

LEGRAND *
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
MARCH 31, 2006

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Consolidated statement of income

	Legrand	
	Three months period ended Mar. 31, 2006	Three months period ended Mar. 31, 2005
	Euros, in millions	
Revenue	940.6	765.6
Operating expenses		
Cost of sales	(465.4)	(379.5)
Administrative and selling expenses	(246.5)	(200.1)
Research and development costs	(60.5)	(58.8)
Other operating income and expense	(26.5)	(21.2)
Operating profit	141.7	106.0
Financial expense	(53.0)	(53.6)
Financial income	6.4	6.5
Exchange gains and losses	5.8	(11.9)
Loss on extinguishment of debt (note 4)	(109.0)	0.0
Finance costs and other financial income and expense, net	(149.8)	(59.0)
Share of (loss)/profit of associates	0.5	0.0
Profit before tax	(7.6)	47.0
Income tax expense	(27.0)	(20.5)
Profit for the year	(34.6)	26.5
Attributable to:		
- Equity holders of Legrand	(35.3)	26.1
- Minority interests	0.7	0.4
Basic earnings per share (euros)	(0.186)	0.034
Diluted earnings per share (euros)	(0.183)	0.034

Consolidated balance sheet

Legrand		
	Mar. 31, 2006	Dec. 31, 2005
	Euros, in million	
ASSETS		
Current assets		
Cash and cash equivalents	154.2	133.2
Marketable securities	0.4	0.6
Income tax receivable	8.1	6.1
Trade receivables	667.3	563.2
Other current assets	155.4	127.5
Inventories (note 3)	512.3	474.5
Other financial assets	28.7	33.4
Total current assets	1,526.4	1,338.5
Non-current assets		
Intangible assets	3,596.2	3,641.3
Property, plant and equipment, net	835.2	833.6
Investments in associates	9.9	9.5
Other investments	9.1	4.1
Deferred tax assets	77.3	61.5
Other non-current assets	5.0	4.6
Total non current assets	4,532.7	4,554.6
Total assets	6,059.1	5,893.1

Legrand		
	Mar. 31, 2006	Dec. 31, 2005
	Euros, in million	
LIABILITIES AND EQUITY		
Current liabilities		
Short-term borrowings (note 5)	260.9	319.3
Income tax payable	47.3	22.3
Trade payables	405.5	377.0
Other current liabilities	396.2	406.9
Swap liabilities	54.8	59.9
Total current liabilities	1,164.7	1,185.4
Non-current liabilities		
Deferred tax liabilities	732.6	720.3
Other non-current liabilities	274.0	273.7
Long-term borrowings (note 4)	2,198.7	1,803.3
Subordinated perpetual notes	19.0	28.5
Related party borrowings (note 4)	1,171.6	1,334.8
Total non-current liabilities	4,395.9	4,160.6
Equity		
Share capital	759.4	759.4
Retained earnings	(192.4)	(157.1)
Translation reserves	(78.3)	(64.3)
Equity attributable to equity holders of Legrand	488.7	538.0
Minority interests	9.8	9.1
Total equity	498.5	547.1
Total liabilities and equity	6,059.1	5,893.1

