



2014 Half-Year Results

July 31, 2014

AGENDA

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2 ROBUST H1 2014 ACHIEVEMENTS

3 2014 TARGETS CONFIRMED

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HIGHLIGHTS

HIGHLIGHTS

□ Change in net sales

- Acquisition-driven growth: +2.6%
- Organic⁽¹⁾ growth: +1.3%
- ↳ Growth excluding exchange-rate effect: +3.9%

□ Profitability and free cash flow

- Adjusted operating margin: 20.6% excluding acquisitions⁽²⁾ (20.4% including acquisitions)
- Normalized⁽³⁾ free cash flow: 14.1% of sales

□ 2014 targets confirmed⁽⁴⁾

1. *Organic: at constant scope of consolidation and exchange rates*

2. *At 2013 scope of consolidation*

3. *Based on a working capital requirement representing 10% of the last 12 months' sales, and whose change at constant scope of consolidation and exchange rates is adjusted for the half year.*

Normalized free cash flow expected to be between 12% and 13% of sales for 2014 full year, taking into account usual seasonality

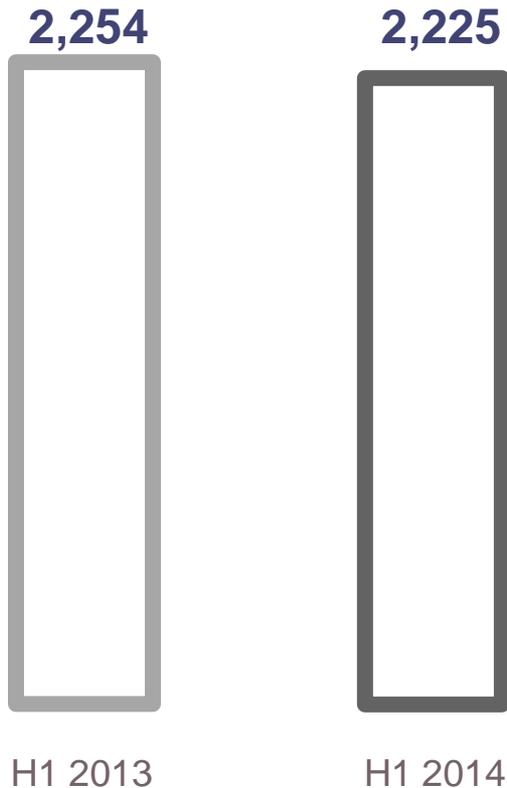
4. *Based on solid first-half achievements, in an industry with no order book and assuming no major economic worsening*

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**ROBUST
H1 2014 ACHIEVEMENTS**

H1 2014 CHANGE IN NET SALES

€ millions



- **External growth: +2.6%**
 - **Organic⁽¹⁾ growth: +1.3%**
 - New economies: +4.2%
 - USA/Canada: +0.9%
 - Other mature countries: -1.0%
 - **Exchange rates: -5.0%**

Note: H2 2014 exchange-rate effect anticipated at around -1%⁽²⁾ based on average exchange rates observed in June 2014
 - **Total growth: -1.3%**
- } +3.9%

1. Organic: at constant scope of consolidation and exchange rates

2. Taking into account the exchange-rate impact observed in the first half of 2014 and applying average exchange rates observed in June 2014 to the rest of the year, the full-year exchange-rate impact would come to around -3% , i.e., H1 at -5.0% and H2 at around -1%.

The -3.5% full-year exchange-rate impact mentioned on May 7, 2014 was calculated taking into account the exchange-rate impact observed in the first quarter of 2014 and applying average exchange rates observed in April 2014 to the rest of the year.

H1 2014 ORGANIC⁽¹⁾ CHANGE IN NET SALES BY GEOGRAPHICAL REGION (1/2)

France

- -2.0% organic⁽¹⁾ change in sales
- Continued resilience in renovation activities
- Good performances in energy distribution, Voice-Data-Image solutions and assisted living

Italy

- -5.6% organic⁽¹⁾ change in sales
- 5-point improvement vs -10.6% in H1 2013 generated as follows:
 - around 4 points from a slower decline in sell-out: -4%⁽²⁾ in H1 2014 vs -8%⁽²⁾ in H1 2013
 - around 1 point from a reduction in distributor destocking effect: 2 points⁽²⁾ in H1 2014 vs 3 points⁽²⁾ in H1 2013

