



LEGRAND INVESTOR DAY

July 3, 2014 – Afternoon

INVESTOR DAY – AGENDA

- **Introduction** 10:30 AM – 10:50 AM
Gilles Schnepp, Chairman and CEO
- **Further enhancing Legrand’s growth potential** 10:50 AM – 11:35 AM
Benoît Coquart, Executive Vice President—Strategy and Development
- **Megatrends boosting growth and innovation** 11:35 AM – 12:20 PM
Fabrizio Fabrizi, Executive Vice President—Innovation and Systems
- **Towards a multipolar organization** 12:20 PM – 1:05 PM
Patrice Soudan, Deputy CEO and COO
- **Value creation management** 1:05 PM – 1:15 PM
Antoine Burel, Executive Vice President—CFO
- Lunch break* 1:15 PM – 2:15 PM
- **Legrand’s international development model** 2:15 PM – 3:00 PM
Frédéric Xerri, Executive Vice President—Export
- **Business innovations in France** 3:00 PM – 3:45 PM
Bruno Barlet, Executive Vice President—France
- **North America** 3:45 PM – 4:30 PM
John Selldorff, President and CEO—Legrand North America
- **Final Q&A and wrap-up** 4:30 PM – 4:55 PM



Investor Day – July 3, 2014

LEGRAND'S INTERNATIONAL DEVELOPMENT MODEL

Frédéric Xerri – Executive VP Export



AGENDA

- 1 PHASE 1 → CREATION OF AN ANCHOR POINT
- 2 PHASE 2 → ENLARGEMENT TO NEW PRODUCTS OR CHANNELS
- 3 PHASE 3 → SATURATION OF EXISTING DISTRIBUTION CHANNELS
- 4 PHASE 4 → LEVERAGING OFFER IN COMPLEMENTARY CHANNELS
- 5 CONDITIONS FOR SUCCESS
- 6 MATURITY CYCLE
- 7 CONCLUSION

PHASE 1

CREATION OF AN ANCHOR POINT

A THROUGH ORGANIC GROWTH

□ STEP 1

- Push strategy → Direct export to customers

Typology of business

- Mono channel
- Opportunistic

□ STEP 2

- Pull strategy → Representative office

- Specified
- Structured

□ STEP 3

- Push / Pull strategy → Creation of subsidiary

- Legrand is a local actor

B THROUGH ACQUISITIONS

PHASE 2

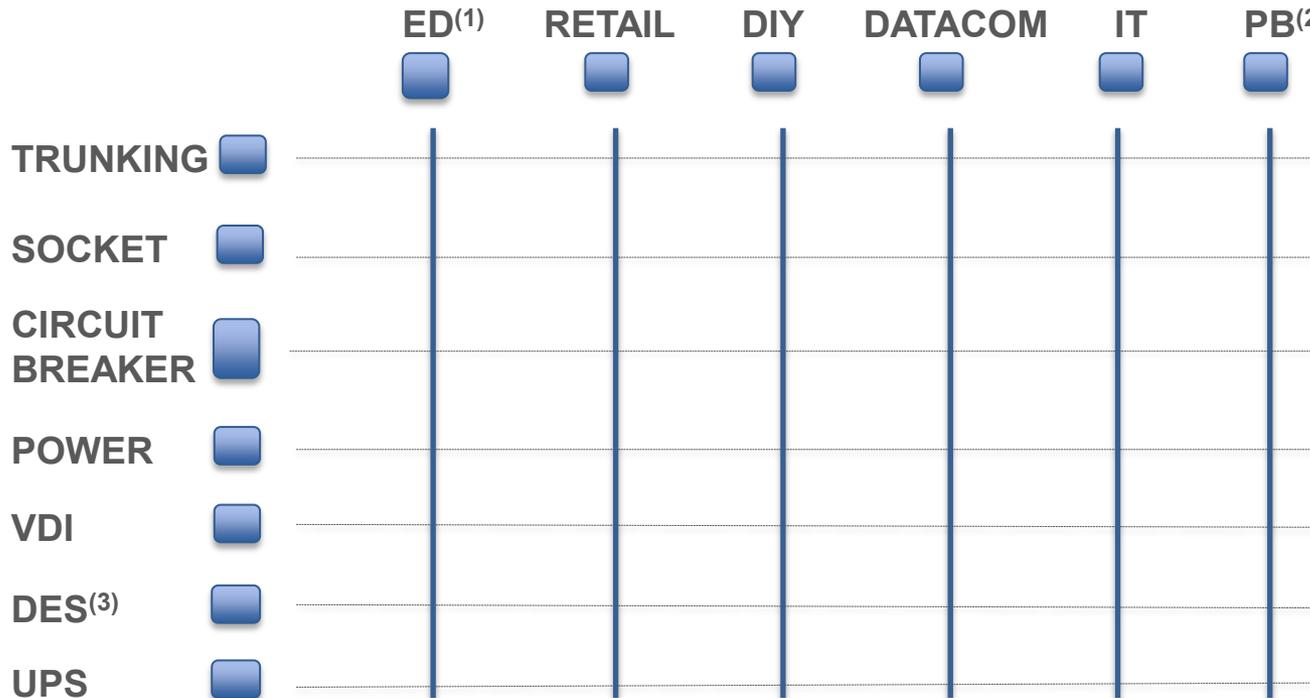
ENLARGEMENT TO NEW PRODUCTS OR NEW CHANNELS

- **Enlargement of the offer through specification**
 - From a product approach to the specifications for a global solution: VDI, power, wiring devices
 - ➔ Possible thanks to the anchor point allowing brand recognition

- **Enlargement of channels through specification or push**
 - From electrical distributors to panel builders
 - From systems integrators to datacom/IT distributors

PHASE 3

SATURATION OF EXISTING DISTRIBUTION CHANNELS



We do segment the offer for saturating channels

- **Saturating distribution channels:**
 - means more sales with same sales organization
 - leads to more attractive sales conditions for our partners
 - increases brand loyalty

- **We enter into a virtuous circle**

(1) ED: Electrical Distribution
 (2) PB: Panel Builder
 (3) DES: Door Entry Systems

PHASE 3

EXAMPLE → UPS IN VARIOUS CHANNELS



Retail



DIY



Electrical distributors

NOVE.FR
LES NOUVEAUX PROCESSIONS INTEL CORE™ I7 SONT ARRIVÉS... ET NOUS LES AVONS

ACCUEIL A LA UNE CATALOGUE POWER MON COMPTE SUPPORT

Espace Clients

Mon panier

Le Catalogue

Produit

Produit

Produit

Produit	Price	ACHETER
Onduleur In Line NIKY 600VA/400W 1 Prise Shuko + 1 IEC R311/R345 USB	49,40 €	ACHETER
Onduleur In Line NIKY 800VA/400W 1 Prise Shuko + 1 IEC R311/R345 USB	71,50 €	ACHETER
Onduleur In Line NIKY 1000VA/600W 2 prises Shuko + 2 IEC R345/R311 RS232	104,00 €	ACHETER

Web shop

PHASE 4

LEVERAGING OFFER IN COMPLEMENTARY CHANNELS

- Lighting showrooms
- Assisted living channel
- Manufacturer services
- E-business
 - Retailers → Web retailers
 - DIY → Web shops
 - Distributors → Web platforms



4 CONDITIONS FOR SUCCESS

- **Know your market**
 - Right understanding of the local market
- **Know what to do**
 - A clear and defined ambition
 - A segmented approach / The right offer for the right channel
- **Reach the right expertise**
 - Design office
 - Training center
 - Central business development
 - Local business development/local expert/areas
 - Export marketing
- **Human resources**
 - Effective organization and staffing
 - The right system of motivation

MATURITY CYCLE

Creation of anchor point

- Philippines
- Burkina Faso
- Pakistan
- Bangladesh
- Kenya
- Etc.

Enlargement of the offer

- Saudi Arabia
- Malaysia
- Slovakia
- Romania
- United Arab Emirates
- India
- Australia
- Czech Republic
- Etc.

Saturation of channel

- Russia
- Chile
- Colombia
- Spain
- Portugal
- Belgium
- Etc.

CONCLUSION

- ❑ **Many countries are still at the beginning of the maturity cycle**
- ❑ **Legrand is organizing itself in these countries**
- ❑ **Potential for growth is still very high**