Consolidated statement of cash flows

	Legrand	
	Three months period ended Mar. 31, 2006	Three months period ended Mar. 31, 2005
	Euros, in millions	
Profit for the year	(34.6)	26.5
Reconciliation of profit for the year to net cash provided by operating activities :		
- Depreciation expense	35.4	34.8
- Amortization expense	23.6	27.2
- Amortization of development costs	0.8	0.0
- Loss on extinguishment of debt	109.0	0.0
- Changes in non-current deferred taxes	(0.8)	(4.5)
- Changes in other non-current assets and liabilities	4.5	6.8
- Share of loss/(profit) of associates	(0.5)	0.0
- Exchange (gain)/loss, net	25.1	12.1
- Other adjustments	13.5	12.8
(Gains)/losses on fixed asset disposals	2.5	0.8
Changes in operating assets and liabilities:		
- Inventories	(19.9)	(26.7)
- Trade receivables	(80.2)	(93.5)
- Trade payables	13.4	12.8
- Other operating assets and liabilities	(40.8)	(8.6)
Net cash provided by operating activities	51.0	0.5
Net proceeds from sales of fixed assets	2.5	0.8
Capital expenditure	(32.4)	(20.8)
Development costs capitalized during the year	(6.4)	(5.4)
Proceeds from sales of marketable securities	(0.3)	11.6
Purchases of marketable securities	0.1	0.0
Investments in consolidated entities	(6.5)	0.0
Investments in non-consolidated entities	(6.5)	(68.2)
Net cash (used in)/provided by investing activities	(49.5)	(82.0)
- Proceeds from issue of share capital	0.0	0.0
- Dividends paid by Legrand Holding's subsidiaries	0.0	0.0
Other financing activities :		
- Reduction in subordinated perpetual notes	(9.5)	(9.5)
- Proceeds from new borrowings and draw down	1,723.9	199.6
- Repayment of borrowings	(1,553.0)	(135.2)
- Loss on extinguishment of debt	(109.0)	0.0
- Increase (reduction) in bank overdrafts	(30.5)	29.4
Net cash (used in)/provided by financing activities	21.9	84.3
Effect of exchange rate changes on cash and cash equivalents	(2.4)	4.1
Increase/(decrease) in cash and cash equivalents	21.0	6.9
Cash and cash equivalents at the beginning of the period	133.2	68.3
Cash and cash equivalents at the end of the period	154.2	75.2
Items included in operating activities		
- interest paid during the period	62.7	49.4
- income taxes paid during the period	4.8	0.8

NOTES

1) Basis of presentation and accounting policies

These unaudited consolidated interim financial statements of Legrand are presented for a three-months period ending March 31, 2006. They have been prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed by the European Union, and the related IFRIC interpretations that are applicable at December 31, 2005. The Group has not adopted the carve out arrangements of IAS 39 proposed by the European Union, thus these unaudited consolidated interim financial statements are also in accordance with IFRS, such as edited by the International Accounting Standards Board. The comparative figures for the three-months period ending March 31, 2005 have been restated to reflect IFRS applicable at December 31, 2005.

These unaudited consolidated interim financial statements should be read in accordance with consolidated financial statements for the year ended December 31, 2005 such as published in “document de base” listed on the AMF (Autorité des Marchés Financiers) on February 21, 2006. These unaudited consolidated interim financial statements have been prepared in accordance with the provisions of IAS 34 *Interim Financial Reporting*.

2) Changes in the consolidation perimeter

The main changes in the consolidation perimeter between the first quarter of 2005 and the first quarter of 2006, consist of first consolidation of OnQ, Van Geel, Zucchini and of ICM Group, TCL International Electrical and TCL Building Technology.

3) Inventories

Inventories are as follows:

	Mar. 31, 2006	Dec. 31, 2005
	Euros, in millions	
Purchased raw materials and components	174.6	171.7
Sub-assemblies, work in progress	99.3	93.4
Finished products	307.4	276.7
	581.3	541.8
Less impairment	(69.0)	(67.3)
	512.3	474.5

4) Long-term borrowings and related party borrowings

a) Long-term borrowings

Long-term borrowings can be analyzed as follows:

	Mar. 31, 2006	Dec. 31, 2005
	Euros, in millions	
Facility Agreement	1,723.4	731.7
High-Yield Notes	0.0	574.3
8 1/2 % debentures	320.9	329.6
Other long-term borrowings	160.1	178.2
	2,204.4	1,813.8
Debt issuance costs	(5.7)	(10.5)
	2,198.7	1,803.3

On January 10, 2006, the Group entered into a €2.2 billion credit facility with a syndicate of 5 banks as lenders (the “2006 Credit Facility”) in order to refinance the 2004 Credit Facility in the amount of €1.4 billion, redeem all of outstanding High Yield Notes at an aggregate redemption price of €672 million, including an early redemption premium of €98.5 million (shown on line “Loss on extinguishment of debt” of the consolidated statement of income), as well as to partially repay the portion of the Subordinated Shareholder PIK Loan corresponding to the vendor loan provided by Schneider in connection with the acquisition of Legrand France and which came due upon the redemption of the High Yield Notes (approximately €178 million).