1. Organic: at constant scope of consolidation and exchange rates

2. Estimate

ROBUST
H1 2014
ACHIEVEMENTS

H1 2014 ORGANIC⁽¹⁾ CHANGE IN NET SALES BY GEOGRAPHICAL REGION (2/2)

Rest of Europe

- +6.1% organic⁽¹⁾ growth
- Good performances in many countries including:
 - Germany, the Netherlands,
 - Portugal, Spain,
 - Turkey, Hungary and Romania
- Very different basis for comparison effects between Q1 and Q2⁽²⁾

USA/Canada

- +0.9% organic⁽¹⁾ growth
- As expected, high basis for comparison in H1 (H1 2013: +8.0%)
- Good showings in wiring devices, Voice-Data-Image and highly energy-efficient lighting control
- Different basis for comparison effects between Q1 and Q2⁽³⁾

Rest of the World

- +3.6% organic⁽¹⁾ growth
- Strong growth in many new economies including:
 - Asia, including China, India, Malaysia
 - Africa/Middle East, including South Africa, United Arab Emirates
 - Latin America, including Colombia and Peru

1. *Organic: at constant scope of consolidation and exchange rates*

2. *With the basis for comparison lower in the first quarter (Q1 2013 -5.1%) than in the second (Q2 2013 +0.4%) there was mechanically a +5.5-point growth differential between the two quarters in favor of the first quarter. See page 15 for impact at group level.*

3. *With the basis for comparison lower in the first quarter (Q1 2013 +6.7%) than in the second (Q2 2013 +9.3%) there was mechanically a +2.6-point growth differential between the two quarters in favor of the first quarter. See page 15 for impact at group level.*

ADJUSTED⁽¹⁾ OPERATING MARGIN

H1 2013	adjusted operating margin	20.3%
	Performance at constant scope of consolidation	+0.3pt
	✓ Ongoing investments to fuel growth in expanding activities	
	✓ Solid fundamentals	
	✓ Organic growth leverage	
	✓ Continued adaptation and productivity initiatives	
H1 2014	adjusted operating margin before acquisitions⁽²⁾	20.6%
	Impact of acquisitions	-0.2pt ⁽³⁾
H1 2014	adjusted operating margin	20.4%

1. Operating income adjusted for amortization of revaluation of intangible assets at the time of acquisitions and for expense/income relating to acquisitions (€15.4 million in H1 2013 and €16.9 million in H1 2014) and, where applicable, for impairment of goodwill (€0 in H1 2013 and H1 2014)

2. At 2013 scope of consolidation

3. Based on acquisitions already announced, -0.2pt impact on adjusted operating margin for H1 2014 only and around -0.3pt expected for the full year of 2014

FREE CASH FLOW GENERATION

- Robust cash flow from operations:
€366m, i.e., 16.5% of sales

- Good control of capital employed
 - Capex as % of sales: -0.1pt vs. H1 2013
 - WCR as % of sales: +0.1pt vs. H1 2013



1. Based on a working capital requirement representing 10% of the last 12 months' sales, and whose change at constant scope of consolidation and exchange rates is adjusted for the half year.
Normalized free cash flow expected to be between 12% and 13% of sales for 2014 full year, taking into account usual seasonality

NET INCOME⁽¹⁾

H1 2014 net income as % of sales

12.2%

vs. 12.0% in H1 2013

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**2014 TARGETS
CONFIRMED**

2014 TARGETS CONFIRMED

Based on solid first-half achievements, in an industry with no order book and assuming no major economic worsening,

Legrand confirms its 2014 targets for:

- organic⁽¹⁾ growth in sales at between 0% and +3%,
- adjusted operating margin before acquisitions⁽²⁾ of between 19.8% and 20.2% of sales.

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

1. *Organic: at constant scope of consolidation and exchange rates*

2. *At 2013 scope of consolidation*

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APPENDICES

**OVERALL H1 2014 PERFORMANCE IS MEANINGFUL:
SWINGS IN THE BASIS FOR COMPARISON FROM Q1 TO Q2
ARE OFFSET OVER THE HALF YEAR**

□ **Rest of Europe**

- Q1 2013: -5.1%
- Q2 2013: +0.4%
- ↳ +5.5pts of mechanical growth differential in favor of Q1
- 17.5% of group sales

$$\begin{array}{r}
 +5.5\text{pts} \\
 \times \\
 17.5\% \\
 = \\
 \mathbf{+1\text{pt}}
 \end{array}$$

