2010 first-quarter results
May 6, 2010
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2010 first-quarter results

Drivers for medium-term profitable growth

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Highlights

- 2010 first-quarter results
  - Performance in emerging countries
  - Ongoing success of new products
  - 2010 adjusted operating margin target raised to over 18%

- Drivers for medium-term profitable growth
  - Replicating our efficient business model in emerging countries
  - Promising opportunities for electrical and digital building infrastructures
Rise in Net Sales

Net sales (in € millions)

<table>
<thead>
<tr>
<th>Q1 2009</th>
<th>Q1 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>901</td>
<td>912</td>
</tr>
</tbody>
</table>

+1.1%

- 0.5% like-for-like(1) growth
  - 13.4% rise in emerging countries
  - Success of new products
- Change in the scope of consolidation: +0.2%(2)
- FX effect: +0.4%

1. Like-for-like: at constant scope of consolidation and exchange rates
2. Due to the first consolidation of entities
Rise in Net Sales

Group total: €912m
- +1.1%
- +0.5% LFL \(^{(1)}\)

USA & Canada: €125m
- +1.4% LFL\(^{(1)}\)
  - Good performance of Pass & Seymour and Ortronics, as well as in Canada
  - Residential market gradually bottoming out
  - Commercial market in decline

Rest of the World: €227m
- +15.7% LFL\(^{(1)}\)
  - Back to pre-crisis growth rates in emerging countries (Brazil, India, China, Egypt, Chile, etc.)
  - Soundness and effectiveness of Legrand’s expansion strategy in emerging countries confirmed

France: €227m
- -3.9% LFL\(^{(1)}\)
  - Good performance in wiring devices, notably Celiane
  - Success of new LCS\(^2\) digital interconnection solutions
  - Steady level of renovation activities partly offsetting the slowdown in non-residential activity

Italy: €160m
- -0.9% LFL\(^{(1)}\)
  - Good showings in wiring devices and video surveillance
  - Difficult market conditions overall, notably in non-residential business

Rest of Europe: €173m
- -8.8% LFL\(^{(1)}\)
  - Global market slowdown
  - Ongoing recovery in Turkey and improving activity in Russia

1. Like-for-like: at constant scope of consolidation and exchange rates
Rise in Net Sales

2009 – 2010 launches of new products, including:

**Control and command**
- Arteor
- Mallia
- Digital Lighting Management
- Nereya

**Energy distribution**
- DMX³
- Worksite combined units

**Voice data image**
- LCS²
- Btnet

**Cable management**
- GTL Viadis
- Logix
Rise in Net Sales

Breakdown of change in 2010 first-quarter net sales (in € millions)

-9.3  |  -1.5  |  -16.2  |  +1.9  |  +29.8  |  +3.9  |  +1.7  |  +10.3
France | Italy | Rest of Europe | USA-Canada | Rest of World | Total

+0.5% Like-for-like\(^{(1)}\) change

1. At constant scope of consolidation and exchange rates
Strong Increase in Adjusted Operating Income

Steep improvement resulted from, by descending order of importance:

- Strong performance for operating costs
  - Full impact of reorganization already deployed
  - Ongoing efforts in countries where business continues to ease
  - Leverage effect in emerging countries

- Other
  - Miscellaneous operating items and restructuring
  - Inventory build-up

- Input costs
  - Raw material and component productivity
  - Pricing versus raw material and component inflation

1. Figures restated for accounting entries with no cash impact relating to the acquisition of Legrand France in 2002 and impairment of goodwill
## Strong Increase in Adjusted Operating Income