Investor Day – July 3 2014

BUSINESS INNOVATIONS IN FRANCE

Bruno Barlet – Executive VP France



AGENDA

1 MARKET TRENDS

2 LEGRAND'S KEY ASSETS & EXPERTISE

3 INNOVATION & BUSINESS INITIATIVES

4 MIX OPPORTUNITIES

5 DIGITAL ACCELERATION

1

MARKET TRENDS

TOWARD SUSTAINABLE & CONNECTED BUILDINGS



All electrical & digital



Connected buildings

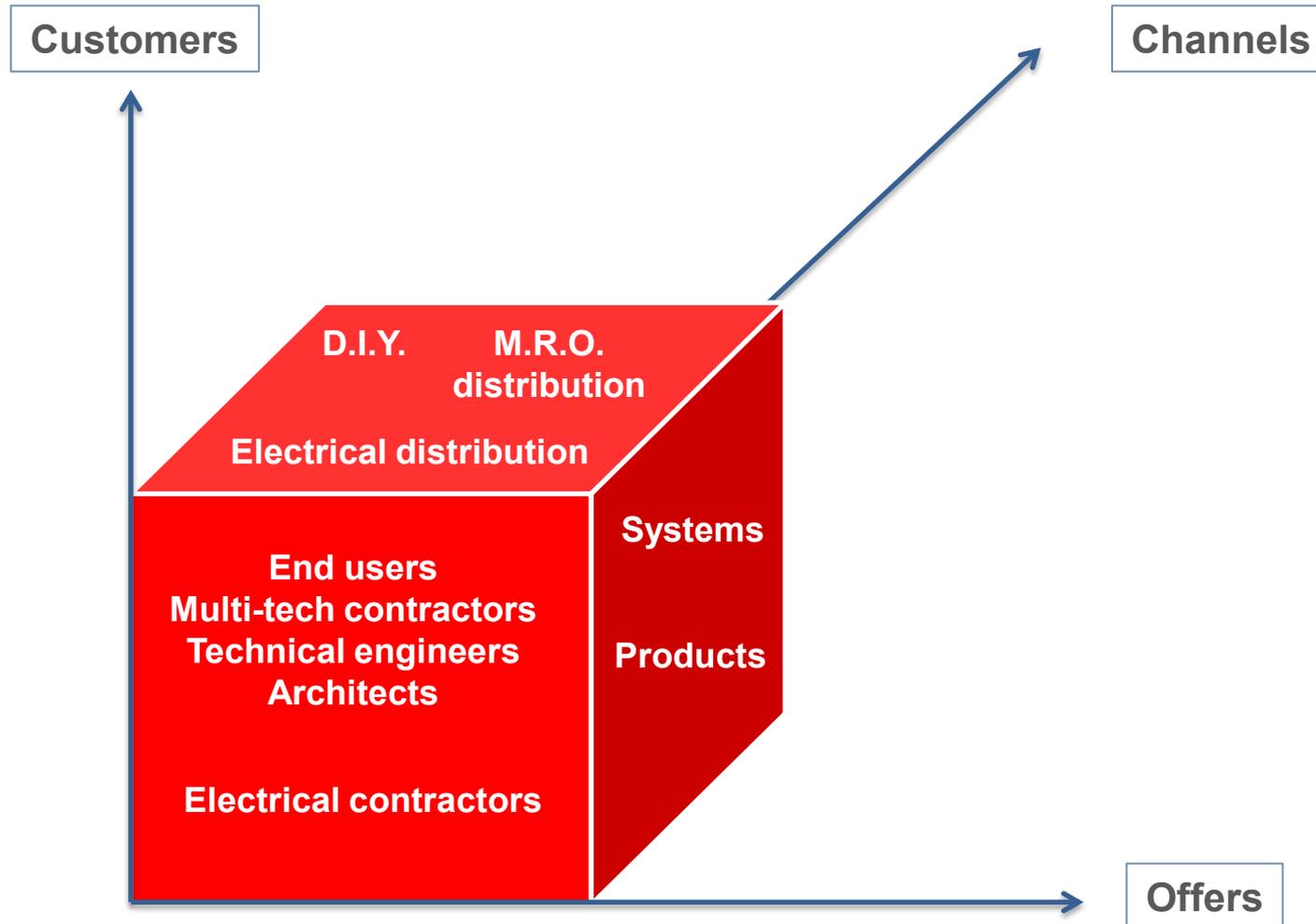


Move toward sustainable building

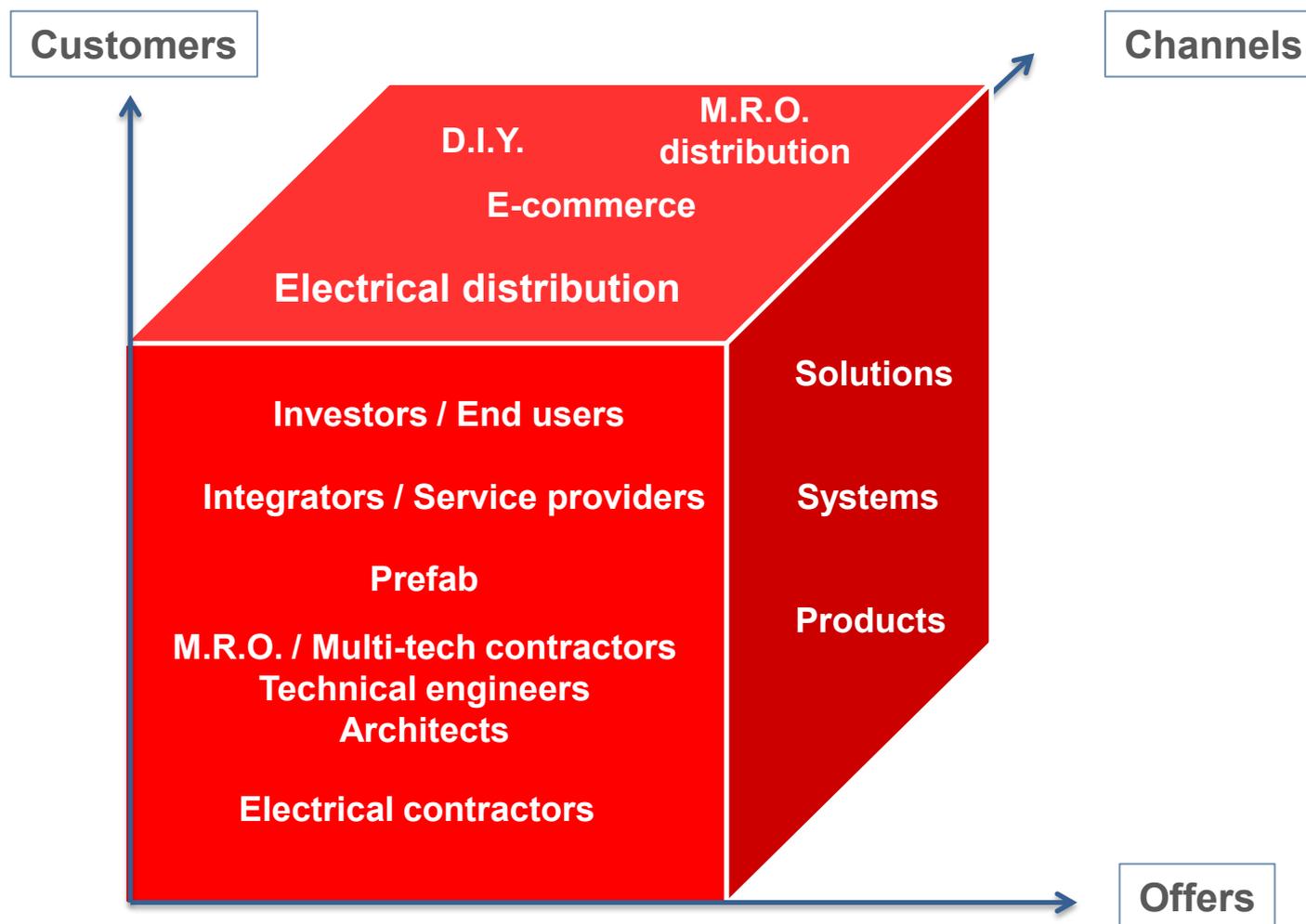


New professional behaviors & needs

MARKETS: LARGER PLAYING FIELD (1/2)



MARKETS: LARGER PLAYING FIELD (2/2)