□ **USA/Canada**

- Q1 2013: +6.7%
- Q2 2013: +9.3%
- ↳ +2.6pts of mechanical growth differential in favor of Q1
- 17.1% of group sales

$$\begin{array}{r}
 + \\
 +2.6\text{pts} \\
 \times \\
 17.1\% \\
 = \\
 \mathbf{+0.4\text{pt}}
 \end{array}$$

□ **Mechanical growth differential between Q1 and Q2 in favor of Q1 at group level**

+1.4pt

INNOVATION NUMEROUS NEW-PRODUCT LAUNCHES



Archimod HE
Modular UPS
(World)



DRX
MCCB
(China)



E-Refresh
Wiring devices
(China)



Solida
Wiring devices
(Egypt)



Keor HP
3-phase UPS
(World)



RX3
MCB
(Poland)



E-Fren
Wiring devices
(South Korea)



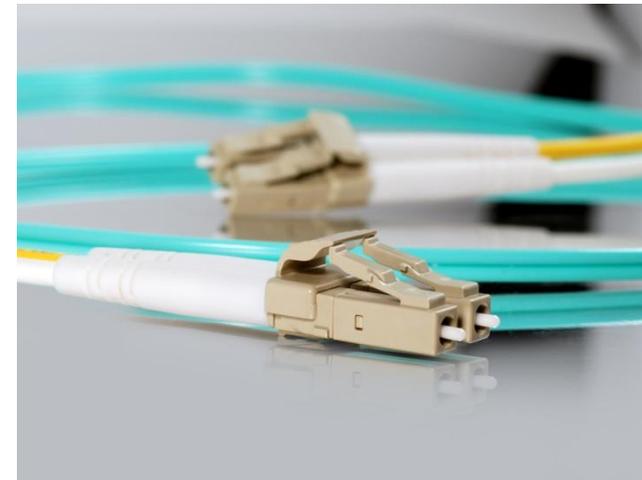
GWO Snap-on
Perimeter trunking
(Netherlands)

ACQUISITIONS

LASTAR INC. (ANNOUNCED IN FEBRUARY 2014)



- US frontrunner in pre-terminated solutions for Voice-Data-Image and Audio/Video networks
- Around \$130m annual sales, of which 95% in the US
- Strong brand awareness and access to specialized distribution in the US (VDI, IT, web)
- Around 1,000 employees in total



- Ideal fit with Legrand's US offering in structured VDI cabling with its Ortronics brand
- Reinforcing Legrand's positions in VDI and A/V markets in the US and in growing verticals such as data centers



ACQUISITIONS

NEAT⁽¹⁾ (ANNOUNCED IN FEBRUARY 2014)

- Spain's leader in assisted living and a major player in this market Europe-wide
- Annual revenues of over €15 million
- 90 employees



- Ideal complement to Legrand's existing offer in assisted living
- Legrand becomes #2 in Europe in this field



ACQUISITIONS SJ MANUFACTURING (ANNOUNCED IN MAY 2014)