<table>
<thead>
<tr>
<th>In € millions</th>
<th>Q1 2009</th>
<th>Q1 2010</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>901.4</td>
<td>911.7</td>
<td>1.1%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>467.5</td>
<td>500.7</td>
<td>7.1%</td>
</tr>
<tr>
<td>As % of sales</td>
<td>51.9%</td>
<td>54.9%</td>
<td></td>
</tr>
<tr>
<td>Maintainable(^{(1)}) adjusted(^{(2)}) operating income</td>
<td>143.2</td>
<td>196.2</td>
<td></td>
</tr>
<tr>
<td>As % of sales</td>
<td>15.9%</td>
<td>21.5%</td>
<td></td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>(8.0)</td>
<td>(9.2)</td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted(^{(2)}) operating income</strong></td>
<td>135.2</td>
<td>187.0</td>
<td>38.3%</td>
</tr>
<tr>
<td>As % of sales</td>
<td>15.0%</td>
<td>20.5%</td>
<td></td>
</tr>
<tr>
<td>Accounting entries related to the acquisition of Legrand France</td>
<td>(9.7)</td>
<td>(6.5)</td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>125.5</td>
<td>180.5</td>
<td>43.8%</td>
</tr>
<tr>
<td>As % of sales</td>
<td>13.9%</td>
<td>19.8%</td>
<td></td>
</tr>
<tr>
<td>Net financial expense</td>
<td>(30.2)</td>
<td>(15.5)</td>
<td></td>
</tr>
<tr>
<td>Exchange gains &amp; losses</td>
<td>(11.4)</td>
<td>(25.4)</td>
<td></td>
</tr>
<tr>
<td>Income-tax expense</td>
<td>(27.2)</td>
<td>(48.7)</td>
<td></td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>56.7</td>
<td>90.9</td>
<td>60.3%</td>
</tr>
<tr>
<td><strong>Net profit excluding minorities</strong></td>
<td>56.5</td>
<td>90.3</td>
<td>59.8%</td>
</tr>
</tbody>
</table>

1. Excluding restructuring charges
2. Figures restated for accounting entries with no cash impact relating to the acquisition of Legrand France in 2002 and impairment of goodwill
Robust Cash Generation

Free cash flow (in € millions and as % of sales)

- Good generation of cash from operating activities
- Low working capital requirement\(^{(1)}\)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2009</th>
<th>Q1 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2009</td>
<td>0.1%</td>
<td>10.3%</td>
</tr>
<tr>
<td>Q1 2010</td>
<td>1</td>
<td>94</td>
</tr>
</tbody>
</table>

1. Although this has risen gradually and which the group aims to limit to 11% of sales.
Robust Cash Generation

<table>
<thead>
<tr>
<th>In € millions</th>
<th>Q1 2009</th>
<th>Q1 2010</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flow from operations</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>103.3</td>
<td>155.4</td>
<td>50.4%</td>
</tr>
<tr>
<td>As % of sales</td>
<td>11.5%</td>
<td>17.0%</td>
<td></td>
</tr>
<tr>
<td>Change in working capital requirement</td>
<td>(82.6)</td>
<td>(44.0)</td>
<td>-46.7%</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>20.7</td>
<td>111.4</td>
<td></td>
</tr>
<tr>
<td>As % of sales</td>
<td>2.3%</td>
<td>12.2%</td>
<td></td>
</tr>
<tr>
<td>Capital expenditures (including capitalized R&amp;D)</td>
<td>(26.9)</td>
<td>(18.1)</td>
<td></td>
</tr>
<tr>
<td>Net proceeds of sales of fixed assets</td>
<td>7.2</td>
<td>0.8</td>
<td></td>
</tr>
<tr>
<td>Capital expenditures net of proceeds of sales of fixed assets</td>
<td>(19.7)</td>
<td>(17.3)</td>
<td>-12.2%</td>
</tr>
<tr>
<td><strong>Free cash-flow</strong></td>
<td>1.0</td>
<td>94.1</td>
<td></td>
</tr>
<tr>
<td>As % of sales</td>
<td>0.1%</td>
<td>10.3%</td>
<td></td>
</tr>
</tbody>
</table>