M.R.O. : Maintenance Repair & Operations

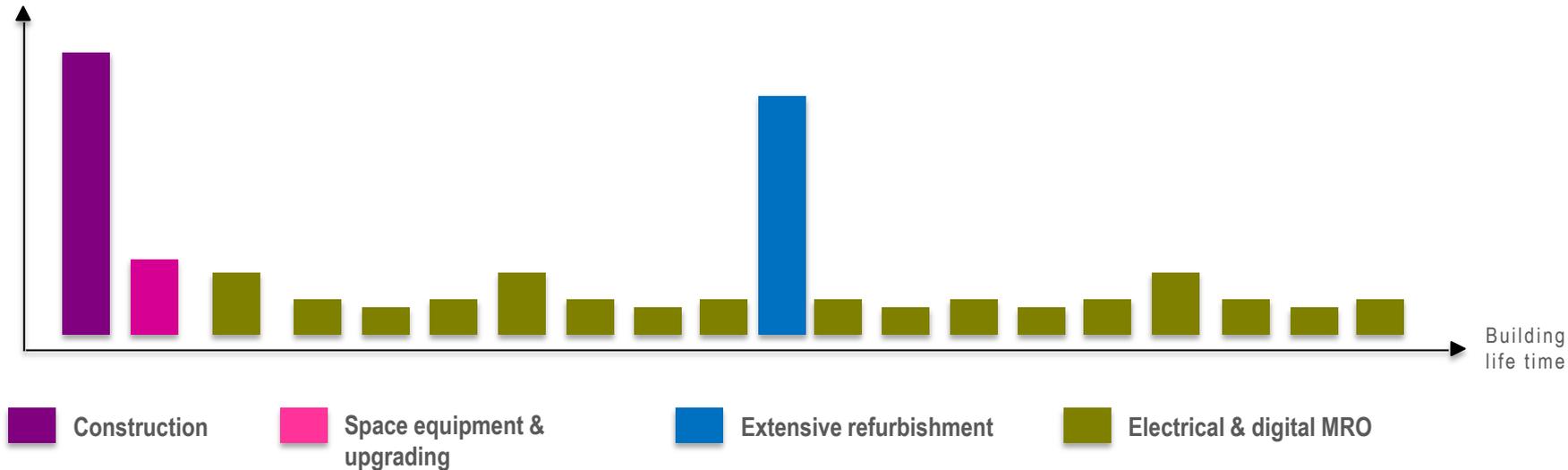
Prefab: Electrical pre-fabrication

2

LEGRAND'S KEY ASSETS & EXPERTISE

DIFFERENT NEEDS ALONG THE BUILDING LIFE CYCLE

Electrical & digital
equipment spendings

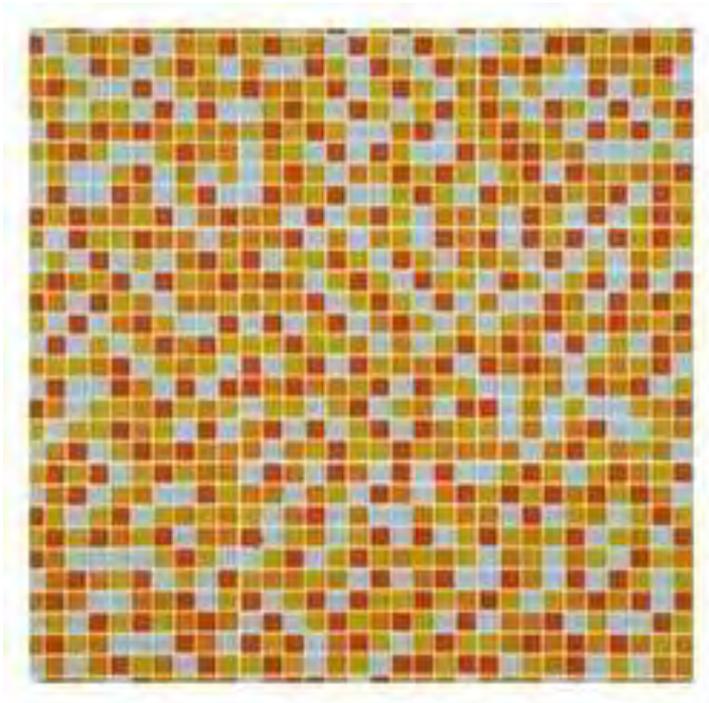


- **Legrand solutions at each stage in the building life cycle**
 - Construction & original equipment
 - Maintenance / Repair / Extension
 - Extensive refurbishment

- **Scope of solutions: full infrastructure & user interfaces**

BUILDING EQUIPMENT: A HIGHLY FRAGMENTED MARKET

75% of buildings < 1,000 square meters



- 20,000 catalog references cover 50% of electrical contractors needs⁽¹⁾
- 80,000⁽²⁾ companies install and maintain buildings
- 4,000⁽²⁾ points of sales proposing Legrand products

(1) *In value*

(2) *French Market data (Electrical Distribution / MRO & DIY stores)*

CLOSE TIES & SUPPORT TO PROFESSIONALS

- ❑ 30,000 professionals have close relationships with Legrand teams
- ❑ 3,500 professionals attended Innoval training programs in 2013
- ❑ 20,000 professionals⁽¹⁾ use Legrand software and mobile apps
- ❑ Salesforce C.R.M.

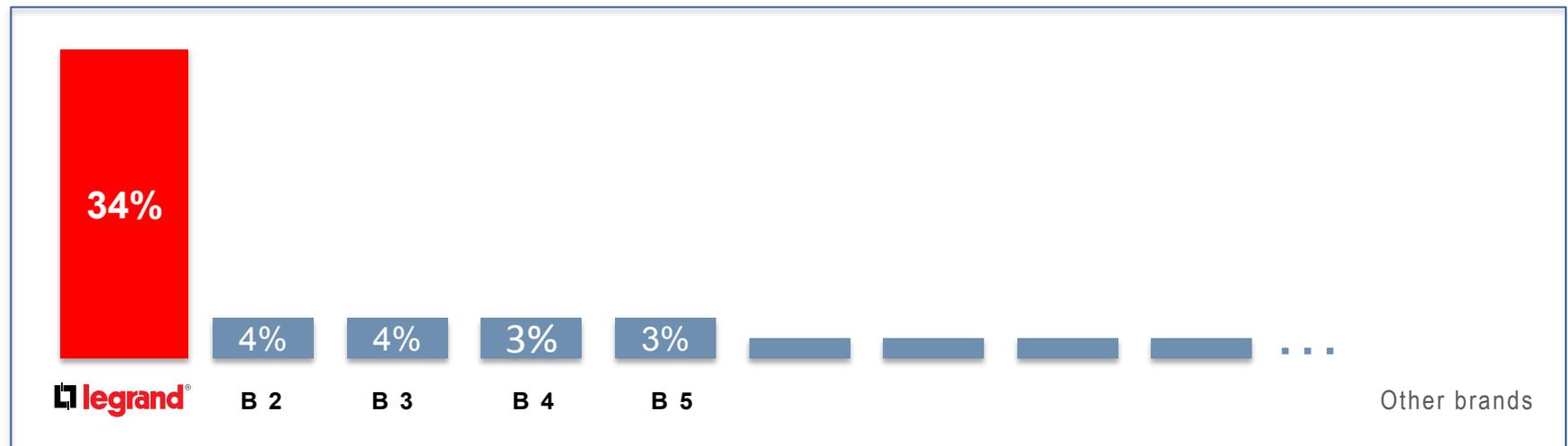


(1) Source: Legrand C.R.M.

SPONTANEOUS BRAND AWARENESS AMONG END USERS

End user brand awareness: wiring devices in France

« What are the brands that you know, in electrical wiring devices (even by name only) »



DIY: CATEGORY MANAGEMENT & CONSUMER RELATIONS

END-USER EXPERIENCE

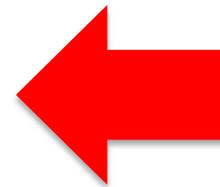
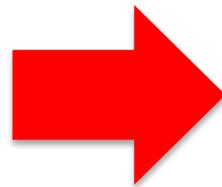
Discover
 Choose
 Configure



CATEGORY MANAGEMENT

Select
 Merchandize
 Manage performance
 Innovations & News
 Promotions

Web configurators
 Videos
 Catalogs
 User guides



Digital connection
 between stores &
 Legrand

3

INNOVATION & BUSINESS INITIATIVES

CUSTOMER INTIMACY PROGRAM WITH PROFESSIONALS

Legrand professional web portal



Listen to customers
Give customers high level of feed-back
Show consideration & connectivity

Personnalized

Make customer job easier
Simplify access to useful information
Provide news & services

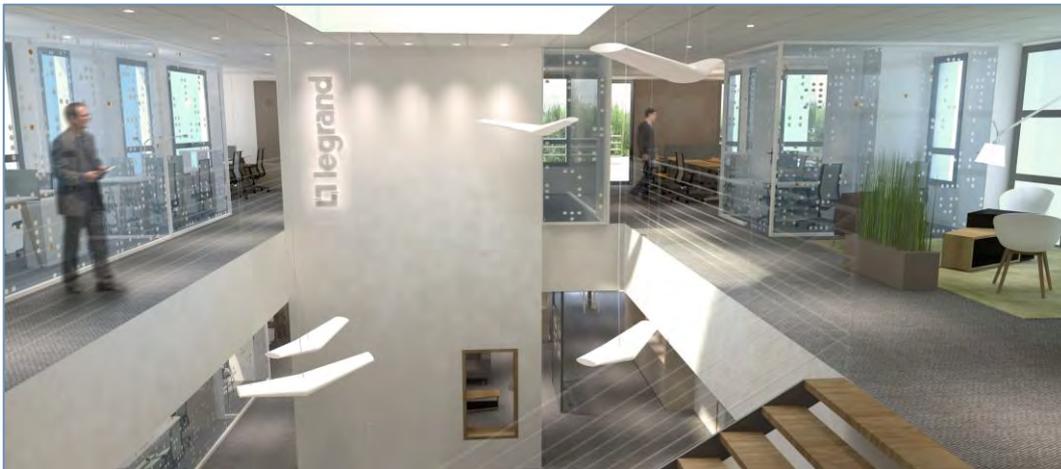
Simple

Connect all information & interfaces to
the Legrand sales force

Integrated

SMART / PERSONALIZED / MOBILE CUSTOMER EXPERIENCE

8 INNOVAL SHOWROOMS IN FRANCE⁽¹⁾



**CUSTOMER PROJECTS
MEET
LEGRAND SOLUTIONS**



**DISCOVER
EXPERIENCE
QUOTE / SPECIFY
TRAIN
NETWORK
SUPPORT**

(1) Under construction: 2014-2015

VERTICAL BUSINESS APPROACH: **TODAY**

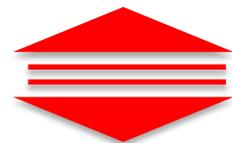
Legrand comprehensive solutions

New collective housing Social housing

Needs



- Energy management
- Media management
- Wiring devices
- Lighting
- Emergency lighting
- Access control & CCTV
- Assisted living
- Home & building automation

- Security
- Energy efficiency
- Aging population
- Competitiveness
- Efficiency
- Sustainability

Dedicated sales team to maximize cross-selling & solution approach
 >> **Vertical approach targeting specifiers, installers & maintainers**

VERTICAL BUSINESS APPROACH: TOMORROW

New scope of connected solutions for Lower building OPEX



Legrand devices
will be connected

- > to deliver information
- > to enable remote monitoring
- > to improve maintenance efficiency