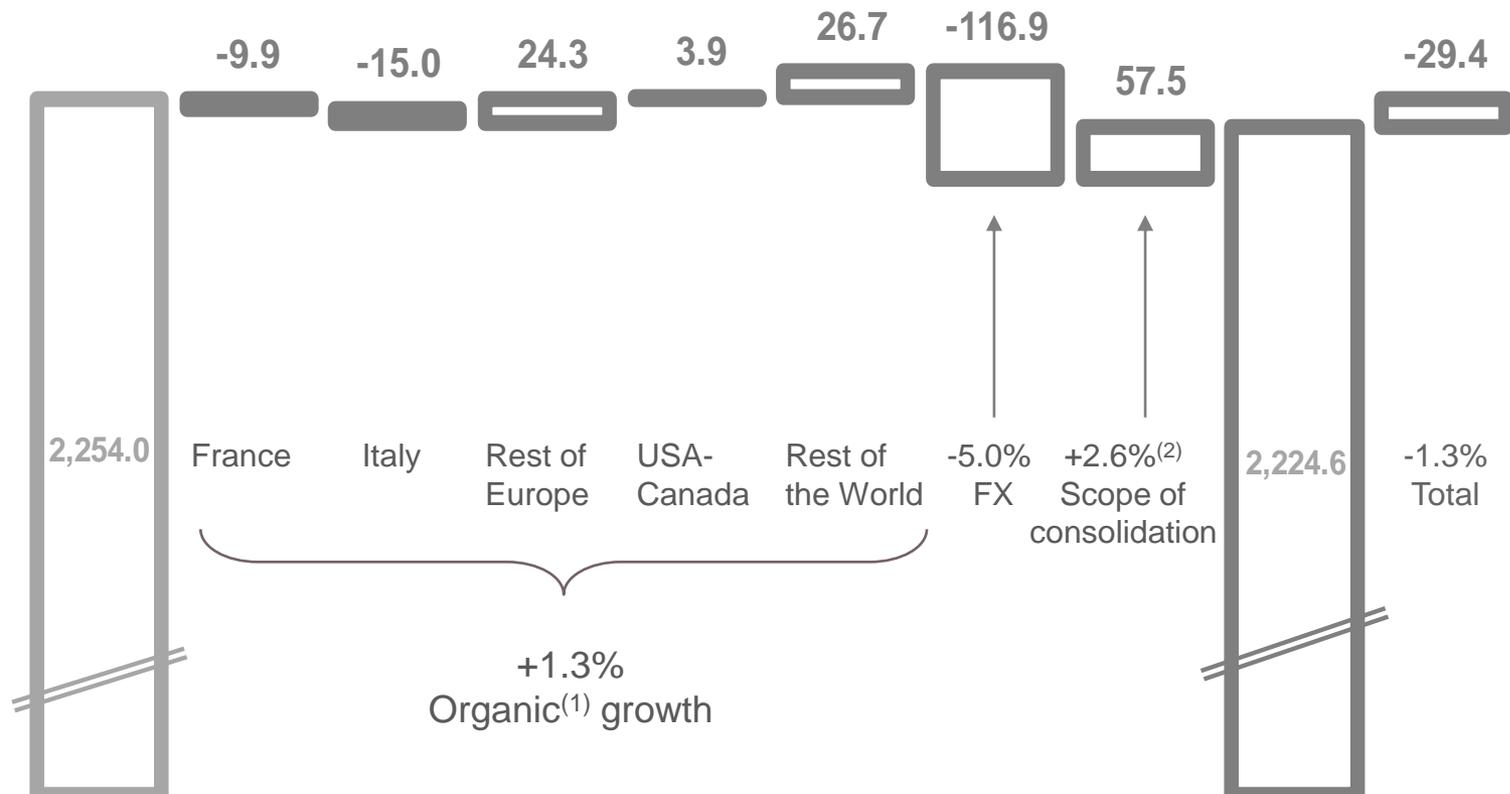


- Singaporean frontrunner in racks, Voice-Data-Image cabinets and related products for data centers
- Annual revenues of nearly €10 million
- 130 employees

- Ideal complement in South-East Asia to Legrand's existing offer for data centers
- Strengthening positions in digital infrastructures

CHANGE IN NET SALES

Breakdown of change in 2014 first-half net sales by destination (€m)



1. Organic: at constant scope of consolidation and exchange rates
2. Due to the consolidation of Seico, S2S, Adlec, Tynetec and Lastar

2014 FIRST HALF – NET SALES BY DESTINATION⁽¹⁾

In € millions	H1 2013	H1 2014	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
France	481.7	481.6	0.0%	2.1%	-2.0%	0.0%
Italy	270.4	255.2	-5.6%	0.0%	-5.6%	0.0%
Rest of Europe	394.3	401.5	1.8%	2.3%	6.1%	-6.1%
USA/Canada	385.5	398.4	3.3%	6.9%	0.9%	-4.2%
Rest of the World	722.1	687.9	-4.7%	1.7%	3.6%	-9.6%
Total	2,254.0	2,224.6	-1.3%	2.6%	1.3%	-5.0%

2014 FIRST QUARTER – NET SALES BY DESTINATION⁽¹⁾

In € millions	Q1 2013	Q1 2014	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
France	241.7	242.4	0.3%	2.3%	-1.9%	0.0%
Italy	142.0	132.6	-6.6%	0.0%	-6.6%	0.0%
Rest of Europe	191.7	203.3	6.1%	2.4%	11.1%	-6.8%
USA/Canada	181.6	178.7	-1.6%	0.2%	1.9%	-3.7%
Rest of the World	335.9	327.3	-2.6%	5.8%	3.0%	-10.6%
Total	1,092.9	1,084.3	-0.8%	2.7%	2.0%	-5.3%

