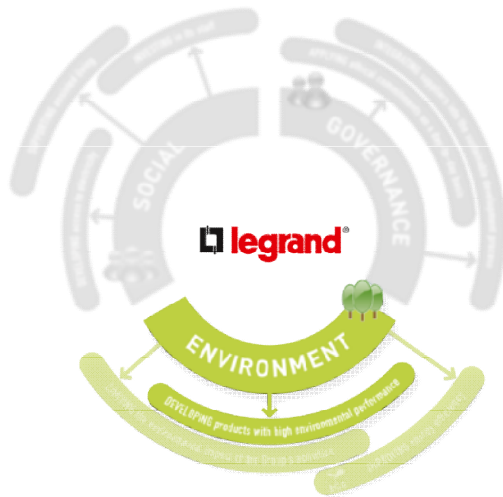
2011-2013  
TARGETS



Commitment	Next steps 2011-2013
<p><b>Advance in the inclusion of Sustainable Development criteria in supplier selection and evaluation</b></p>	<p><b>Expand</b> supplier evaluation based on Sustainable Development criteria</p>
	<p><b>Continue</b> the training of Group purchasers on responsible purchasing</p>
	<p>Formally <b>inform</b> suppliers and subcontractors of the Group's expectations concerning the development of High Environmental Performance products</p>

# DEVELOPING PRODUCTS WITH HIGH ENVIRONMENTAL PERFORMANCE

2011-2013  
TARGETS



Commitment	Next steps 2011-2013
<p><b>Roll out the High Environmental Performance Product levers in the development and marketing of the Group's offerings</b></p>	<p><b>Comply with</b> the requirements of the RoHS Directive, beyond its strict scope of application, for all Group products</p>
	<p><b>Exclude</b> the use of REACH candidate substances for future product developments whenever a technically and economically viable alternative exists</p>
	<p><b>Internationalise</b> Product Environmental Profiles (PEPs) and systematically make them available to all those involved in the building sector</p>
	<p><b>Increase</b> the proportion of eco-design products in the Legrand Group's product offering which present reduced environmental impact in a multi-criteria lifecycle analysis</p>

# LIMITING THE ENVIRONMENTAL IMPACT OF THE GROUP'S ACTIVITIES

2011-2013  
TARGETS



Commitment	Next steps 2011-2013
<p><b>Improve the environmental performance of the Group's sites and logistics flows</b></p>	<p>In a project for 2011-2012, <b>recast</b> the Group's carbon footprint computation on the base of the international methodology of the GHG protocol. Based on this footprint, decide on new progress areas for the Legrand Climact project, taking into account the Group's growth targets</p>
	<p><b>Systematically obtain</b> ISO 14001 certification for the Group's industrial sites, in particular new sites</p>
	<p><b>Limit</b> water consumption and waste production by getting industrial sites that recently joined the Group to apply Legrand best practice and controlled environmental techniques</p>

**.INVESTING IN ITS STAFF**



Commitment	Next steps 2011-2013
<p><b>Promote an active health &amp; safety policy of risk prevention in the framework of Esculape</b></p>	<p><b>Maintain</b> consolidated health &amp; safety indicators for over 95% of Group staff (not including acquisitions within the last three years). Include new Group entities, at the latest, in the third reporting exercise following their docking into the Group</p>
	<p><b>Ensure</b> that a formal risk assessment is carried out on at least 85% of Group staff (not including acquisitions within the last three years)</p>
	<p><b>Encourage</b> a participatory health &amp; safety approach by allowing over 85% of Group staff (not including acquisitions within the last three years) to be represented by a Health &amp; Safety Committee</p>
	<p><b>Allow</b> 75% of Group staff to benefit from a medical or paramedical consultation at least every five years (not including acquisitions within the last three years)</p>
	<p><b>Ensure</b> compliance with the Prevention Charter and promote it in new Group entities in the year following their acquisition</p>
	<p><b>Draw up</b> a Group directive on the prevention of musculoskeletal disorders (MSDs)</p>

## INVESTING IN ITS STAFF (continued)

2011-2013  
TARGETS

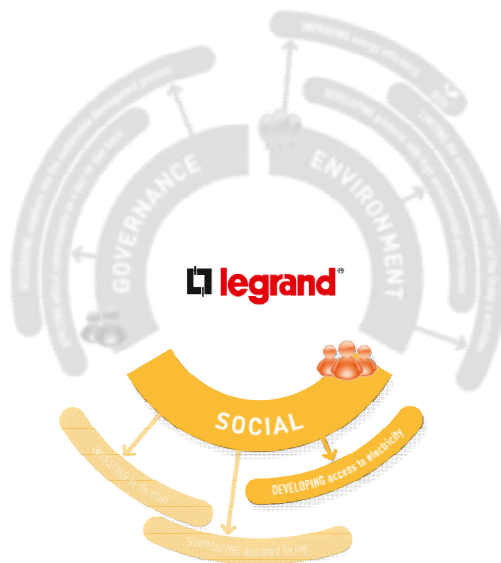


Commitments	Next steps 2011-2013
<p><b>Enhance human resources by developing the skills and career-development opportunities of Legrand Group staff</b></p>	<p><b>Put together</b> a new management-training programme suited to the challenges and evolution of the Group by the end of 2012</p> <p><b>Extend</b> the management of Group talent, in particular by managing 90% of the Group's key positions by the end of 2013</p> <p><b>Allow</b> 90% of Group managers to benefit from an individual appraisal review by the end of 2014</p>
<p><b>Successfully implement change management in industrial developments</b></p>	<p><b>Improve</b> social dialogue in a globalised context in which change is increasingly rapid</p>
<p><b>Promote diversity among staff and prevent any form of discrimination</b></p>	<p><b>Raise</b> awareness and train staff on the principle of non-discrimination</p> <p><b>Ensure</b> that the Group's HR procedures comply with the principle of non-discrimination and equal opportunities</p> <p><b>Encourage</b> the feminisation of Group management and guarantee better working conditions for women Specifically: at least 25% of manager recruitments in France will be women in 2011, 30% in 2012 and 35% in 2013</p>



DEVELOPING ACCESS TO ELECTRICITY

2011-2013  
TARGETS



Commitment	Next steps 2011-2013
<p>Work towards access to electricity in emergency situations or as part of development aid</p>	<p><b>Strengthen</b> the partnership with Electriciens sans frontières (Electricians Without Borders)</p>
	<p><b>Pursue</b> specific initiatives linked to electrification programmes</p>

# Disclaimer

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