New collective housing Social housing



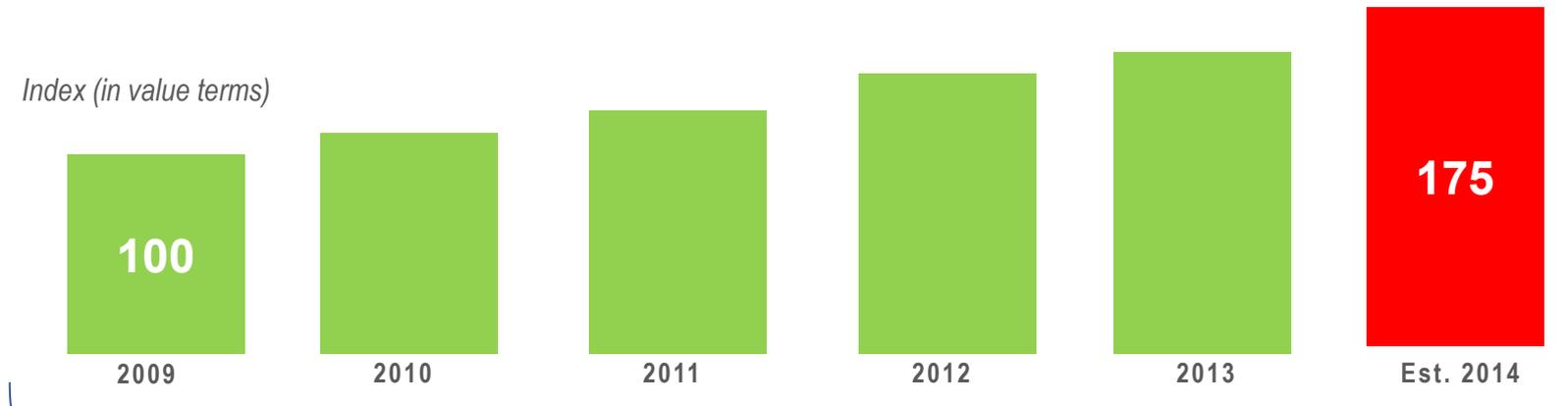
Propose connected services by Legrand
Access control / emergency lighting / energy management, etc.

4

MIX OPPORTUNITIES

MIX
OPPORTUNITIES

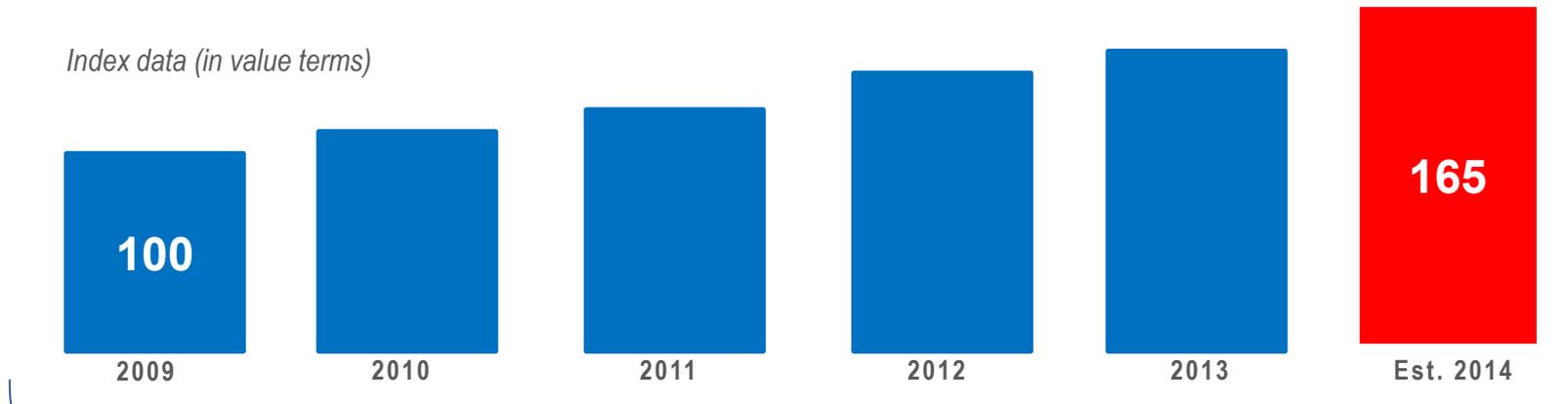
ENERGY SAVING SOLUTIONS

Index (in value terms)

Est. 2009-2014
CAGR: +12 %

MIX
OPPORTUNITIES

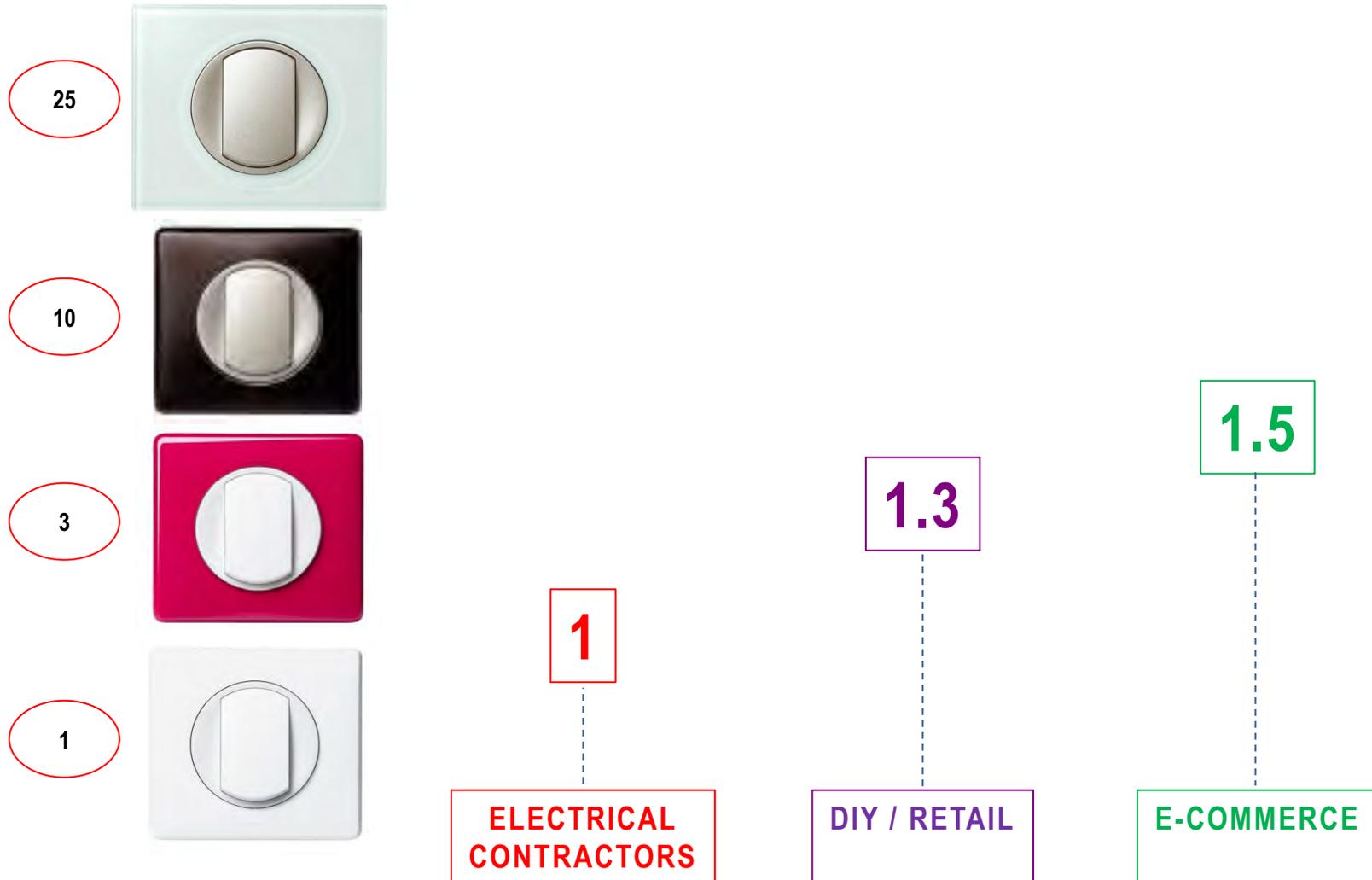
RESIDENTIAL DIGITAL INFRASTRUCTURE

Index data (in value terms)