1. Market where sales are recorded

2014 SECOND QUARTER – NET SALES BY DESTINATION⁽¹⁾

In € millions	Q2 2013	Q2 2014	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
France	240.1	239.2	-0.4%	1.8%	-2.1%	0.0%
Italy	128.4	122.6	-4.5%	-0.1%	-4.5%	0.0%
Rest of Europe	202.5	198.2	-2.1%	2.2%	1.3%	-5.4%
USA/Canada	203.9	219.7	7.7%	12.9%	0.2%	-4.7%
Rest of the World	386.2	360.6	-6.6%	-1.9%	4.2%	-8.7%
Total	1,161.1	1,140.3	-1.8%	2.4%	0.7%	-4.7%

2014 FIRST HALF – NET SALES BY ORIGIN⁽¹⁾

In € millions	H1 2013	H1 2014	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
France	539.9	539.4	-0.1%	2.0%	-2.0%	0.0%
Italy	289.1	276.5	-4.4%	0.0%	-4.4%	0.0%
Rest of Europe	384.8	393.0	2.1%	2.2%	6.8%	-6.4%
USA/Canada	392.5	407.6	3.8%	6.9%	1.4%	-4.2%
Rest of the World	647.7	608.1	-6.1%	1.7%	3.2%	-10.6%
Total	2,254.0	2,224.6	-1.3%	2.6%	1.3%	-5.0%

1. Zone of origin of the product sold

2014 FIRST QUARTER – NET SALES BY ORIGIN⁽¹⁾

In € millions	Q1 2013	Q1 2014	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
France	268.7	270.7	0.7%	2.3%	-1.5%	0.0%
Italy	151.7	143.4	-5.5%	0.0%	-5.5%	0.0%
Rest of Europe	187.5	199.1	6.2%	2.7%	11.4%	-7.2%
USA/Canada	185.0	181.9	-1.7%	0.0%	2.0%	-3.7%
Rest of the World	300.0	289.2	-3.6%	6.3%	2.7%	-11.7%
Total	1,092.9	1,084.3	-0.8%	2.7%	2.0%	-5.3%

2014 SECOND QUARTER – NET SALES BY ORIGIN⁽¹⁾

In € millions	Q2 2013	Q2 2014	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
France	271.2	268.7	-0.9%	1.7%	-2.6%	0.0%
Italy	137.4	133.1	-3.1%	0.0%	-3.1%	0.0%
Rest of Europe	197.3	193.9	-1.7%	1.7%	2.4%	-5.6%
USA/Canada	207.5	225.7	8.8%	13.1%	0.9%	-4.7%
Rest of the World	347.7	318.9	-8.3%	-2.3%	3.7%	-9.5%
Total	1,161.1	1,140.3	-1.8%	2.4%	0.7%	-4.7%

2014 FIRST HALF – P&L

In € millions	H1 2013	H1 2014	% change
Net sales	2,254.0	2,224.6	-1.3%
Gross profit	1,175.5	1,154.1	-1.8%
<i>as % of sales</i>	52.2%	51.9%	
Adjusted⁽¹⁾ operating profit	457.5	453.3	-0.9%
<i>as % of sales</i>	20.3%	20.4% ⁽²⁾	
Amortization and expense/income related to acquisitions	(15.4)	(16.9)	
Operating profit	442.1	436.4	-1.3%
<i>as % of sales</i>	19.6%	19.6%	
Financial income (costs)	(39.6)	(38.1)	
Exchange gains (losses)	(6.1)	(0.1)	
Income-tax expense	(125.2)	(125.6)	
Profit	271.2	272.6	+0.5%
Profit excluding minority interests	269.8	271.5	+0.6%

1. Operating income adjusted for amortization of revaluation of intangible assets at the time of acquisitions and for expense/income, relating to acquisitions (€15.4 million in H1 2013 and €16.9 million in H1 2014) and, where applicable, for impairment of goodwill (€0 in H1 2013 and H1 2014)

2. 20.6% excluding acquisitions (at 2013 scope of consolidation)

2014 FIRST QUARTER – P&L

In € millions	Q1 2013	Q1 2014	% change
Net sales	1,092.9	1,084.3	-0.8%
Gross profit	567.4	566.7	-0.1%
<i>as % of sales</i>	51.9%	52.3%	
Adjusted⁽¹⁾ operating profit	216.1	218.9	+1.3%
<i>as % of sales</i>	19.8%	20.2% ⁽²⁾	
Amortization and expense/income related to acquisitions	(7.5)	(8.0)	
Operating profit	208.6	210.9	+1.1%
<i>as % of sales</i>	19.1%	19.5%	
Financial income (costs)	(19.8)	(18.7)	
Exchange gains (losses)	(3.9)	(0.5)	
Income-tax expense	(60.1)	(61.5)	
Profit	124.8	130.2	+4.3%
Profit excluding minority interests	124.5	129.5	+4.0%