1. *Cash flow from operations is defined as the sum of net cash provided by operating activities and change in working capital requirement.*
Significant Drivers for Medium-Term Profitable Growth

- Replicating our efficient business model in emerging countries

- Promising opportunities for electrical and digital building infrastructures
Efficient Business Model

Organic growth

Acquisitions

Market share

Profitability
Replicating Legrand Business Model in Emerging Countries with Success

Organic growth strategy
- innovation
- effective segmentation of ranges
- positive mix

€210M of sales acquired in emerging countries since 2005
- 90% with #1 market position

In emerging countries, close to 42% of sales are from products with 
- #1 positions on their markets

#1 positions in
- Brazil, Russia, India, China, 
- Mexico, Chile, Colombia, Costa Rica, Peru, Venezuela, Egypt, 
- Morocco, Hungary, Poland, 
- Slovakia, Turkey, etc.

Average adjusted operating margin in emerging countries in line with group average

Drivers for medium-term profitable growth
Promising Opportunities for Electrical and Digital Building Infrastructures

Opportunities for today

Energy efficiency
Buildings alone account for 40% of all energy used.

Communication & connectivity
Growing needs in digital infrastructures.

Opportunities for tomorrow

Ageing of the population
4-fold increase in world population over 80 in slightly more than one generation (1)

1. Source: UN
Energy Efficiency – A Comprehensive Offering
Addressing All Needs in Buildings

Temperature management
Up to 12% savings on heating.

Solar-cell protection & mgmt
Secured operation of commercial and residential solar installations.

Consumption monitoring
Energy consumption display system: up to 15% savings.

Living scenarios
Up to 10% savings on energy consumption.

Energy distribution
Programmable switches: up to 12% savings on heating.

Shutter management
Savings of up to 10% on heating and 80% on air-conditioning

Lighting management
Automatic switches: up to 55% savings on lighting costs.

Airtight flush-mounting boxes
Up to 7 kWh/m² savings per year, return on investment within 2 years.
Energy Efficiency – A Comprehensive Offering
Addressing All Needs in Buildings

Drivers for medium-term profitable growth

Compensation of reactive energy
Savings:
- €1,128 per year
- 1.6 T of CO₂ per year
- ROI within 2 years

Transformers
Savings:
- €540 per year
- 816 kg of CO₂ per year
- ROI within 5 years

Network analyzers
Energy quality fueling energy performance

Measurement devices
Savings:
- €799 per year
- 1,000 kg of CO₂ per year
- ROI within 16 months

Time switches
Savings:
- €500 per year
- 760 kg of CO₂ per year
- ROI within 4 years

Savings:
- €500 per year
- 760 kg of CO₂ per year
- ROI within 4 years
Energy Efficiency – Bright Prospects and a Rising Contribution

Sales of energy efficient solutions as % of total sales

1999: 3.0%  
2009: 6.4%  
CAGR 13%
Communication and Connectivity – A Comprehensive Offering Addressing All Needs in Building

**Communication**
- Phone and data networks, door entry system, IP protocol, etc.

**Safety**
- Access control, CCTV, alarm, etc.

**Connectivity**
- Fiber optic or copper high-performance connectors

**Metering**
- Measuring and monitoring energy consumption.

**Infrastructure**
- Centralized control of installations and networks.

Drivers for medium-term profitable growth

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Communication and Connectivity – Bright Prospects and a Rising Contribution

Sales of digital infrastructures as % of total group sales

- CAGR 9%
- 1999: 8%
- 2009: 13%(1)

1. 22% including home systems, smart lighting management etc.