Est. 2009-2014
CAGR: +11 %

MIX
OPPORTUNITIES

END USER & WIRING DEVICES CHOICE

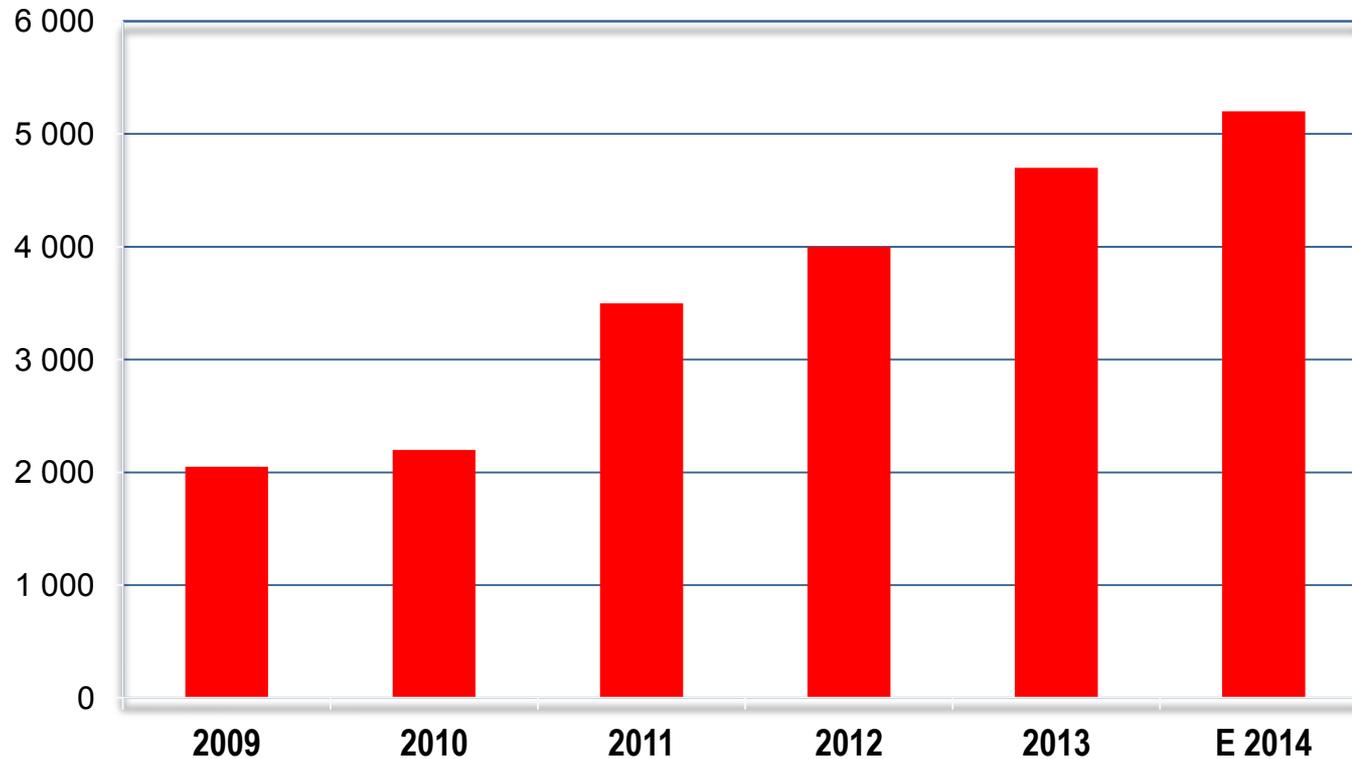
Celiane decorative plates - average sales prices (index)

5

DIGITAL ACCELERATION

LEGRAND FRANCE WEB TRAFFIC: 2009-2014

Thousands of single visitors



Legrand web sites' traffic x 2.5 over 5 years

ONLINE DIGITAL CONFIGURATORS

**LEADS & SALES
GENERATION
TRANSFERRED TO
PARTNERS**

Electrical
distributors⁽¹⁾

Electrical
contractors⁽¹⁾

DIY stores
&
webstores⁽¹⁾

Pure players
webshops⁽¹⁾

**ONLINE
DEMAND
GENERATION**



Legrand online configurators

(1) Commercial partnerships involve data / tech and sales support / web engineering / loyalty programs and more