1. Operating income adjusted for amortization of revaluation of intangible assets at the time of acquisitions and for expense/income, relating to acquisitions (€7.5 million in Q1 2013 and €8.0 million in Q1 2014) and, where applicable, for impairment of goodwill (€0 in Q1 2013 and Q1 2014)

2. 20.4% excluding acquisitions (at 2013 scope of consolidation)

2014 SECOND QUARTER – P&L

In € millions	Q2 2013	Q2 2014	% change
Net sales	1,161.1	1,140.3	-1.8%
Gross profit	608.1	587.4	-3.4%
<i>as % of sales</i>	52.4%	51.5%	
Adjusted⁽¹⁾ operating profit	241.4	234.4	-2.9%
<i>as % of sales</i>	20.8%	20.6% ⁽²⁾	
Amortization and expense/income related to acquisitions	(7.9)	(8.9)	
Operating profit	233.5	225.5	-3.4%
<i>as % of sales</i>	20.1%	19.8%	
Financial income (costs)	(19.8)	(19.4)	
Exchange gains (losses)	(2.2)	0.4	
Income-tax expense	(65.1)	(64.1)	
Profit	146.4	142.4	-2.7%
Profit excluding minority interests	145.3	142.0	-2.3%

1. Operating income adjusted for amortization of revaluation of intangible assets at the time of acquisitions and for expense/income, relating to acquisitions (€7.9 million in Q2 2013 and €8.9 million in Q2 2014) and, where applicable, for impairment of goodwill (€0 in Q2 2013 and Q2 2014)

2. 20.9% excluding acquisitions (at 2013 scope of consolidation)

2014 FIRST HALF – ADJUSTED OPERATING PROFIT BEFORE AND AFTER OTHER OPERATING INCOME (EXPENSE) BY GEOGRAPHICAL REGION

APPENDICES

H1 2014 (in € millions)	France	Italy	Rest of Europe	USA/ Canada	Rest of the World	Total
Net sales	539.4	276.5	393.0	407.6	608.1	2,224.6
Cost of sales	(194.1)	(99.9)	(223.2)	(202.8)	(350.5)	(1,070.5)
Administrative and selling expenses, R&D costs	(207.8)	(83.1)	(99.7)	(140.0)	(167.2)	(697.8)
Reversal of acquisition-related amortization, expense and income accounted for in administrative and selling expenses, R&D costs	(3.2)	0.0	(1.3)	(5.4)	(7.0)	(16.9)
Adjusted operating profit before other operating income (expense)	140.7	93.5	71.4	70.2	97.4	473.2
as % of sales	26.1%	33.8%	18.2%	17.2%	16.0%	21.3%
Other operating income (expense)	(2.0)	(0.3)	(4.9)	(4.0)	(8.7)	(19.9) ⁽¹⁾
Reversal of acquisition-related amortization, expense and income accounted for in other operating income (expense)	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted operating profit	138.7	93.2	66.5	66.2	88.7	453.3
as % of sales	25.7%	33.7%	16.9%	16.2%	14.6%	20.4%

1. Restructuring (€10.9m) and other miscellaneous items (€9.0m)

2013 FIRST HALF – ADJUSTED OPERATING PROFIT BEFORE AND AFTER OTHER OPERATING INCOME (EXPENSE) BY GEOGRAPHICAL REGION

APPENDICES

H1 2013 (in € millions)	France	Italy	Rest of Europe	USA/ Canada	Rest of the World	Total
Net sales	539.9	289.1	384.8	392.5	647.7	2,254.0
Cost of sales	(195.2)	(100.5)	(222.9)	(195.0)	(364.9)	(1,078.5)
Administrative and selling expenses, R&D costs	(205.5)	(86.6)	(100.5)	(134.7)	(174.2)	(701.5)
Reversal of acquisition-related amortization, expense and income accounted for in administrative and selling expenses, R&D costs	(2.3)	0.0	(1.4)	(5.0)	(6.7)	(15.4)
Adjusted operating profit before other operating income (expense)	141.5	102.0	62.8	67.8	115.3	489.4
as % of sales	26.2%	35.3%	16.3%	17.3%	17.8%	21.7%
Other operating income (expense)	(8.3)	(2.8)	(3.3)	(6.7)	(10.8)	(31.9) ⁽¹⁾
Reversal of acquisition-related amortization, expense and income accounted for in other operating income (expense)	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted operating profit	133.2	99.2	59.5	61.1	104.5	457.5
as % of sales	24.7%	34.3%	15.5%	15.6%	16.1%	20.3%