The 2006 Credit Facility comprises : (i) a multi-currency term loan in an amount of €700 million amortizing semi-annually in tranches of 10% of the principal starting January 10, 2007 until July 10, 2010, with a final payment of 20% on January 10, 2011 (Tranche A) ; (ii) a multi-currency revolving credit facility in an amount of €1.2 billion (Tranche B) ; and (iii) a bridge term loan facility in an amount of €300 million (Tranche C). Tranches A and B each have a term of five years and two one-year extension options and Tranche C has a term of 364 days with an extension option of 364 days.

b) Related party borrowings

On February 15, 2006 part of the related party borrowing was repaid in the amount of €178 million.

The balance of 1,171.6 still due as at March 31, 2006 was repaid in the amount of €502.8 million, using a portion of the proceeds from the Initial Public Offering, and in the amount of €668.8 million through the discharge of debt in exchange for shares issued in a capital increase, on April 11, 2006.

5) Short-term borrowings

	Mar. 31, 2006	Dec. 31, 2005
	Euros, in millions	
Current portion of long-term debt	5.8	160.8
Bank overdrafts	157.3	70.0
Other short-term borrowings	97.8	88.5
	260.9	319.3

6) Share capital

The main changes in share capital can be analyzed as follows :

	Number of shares	Nominal	Capital value in euros	Share premium in euros
Dec. 31, 2005	759,350,900	1	759,350,900	
Feb. 24, 2006	189,837,725	4	759,350,900	
Regrouping of the company's shares with higher nominal value				
March 31, 2006	189,837,725	4	759,350,900	

7) Stock-options

The Company has one stock option plan under which stock options may be granted to purchase a specified number of ordinary shares of the Company at an original exercise price of €1.00 per share for options granted in 2003 and 2004, and €1.40 per share for options granted in 2005. On February 24, 2006, the shareholders authorized the regrouping of the Company's shares from four shares with a nominal value of €1.00 per share to one share with a nominal value of €4.00 per share. Hence the exercise price of the stock option has been raised to €4.00 per share for options granted in 2003 and 2004, and €5.60 per share for options granted in 2005. The 423,263 options which were not allocated upon Legrand's quotation date will never be granted. The options already granted may be exercised during the coming years depending on the date of grant.

In accordance with IFRS 2, a charge of €1 million was recorded as at March 31, 2006 (€1 million in 2005 and €2.5 million in 2004).

Stock options granted, exercised and cancelled over the past years can be analyzed as follows:

Subscription plan	
Balance as of December 31, 2002	0
Options granted	9,555,516
Options exercised	0
Options cancelled	-597,000
Balance as of December 31, 2003	8,958,516
Options granted	2,298,200
Options exercised	0
Options cancelled	-602,200
Balance as of December 31, 2004	10,654,516
Options granted	810,000
Options exercised	0
Options cancelled	-733,200
Balance as of December 31, 2005	10,731,316
Options granted	0
Options exercised	0
Options cancelled	-77,200
Balance as of February 24, 2006	10,654,116
Options cancelled following the regrouping of shares decided by the shareholders on Feb. 24, 2006	-7,990,587
Balance as of March 31, 2006	2,663,529

None of the outstanding options is exercisable as of March 31, 2006.

8) Information by geographical segment

The Group's business consists solely of the manufacture and marketing of products and systems for electrical installations and information networks. The following information by geographical segment reflects the Group's internal financial reporting :

Three months ended Mar. 31, 2006	Geographic segments					Items not allocated to segments	Total
	Europe			United States of America	Other countries		
	France	Italy	Others				
Euros, in millions							
Total revenue	633.6	256.0	233.3	174.9	137.7		1,435.5
Less intra-group transfers	(350.0)	(53.1)	(52.8)	(11.3)	(27.7)		(494.9)
Revenue	283.6	202.9	180.5	163.6	110.0		940.6
Cost of sales	(105.7)	(92.1)	(113.8)	(93.9)	(59.9)		(465.4)
Administrative and selling expenses, R&D	(116.2)	(55.1)	(51.0)	(55.9)	(28.8)		(307.0)
Other operating income and expenses	(15.3)	(3.5)	(2.3)	(2.3)	(3.1)		(26.5)
Operating profit	46.4	52.2	13.4	11.5	18.2		141.7
- of which depreciation expense	(14.5)	(7.2)	(5.2)	(4.4)	(3.8)		(35.1)
- of which amortization expense	(0.7)	(0.9)	(0.2)	(0.2)	(0.1)		(2.1)
- of which amortization of development costs	(0.3)	(0.5)	0.0	0.0	0.0		(0.8)
- of which Legrand SA's post-acquisition expenses	(11.4)	(5.5)	(1.6)	(2.5)	(0.8)		(21.8)
- of which restructuring charges	(0.4)	(0.4)	(2.9)	(1.5)	(0.1)		(5.3)
Exchange gains and losses						5.8	5.8
Finance costs and other financial income and expense, net						(46.6)	(46.6)
Income tax expense						(27.0)	(27.0)
Minority interest and share of (loss)/profit of associates						(0.2)	(0.2)
Capital expenditure	13.5	6.4	3.9	5.2	3.4		32.4
Development costs capitalized during the year	4.9	1.5	0.0	0.0	0.0		6.4
Total identifiable assets	4,100.4	59.9	1,741.6	(205.6)	362.8		6,059.1
Segment liabilities	324.8	193.0	109.5	78.1	96.3		801.7