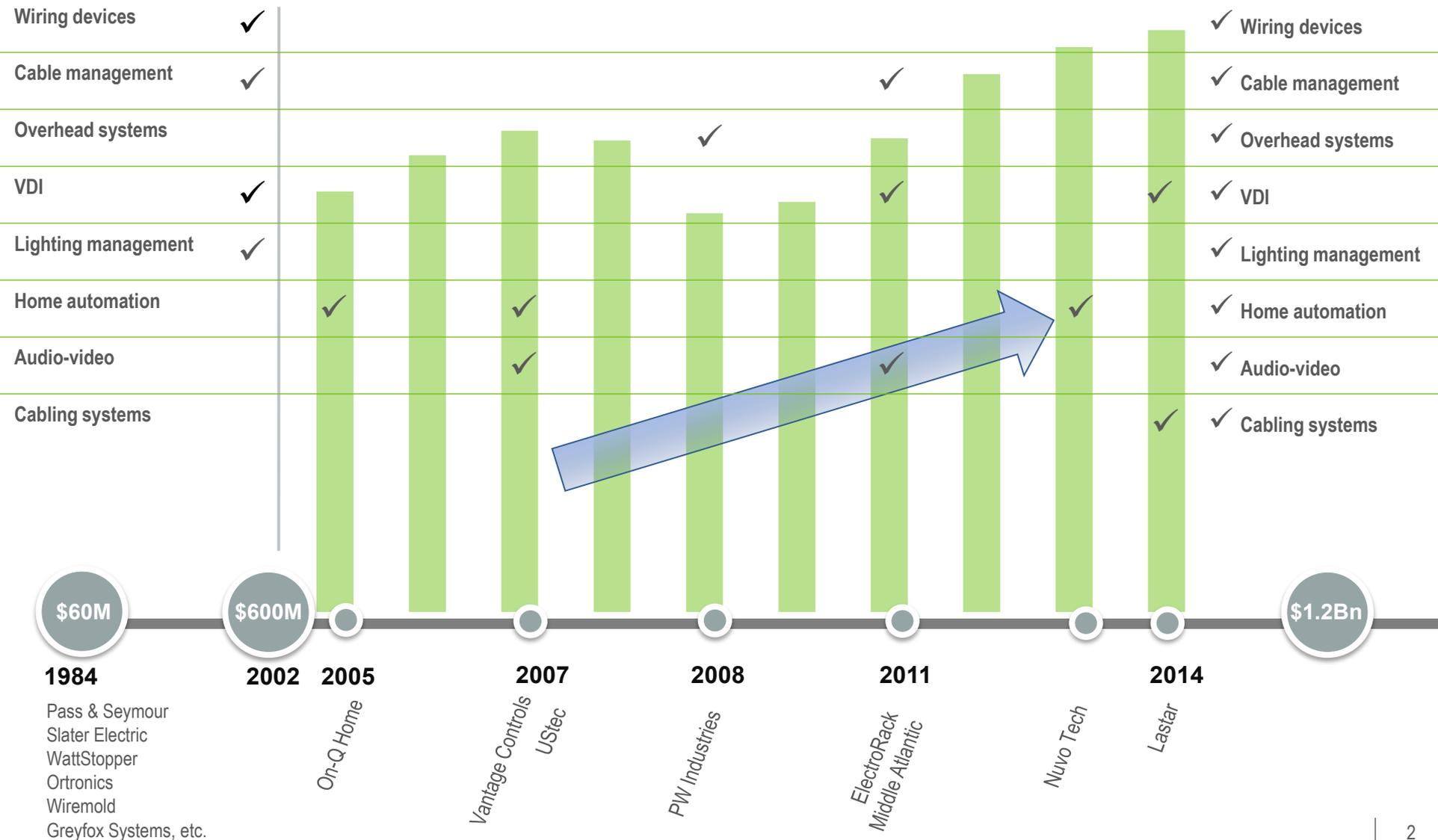
Investor Day – July 3, 2014

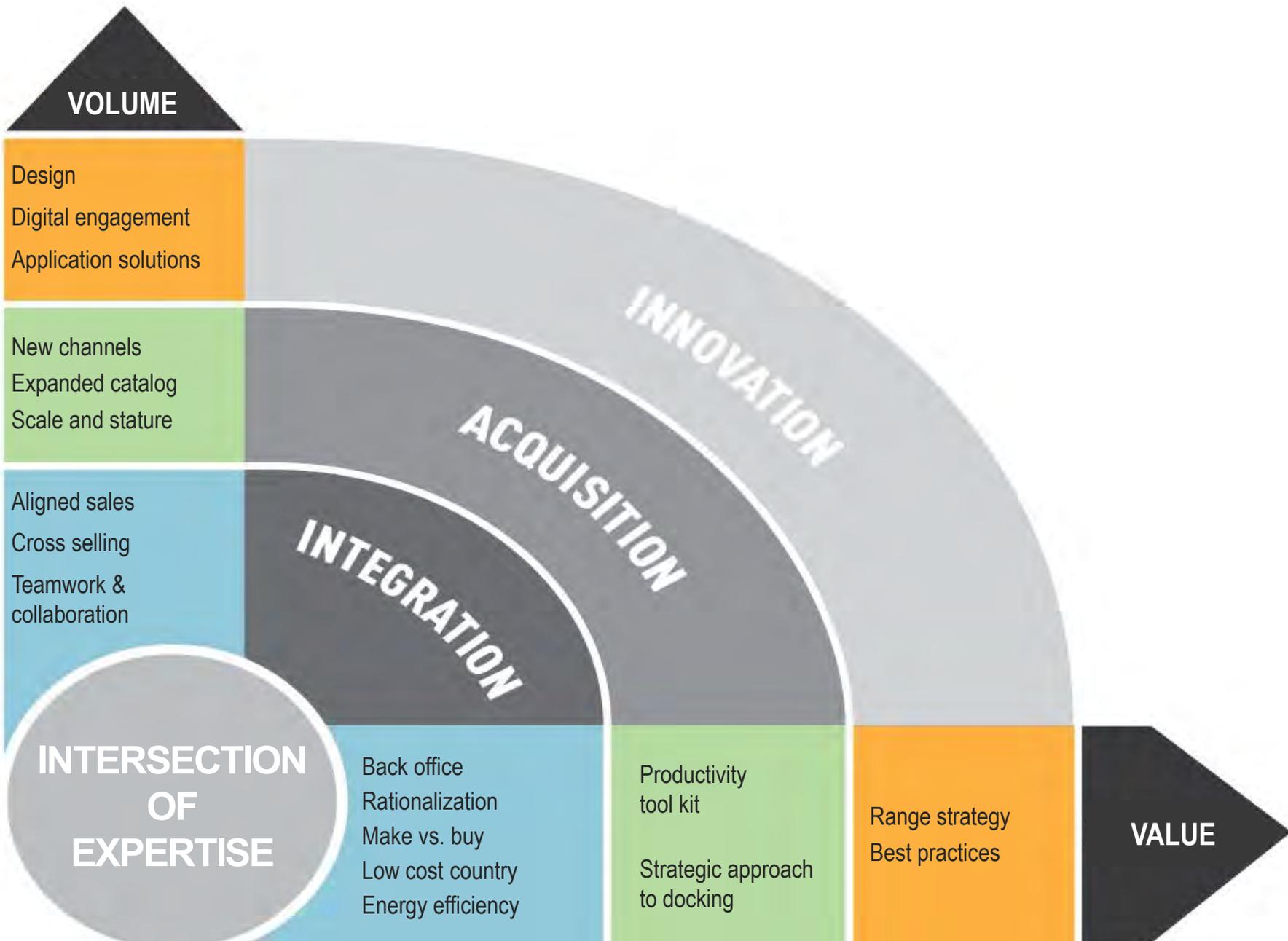
NORTH AMERICA

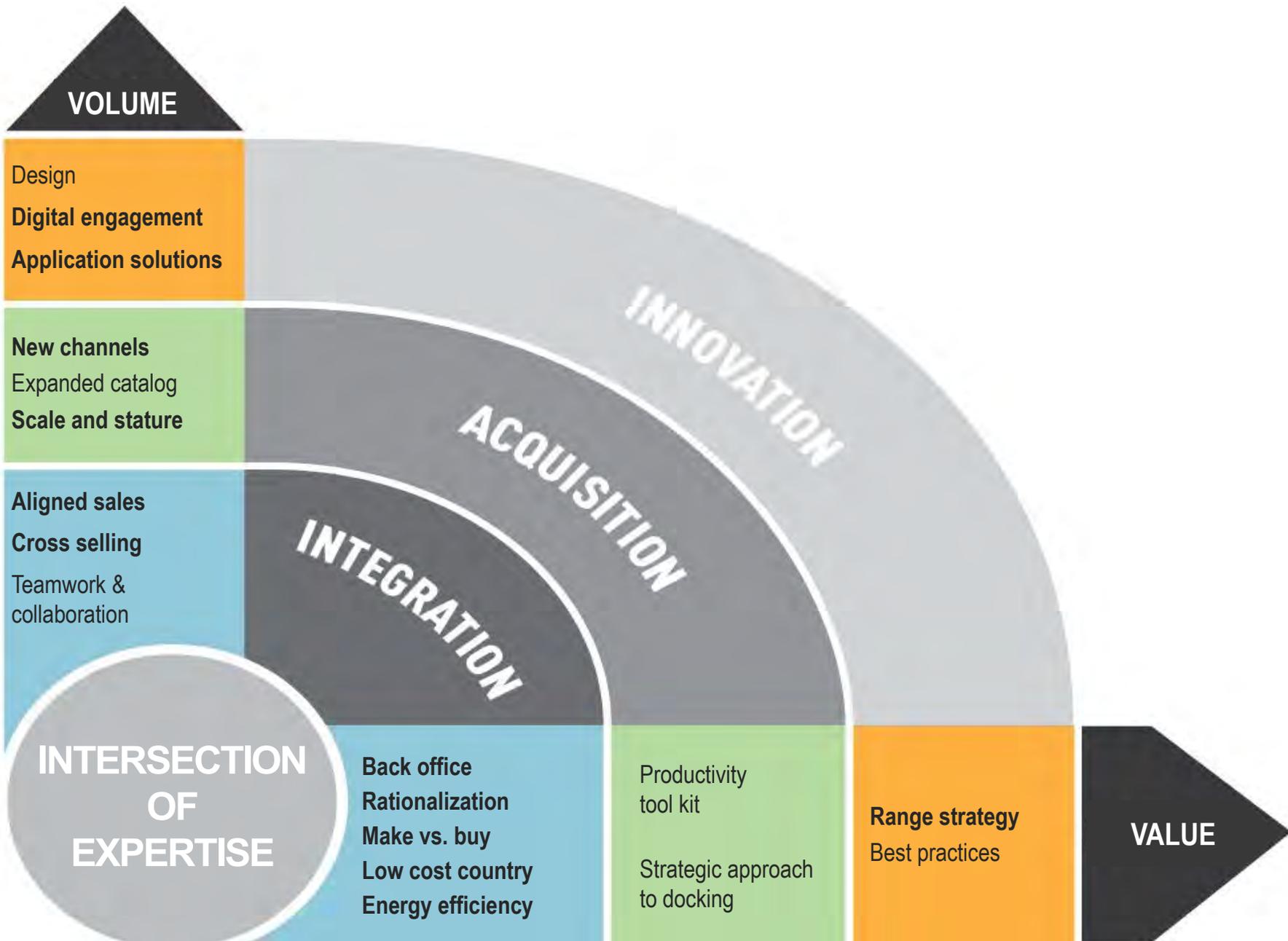
John Seldorff – President and CEO – Legrand North America



LEGRAND NORTH AMERICA HISTORY

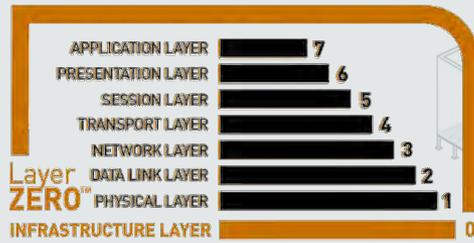




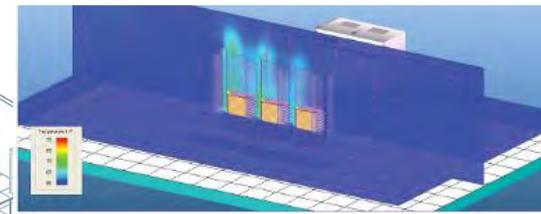
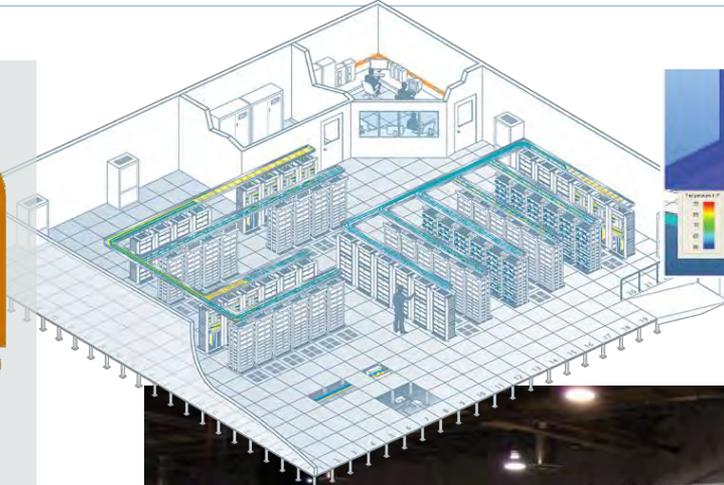


INNOVATION

VOLUME: SOLUTIONS APPROACH FOR DATA CENTER



A new foundation for the OSI model



Airflow management

the critical role physical infrastructure plays in network performance.

Solution Wins



Energy efficiency and lower operating cost by focusing on the IT operator and their needs in the white space



INNOVATION

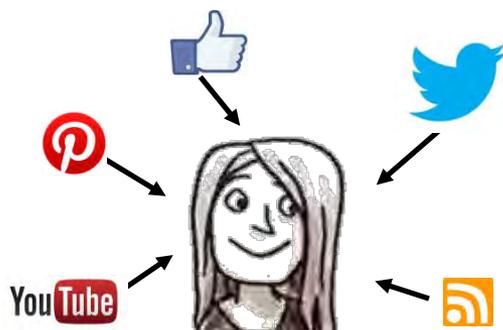
USING DIGITAL TO ENGAGE CUSTOMERS DIRECTLY



Highest ranked web site in our industry
2013: Alexa ranking

- Digital communications**

- Web site
- CRM
- Marketing automation



We are leading the use of digital capabilities to change how a traditional industry operates.

- Digital training**

All training



- Digital tools**

- Specify & quote
- Design & configure
- Automation tools
- Web shop



- Digital information flow**

- Data storage
- Building Information Modeling
- Attribute management
- Business software

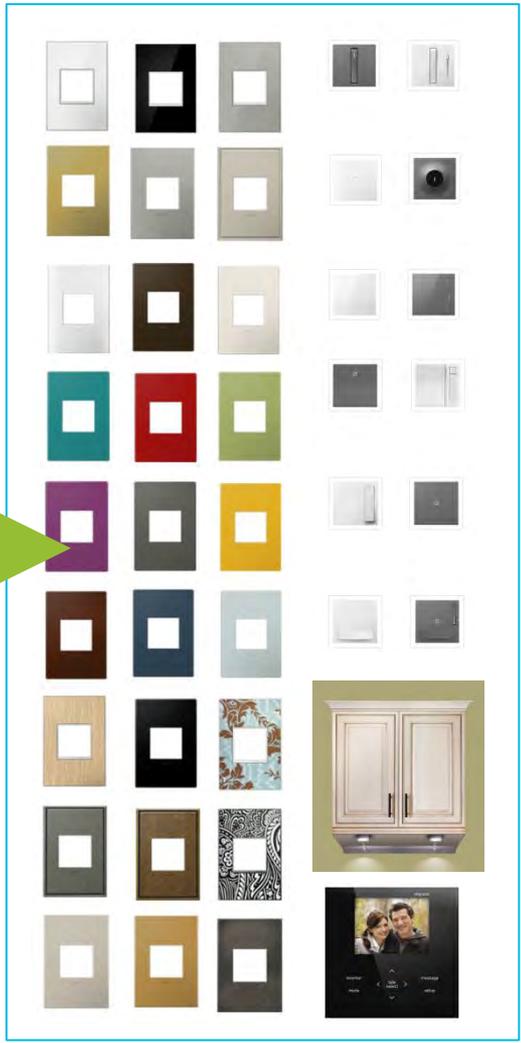
Application Type	
<input type="checkbox"/>	Residential (28)
<input type="checkbox"/>	Commercial (2)
Number of Poles	
<input type="checkbox"/>	1 (3)
<input type="checkbox"/>	3-Way (2)
Product Series	
<input type="checkbox"/>	TradeMaster (5)
<input type="checkbox"/>	LS (4)