Drivers for medium-term profitable growth
Ageing of World Population – Addressing Future Needs

- Preventing falls
  - Lighting path
  - Luminous switch
  - Automatic switch
- Preventing home risks
  - Gas detector
  - Smoke detector
  - Flood detector
- Hand-free monitoring
  - Contactless switch
  - Hand-free door entry system
  - Easy-fit socket
- Remote communication
  - Door entry system with teleloop
  - Remote assistance control
  - Video control

1 In partnership with a third party company
Appendices
## 2010 First Quarter – Net Sales by Destination (1)

<table>
<thead>
<tr>
<th>Region</th>
<th>Q1 2009 (€M)</th>
<th>Q1 2010 (€M)</th>
<th>Total Change</th>
<th>Scope of Consolidation</th>
<th>Like-for-Like Growth</th>
<th>Currency Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>235.9</td>
<td>226.5</td>
<td>-4.0%</td>
<td>-0.1%</td>
<td>-3.9%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Italy</td>
<td>161.6</td>
<td>160.2</td>
<td>-0.9%</td>
<td>0.0%</td>
<td>-0.9%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>183.6</td>
<td>172.5</td>
<td>-6.0%</td>
<td>0.7% (2)</td>
<td>-8.8%</td>
<td>2.3%</td>
</tr>
<tr>
<td>USA/Canada</td>
<td>130.8</td>
<td>125.1</td>
<td>-4.4%</td>
<td>-0.1%</td>
<td>1.4%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>Rest of the World</td>
<td>189.5</td>
<td>227.4</td>
<td>20.0%</td>
<td>0.3%</td>
<td>15.7%</td>
<td>3.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>901.4</strong></td>
<td><strong>911.7</strong></td>
<td><strong>1.1%</strong></td>
<td><strong>0.2%</strong></td>
<td><strong>0.5%</strong></td>
<td><strong>0.4%</strong></td>
</tr>
</tbody>
</table>

1. Market where sales are recorded
2. Due to first consolidation of entities
## 2010 First Quarter – Net Sales by Origin (1)

<table>
<thead>
<tr>
<th>(€M)</th>
<th>Q1 2009</th>
<th>Q1 2010</th>
<th>Total Change</th>
<th>Scope of Consolidation</th>
<th>Like-for-Like Growth</th>
<th>Currency Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>260.0</td>
<td>253.7</td>
<td>-2.4%</td>
<td>0.4%</td>
<td>-2.8%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Italy</td>
<td>173.4</td>
<td>168.7</td>
<td>-2.7%</td>
<td>-0.2%</td>
<td>-2.5%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>170.4</td>
<td>166.1</td>
<td>-2.5%</td>
<td>2.4%&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>-7.0%</td>
<td>2.4%</td>
</tr>
<tr>
<td>USA/Canada</td>
<td>132.5</td>
<td>128.4</td>
<td>-3.1%</td>
<td>0.1%</td>
<td>2.7%</td>
<td>-5.7%</td>
</tr>
<tr>
<td>Rest of the World</td>
<td>165.1</td>
<td>194.8</td>
<td>18.0%</td>
<td>-1.8%</td>
<td>15.4%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Total</td>
<td>901.4</td>
<td>911.7</td>
<td>1.1%</td>
<td>0.2%</td>
<td>0.5%</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

1. Zone of origin of the product sold
2. Due to first consolidation of entities
## Reconciliation of Cash-Flow From Operations with Net Profit

<table>
<thead>
<tr>
<th>In € millions</th>
<th>Q1 2009</th>
<th>Q1 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Profit</strong></td>
<td>56.7</td>
<td>90.9</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>47.9</td>
<td>45.0</td>
</tr>
<tr>
<td>Change in other non-current assets and liabilities and deferred tax</td>
<td>(1.0)</td>
<td>0.9</td>
</tr>
<tr>
<td>Exchange (gains)/losses net</td>
<td>3.3</td>
<td>17.5</td>
</tr>
<tr>
<td>(Gains)/losses on fixed asset disposals and sales of securities</td>
<td>(3.2)</td>
<td>0.2</td>
</tr>
<tr>
<td>Other Adjustments</td>
<td>(0.4)</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Cash flow from operations</strong></td>
<td>103.3</td>
<td>155.4</td>
</tr>
</tbody>
</table>
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