Three months ended Mar. 31, 2005	Geographic segments					Items not allocated to segments	Total
	Europe			United States of America	Other countries		
	France	Italy	Others				
Euros, in millions							
Total revenue	569.2	213.1	181.4	133.7	93.4		1,190.8
Less intra-group transfers	(317.4)	(45.4)	(40.8)	(3.2)	(18.4)		(425.2)
Revenue	251.8	167.7	140.6	130.5	75.0		765.6
Cost of sales	(97.9)	(72.4)	(91.1)	(77.7)	(40.4)		(379.5)
Administrative and selling expenses, R&D	(105.3)	(50.4)	(39.6)	(43.4)	(20.2)		(258.9)
Other operating income and expenses	(15.5)	(0.5)	2.1	(3.8)	(3.5)		(21.2)
Operating profit	33.1	44.4	12.0	5.6	10.9		106.0
- of which depreciation expense	(14.8)	(7.1)	(4.9)	(4.8)	(2.8)		(34.4)
- of which amortization expense	(0.5)	(0.9)	(0.1)	(0.3)	(0.1)		(1.9)
- of which amortization of development costs	0.0	0.0	0.0	0.0	0.0		0.0
- of which Legrand SA's post-acquisition expenses	(13.5)	(6.5)	(2.0)	(2.7)	(1.0)		(25.7)
- of which restructuring charges	(5.3)	(0.1)	(0.1)	(3.3)	(0.4)		(9.2)
Exchange gains and losses						(11.9)	(11.9)
Finance costs and other financial income and expense, net						(47.1)	(47.1)
Income tax expense						(20.5)	(20.5)
Minority interest and share of (loss)/profit of associates						(0.4)	(0.4)
Capital expenditure	6.5	5.6	3.0	3.4	2.3		20.8
Development costs capitalized during the year	3.8	1.6	0.0	0.0	0.0		5.4
Total identifiable assets	3,946.3	1,386.1	144.8	(203.3)	268.8		5,542.7
Segment liabilities	295.3	150.4	91.4	65.3	59.4		661.8

9) Subsequent events

a) On April 7, 2006 Legrand's shares were listed on the Eurolist market of Euronext Paris.

The open retail price offering and global offering price was €19.75 per share.

The impacts of this listing in terms of share capital are as follows :

	Number of shares	Nominal	Capital value in euros	Share premium in euros
March 31, 2006	189,837,725	4	759,350,900	
April 11, 2006 Increase in the share capital by way of public offering	43,689,298	4	174,757,192	688,106,444
April 11, 2006 Increase in the share capital reserved for GP Financière New Sub 1 SCS	33,862,914	4	135,451,656	533,340,895
May 2, 2006 Increase in the share capital reserved for employees	2,303,439	4	9,213,756	27,180,580
May 2, 2006	269,693,376	4	1,078,773,504	1,248,627,919

The increase in share capital reserved for employees of the company aggregates a cash amount of €36.4 million after a 20% discount offered on the open retail offering price. Thus a charge of €9.1 million corresponding to this discount will be recorded in the year 2006.

b) On April 13, 2006 Legrand announced the acquisition of Cemar, which is the leader in Brazil for consumer units and industrial enclosures. Based in Caxias, in the south of Brazil, Cemar has a workforce of approximately 400. In 2005, Cemar's net sales amounted to approximately €28 million, showing a rise of 19% from the previous year at constant exchange rates.