1. Restructuring (€8.9m) and other miscellaneous items (€23.0m)

2014 FIRST QUARTER – ADJUSTED OPERATING PROFIT BEFORE AND AFTER OTHER OPERATING INCOME (EXPENSE) BY GEOGRAPHICAL REGION

APPENDICES

Q1 2014 (in € millions)	France	Italy	Rest of Europe	USA/ Canada	Rest of the World	Total
Net sales	270.7	143.4	199.1	181.9	289.2	1,084.3
Cost of sales	(96.8)	(50.4)	(111.9)	(92.1)	(166.4)	(517.6)
Administrative and selling expenses, R&D costs	(106.8)	(42.1)	(48.9)	(64.5)	(80.6)	(342.9)
Reversal of acquisition-related amortization, expense and income accounted for in administrative and selling expenses, R&D costs	(1.7)	0.0	(0.6)	(2.6)	(3.1)	(8.0)
Adjusted operating profit before other operating income (expense)	68.8	50.9	38.9	27.9	45.3	231.8
as % of sales	25.4%	35.5%	19.5%	15.3%	15.7%	21.4%
Other operating income (expense)	(5.0)	0.5	(2.3)	(0.9)	(5.2)	(12.9) ⁽¹⁾
Reversal of acquisition-related amortization, expense and income accounted for in other operating income (expense)	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted operating profit	63.8	51.4	36.6	27.0	40.1	218.9
as % of sales	23.6%	35.8%	18.4%	14.8%	13.9%	20.2%

1. Restructuring (€4.0m) and other miscellaneous items (€8.9m)

2013 FIRST QUARTER – ADJUSTED OPERATING PROFIT BEFORE AND AFTER OTHER OPERATING INCOME (EXPENSE) BY GEOGRAPHICAL REGION

APPENDICES

Q1 2013 (in € millions)	France	Italy	Rest of Europe	USA/ Canada	Rest of the World	Total
Net sales	268.7	151.7	187.5	185.0	300.0	1,092.9
Cost of sales	(97.8)	(54.3)	(108.9)	(93.3)	(171.2)	(525.5)
Administrative and selling expenses, R&D costs	(104.4)	(44.6)	(50.7)	(65.6)	(83.2)	(348.5)
Reversal of acquisition-related amortization, expense and income accounted for in administrative and selling expenses, R&D costs	(0.9)	0.0	(0.9)	(2.4)	(3.3)	(7.5)
Adjusted operating profit before other operating income (expense)	67.4	52.8	28.8	28.5	48.9	226.4
as % of sales	25.1%	34.8%	15.4%	15.4%	16.3%	20.7%
Other operating income (expense)	(4.5)	0.2	(1.6)	(0.4)	(4.0)	(10.3) ⁽¹⁾
Reversal of acquisition-related amortization, expense and income accounted for in other operating income (expense)	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted operating profit	62.9	53.0	27.2	28.1	44.9	216.1
as % of sales	23.4%	34.9%	14.5%	15.2%	15.0%	19.8%

1. Restructuring (€3.9m) and other miscellaneous items (€6.4m)

2014 SECOND QUARTER – ADJUSTED OPERATING PROFIT BEFORE AND AFTER OTHER OPERATING INCOME (EXPENSE) BY GEOGRAPHICAL REGION

APPENDICES

Q2 2014 (in € millions)	France	Italy	Rest of Europe	USA/ Canada	Rest of the World	Total
Net sales	268.7	133.1	193.9	225.7	318.9	1,140.3
Cost of sales	(97.3)	(49.5)	(111.3)	(110.7)	(184.1)	(552.9)
Administrative and selling expenses, R&D costs	(101.0)	(41.0)	(50.8)	(75.5)	(86.6)	(354.9)
Reversal of acquisition-related amortization, expense and income accounted for in administrative and selling expenses, R&D costs	(1.5)	0.0	(0.7)	(2.8)	(3.9)	(8.9)
Adjusted operating profit before other operating income (expense)	71.9	42.6	32.5	42.3	52.1	241.4
as % of sales	26.8%	32.0%	16.8%	18.7%	16.3%	21.2%
Other operating income (expense)	3.0	(0.8)	(2.6)	(3.1)	(3.5)	(7.0) ⁽¹⁾
Reversal of acquisition-related amortization, expense and income accounted for in other operating income (expense)	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted operating profit	74.9	41.8	29.9	39.2	48.6	234.4
as % of sales	27.9%	31.4%	15.4%	17.4%	15.2%	20.6%