INNOVATION
RANGE STRATEGY

adorne™



Reinvented a boring category



4 finishes
2 on/off options
1 automation type

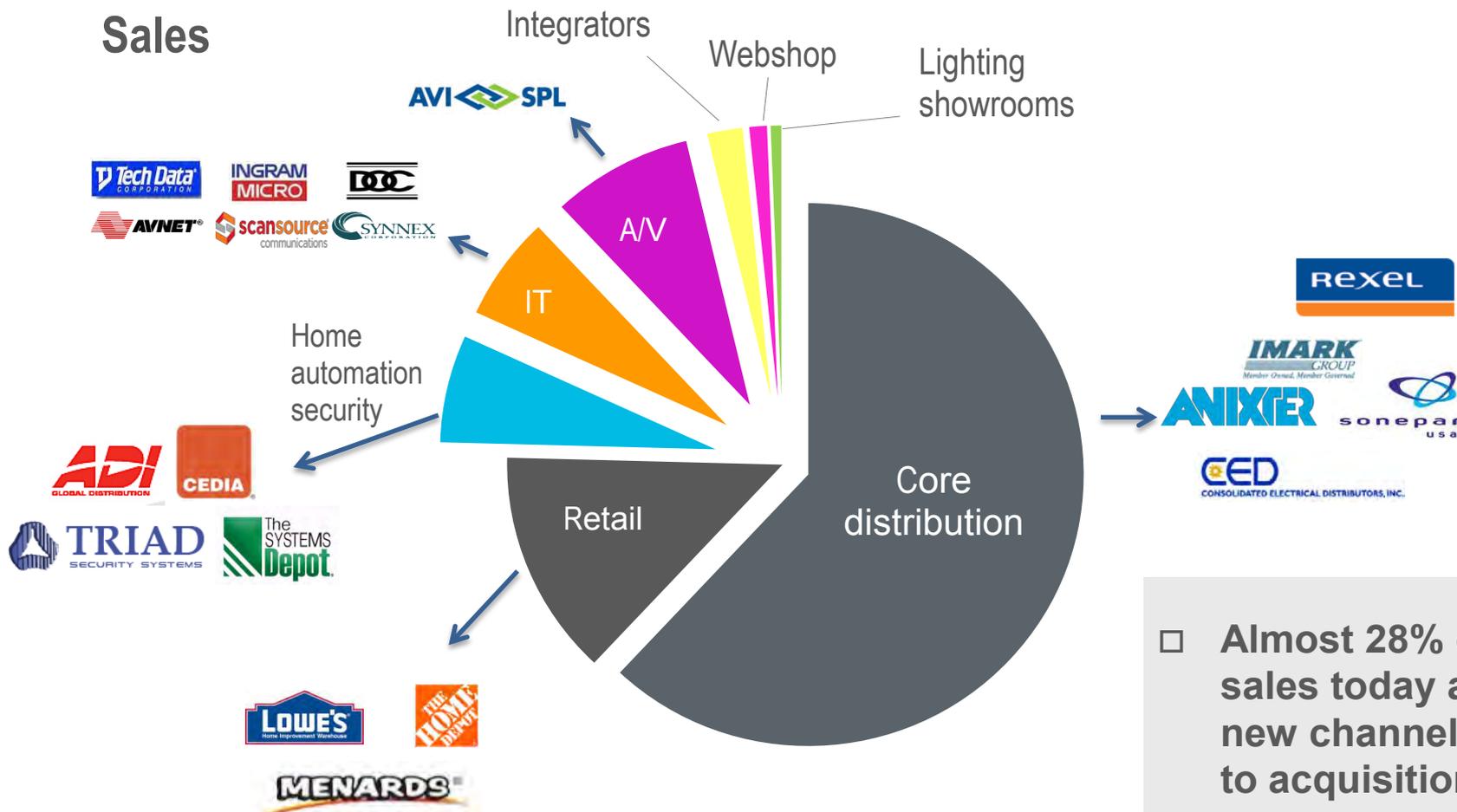
- Expanded range
- Differentiated offering
- Used design and function as a high value benefit

32 finishes
7 on/off options
12 automation types



ACQUISITION EXPANSION INTO NEW CHANNELS

Sales



□ Almost 28% of sales today are from new channels due to acquisitions

ACQUISITION

SCALE & STATURE – STRATEGIC RELATIONSHIP GROWTH

NORTH AMERICA

legrand

Legrand has outpaced Leviton in design and new technology.

- Yale Appliance & Lighting blog



Audio-video

Lighting control

Cable tray

Cable assemblies

LEGRAND: Delta Strut won EC&M Product of the Year Competition



legrand

Supplier Partner of the Year



legrand

Supplier Partner of the Year

Datacom

Wire and cable management

Wiring devices

ADORNE WINS IDEA AWARD

The collection achieved an IDEA Bronze Award in the 2013 International Design Excellence Awards (IDEA) competition.

EXPLORE THE COLLECTION

LEGRAND: Only Manufacturer nominated in all 4 award categories – won in 2 (Service & Support).

INTERNATIONAL DESIGN EXCELLENCE AWARDS



INTEGRATION CROSS-SELLING – TEAMWORK & COLLABORATION



Wiremold and Middle Atlantic collaborate for launch of Evolution Ceiling Box



“ We will not allow anything but P&S on the new tower – and it just makes sense to bundle Ortronics, Cablofil and now WattStopper as well. ”