1. Restructuring (€6.9m) and other miscellaneous items (€0.1m)

2013 SECOND QUARTER – ADJUSTED OPERATING PROFIT BEFORE AND AFTER OTHER OPERATING INCOME (EXPENSE) BY GEOGRAPHICAL REGION

APPENDICES

Q2 2013 (in € millions)	France	Italy	Rest of Europe	USA/ Canada	Rest of the World	Total
Net sales	271.2	137.4	197.3	207.5	347.7	1,161.1
Cost of sales	(97.4)	(46.2)	(114.0)	(101.7)	(193.7)	(553.0)
Administrative and selling expenses, R&D costs	(101.1)	(42.0)	(49.8)	(69.1)	(91.0)	(353.0)
Reversal of acquisition-related amortization, expense and income accounted for in administrative and selling expenses, R&D costs	(1.4)	0.0	(0.5)	(2.6)	(3.4)	(7.9)
Adjusted operating profit before other operating income (expense)	74.1	49.2	34.0	39.3	66.4	263.0
as % of sales	27.3%	35.8%	17.2%	18.9%	19.1%	22.7%
Other operating income (expense)	(3.8)	(3.0)	(1.7)	(6.3)	(6.8)	(21.6) ⁽¹⁾
Reversal of acquisition-related amortization, expense and income accounted for in other operating income (expense)	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted operating profit	70.3	46.2	32.3	33.0	59.6	241.4
as % of sales	25.9%	33.6%	16.4%	15.9%	17.1%	20.8%

1. Restructuring (€5.0m) and other miscellaneous items (€16.6m)

2014 FIRST HALF – RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT

In € millions	H1 2013	H1 2014
Profit	271.2	272.6
Depreciation & amortization	83.5	78.8
Change in other non-current assets and liabilities and deferred tax	8.8	9.3
Exchange (gains)/losses net	5.3	4.7
(Gains)/losses on sales of assets, net	(2.2)	0.6
Other adjustments	0.1	0.3
Cash flow from operations	366.7	366.3

2014 FIRST HALF – RECONCILIATION OF FREE CASH FLOW AND NORMALIZED FREE CASH FLOW WITH CASH FLOW FROM OPERATIONS

In € millions	H1 2013	H1 2014
Cash flow from operations ⁽¹⁾	366.7	366.3
as % of sales	16.3%	16.5%
Change in working capital requirement	(151.3)	(132.9)
Net cash provided by operating activities	215.4	233.4
as % of sales	9.6%	10.5%
Capital expenditures (including capitalized R&D)	(53.7)	(50.3)
Net proceeds of sales of fixed assets	3.0	0.8
Free cash flow	164.7	183.9
as % of sales	7.3%	8.3%
Change in working capital requirement	(151.3)	(132.9)
Change in normalized working capital requirement	0.5	(2.8)
Normalized ⁽²⁾ free cash flow	316.5	314.0
as % of sales	14.0%	14.1%

1. Cash flow from operations is defined as the sum of net cash from operating activities and change in working capital requirement.

2. Based on a working capital requirement representing 10% of the last 12 months' sales, and whose change at constant scope of consolidation and exchange rates is adjusted for the half year (H1 2013 reported figures unadjusted for the half year: €316.9 million and 14.1%). Normalized free cash flow expected to be between 12% and 13% of sales for 2014 full year, taking into account usual seasonality.

SCOPE OF CONSOLIDATION

2013	Q1	H1	9M	FY
Daneva	Balance sheet only	6 months	9 months	12 months
Seico	Balance sheet only	5 months	8 months	11 months
S2S		Balance sheet only	Balance sheet only	8 months
Adlec			Balance sheet only	5 months
Tynetec			Balance sheet only	5 months

2014	Q1	H1	9M	FY
Daneva	3 months	6 months	9 months	12 months
Seico	3 months	6 months	9 months	12 months
S2S	3 months	6 months	9 months	12 months
Adlec	3 months	6 months	9 months	12 months
Tynetec	3 months	6 months	9 months	12 months
Lastar	Balance sheet only	3 months	6 months	9 months
Neat	Balance sheet only	Balance sheet only	To be determined	To be determined
SJ Manufacturing		Balance sheet only	To be determined	To be determined

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