Gary Brown
Cook Children’s Hospital



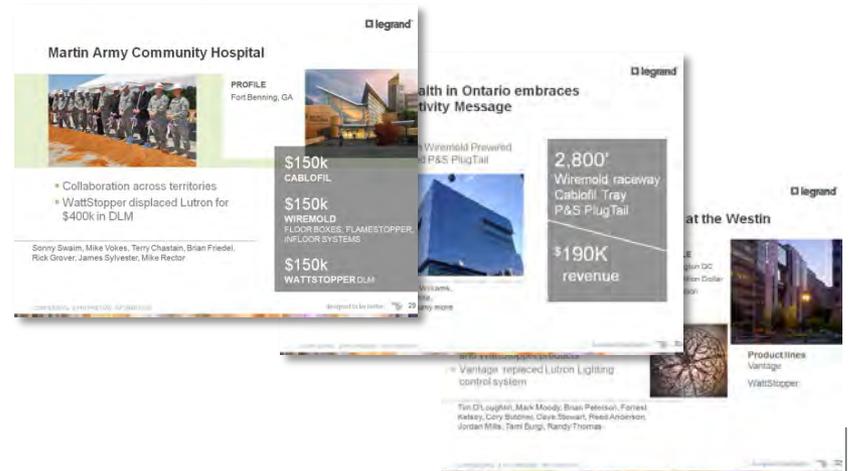
Cook Children’s Hospital



Palmetto health



Sharing of information in order to drive specification of Legrand lines



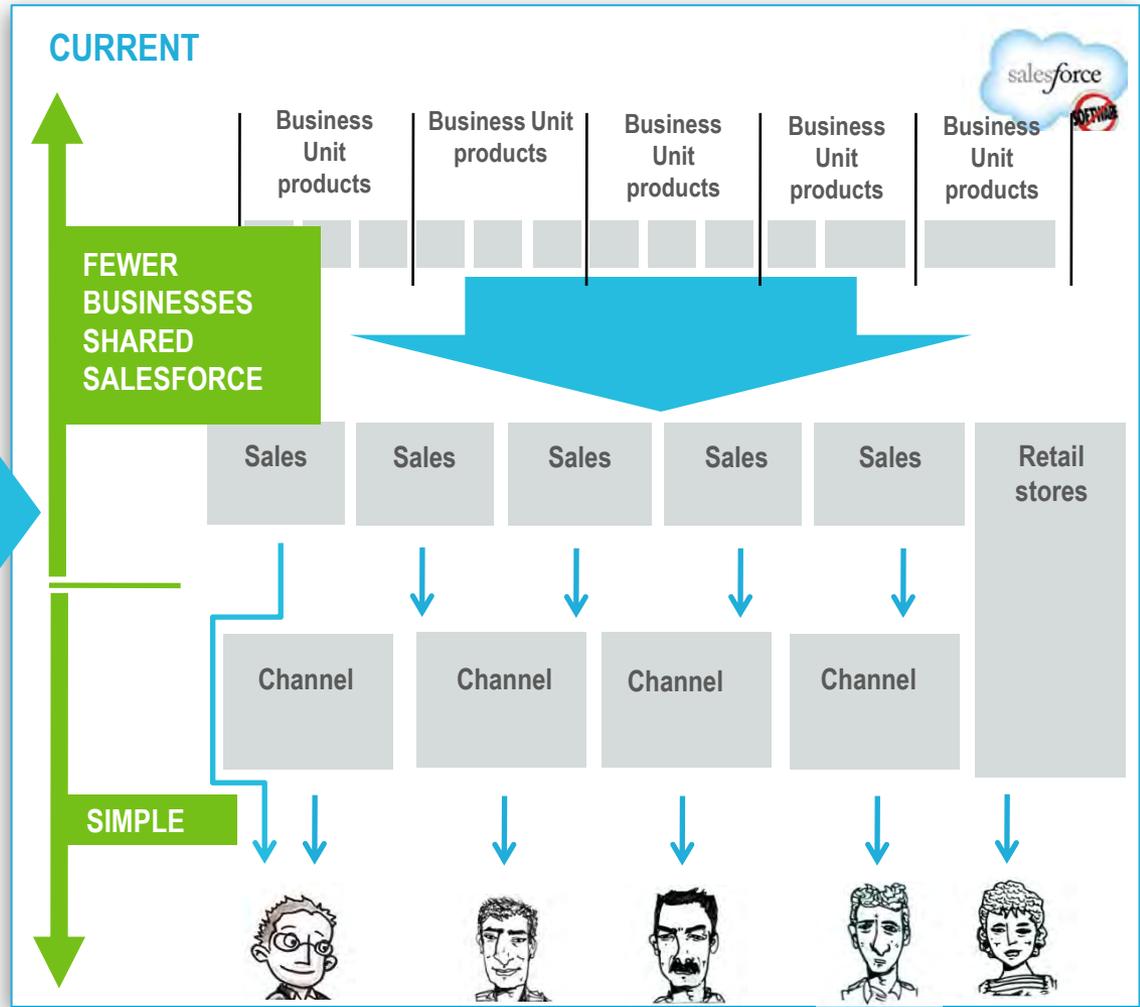
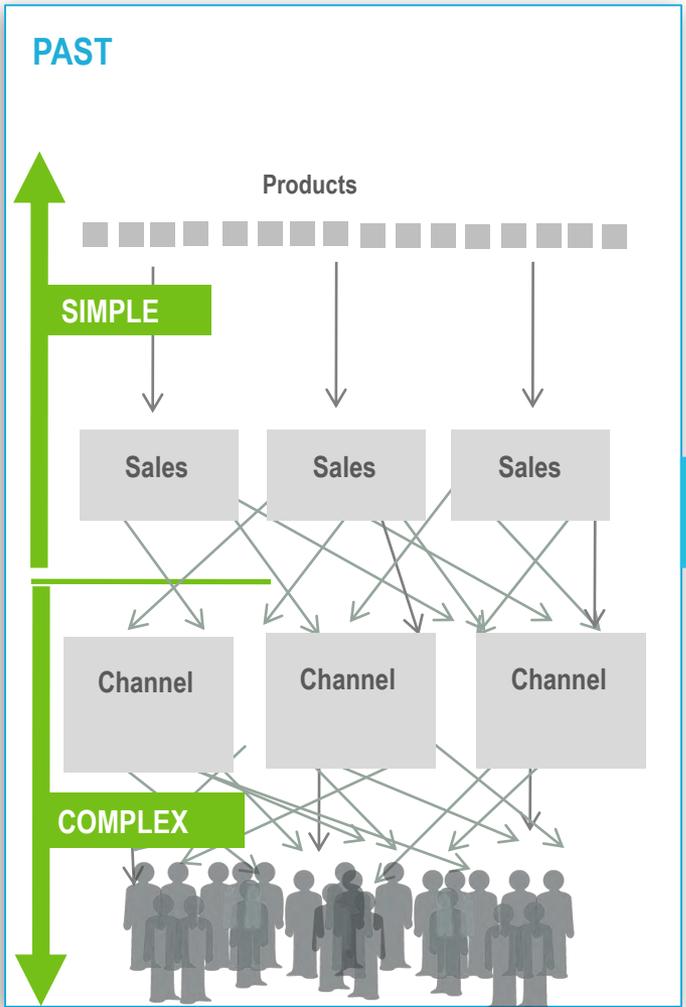
Martin Army Community Hospital
Fort Benning, GA
\$150k CABLOFIL
\$150k WIREMOLD FLOOR BOXES, FLAMESTOPPER, INFLOOR SYSTEMS
\$150k WATTSTOPPER DLM

Health in Ontario embraces Diversity Message
Wiremold Prowired P&S Plug/Tail
2,800' Wiremold raceway Cablofil Tray P&S Plug/Tail
\$190K revenue

at the Westin
Product Lines Vantage WattStopper

INTEGRATION

REDUCE THE COMPLEXITY FOR THE CUSTOMER



INTERSECTION OF EXPERTISE: VERTICAL MARKET EXAMPLE - HEALTHCARE



82% less energy consumption with Wattstopper complete energy management solution

Beat energy efficiency goal for ASHRAE 2007 standards for hospitals



Peter Kelly-Detwiler Contributor
Opinions expressed by Forbes Contributors are their own.
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ENERGY 9/09/2013 @ 8:32AM | 1,097 views

High Performance Buildings: One Company's Approach

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I recently came across a White Paper from Legrand, North America on [High Performance Buildings \(HPBs\)](#). The white paper describes HPBs and their evolution, and highlights a number of salient points and benefits of HPBs.

A lot of companies have been focusing on this space recently, and I wanted to better understand why, so I spoke with Legrand's president and CEO John Selldorff to find out why he felt it timely to publish this document. If you don't know the company, Legrand makes everything from switches to cabling to EV chargers, and they are increasingly focused on energy efficient products. One of their best-known efficiency products is the WattStopper Digital Lighting [Management](#) system.



Image: Legrand North America

Selldorff noted that the elements in the white paper are not revolutionary, but that Legrand felt it necessary to bring focus to the topic of HPBs.



INTERSECTION OF EXPERTISE: BROAD PENETRATION OF MULTIDIMENSIONAL ACCOUNTS



DATA CENTER

- Racks
- Power strips
- Containment pods
- Cable assemblies

RETAIL STORES

- Wiremold trunking system
- Arteor wiring devices
- Wiremold floor boxes



CAMPUS

- Electrical branch circuit infrastructure and pathways



NORTH AMERICA

INTEGRATION PROFITABILITY: OPERATIONAL INITIATIVES (2003-2013)

- ❑ Closed 14 sites (from 21 to 7)
- ❑ Doubled percentage of low cost country content
- ❑ Make vs. buy program
 - Phase 1 – Rationalization and strategic purchasing
 - Phase 2 – Strategic sourcing and multi-sourcing
 - Phase 3 – Engage suppliers in value added/value engineering
 - Phase 4 – Assist suppliers with sustainable and lean practices
- ❑ Lean and sustainable practices

OPERATIONAL LEVERAGE:

Centralize logistics,
IT, sourcing

Factory consolidation

Shift to low cost country

Rigorous sourcing

12 pts



in gross margin

23 pts



in capital employed
as % of sales
(at comparable structure)

} Value creation



NORTH AMERICA

INTEGRATION PROFITABILITY: ADMINISTRATION (2003-2013)

28 % Organic growth

45 % Acquisition growth

73 % Total sales

Adorne truly a global development

8% increase in revenue per commercial head

Acquisitions benefit and contribute to new product development

Consistency of benefits, practices and central admin

Centralized warehouses, indirect purchases, other admin

33% of R&D people in China

22 %  Logistics improvement (from 6.3% of sales to 4.9%)

OPERATIONAL LEVERAGE:

Centralize digital, marketing communication, services, HR

Offshore engineering

Competency centers approach

Leverage Legrand expertise

INTERSECTION OF EXPERTISE: MARGIN IMPROVEMENT & DEMONSTRATION OF OUR SOLUTIONS

NORTH AMERICA

We walk the talk

Better Buildings CHALLENGE
U.S. DEPARTMENT OF ENERGY

Energy Performance

Goal	25% Reduction in Energy Intensity by 2020	Commitment	14 Facilities (includes 5 manufacturing plants)
Progress	32% Cumulative (vs Baseline) 4% Annual (2013)	New Goal (Starting in 2017)	20% Reduction in Energy Intensity by 2022

Better Buildings CHALLENGE
U.S. DEPARTMENT OF ENERGY

LEGRAND, NORTH AMERICA

Implementation Model: Submetering Initiative and Energy Dashboards

ORGANIZATION TYPE
Office of equipment and components manufacturer

CHALLENGE
Lack of detailed energy use data to drive organizational change

SOLUTION
Initiation of submeters and energy dashboards to collect and communicate facility-wide energy use data

OUTCOME
Employees empowered to pursue nearly visible energy efficiency opportunities

Overview
Legrand has installed submeters in its 14 largest U.S. facilities to collect detailed energy use data and mine energy saving opportunities. Data collected through the submeters will be displayed through energy dashboards designed to empower Legrand employees to make energy management an integral part of their day-to-day activities. Legrand has written a [white paper](#) that summarizes the lessons learned through its submetering effort.

Legrand's Playbook

Policies
Legrand designed a sustainability initiative that will leverage technology to drive behavioral change throughout the organization. The submeters help facility managers identify anomalies in building energy use and discover hidden opportunities for improvement. The initiative will also need to be a deliberate effort to educate employees and encourage them to act on energy saving opportunities.

Process
The process began when a member of the Legrand Energy Technology & Finance Council independently investigated the application of submetering at the site and developed a proposal for corporate-wide.

Recognized by President Obama

THE WHITE HOUSE
WASHINGTON
May 20, 2013



I am pleased to join in recognizing those participating in the Better Buildings Challenge.

In 2011, I announced the Better Buildings Initiative to bring together leaders from across the country to spur economic development and to dramatically improve the energy efficiency of America's businesses and communities over the next decade. Today, dozens of leaders throughout the private and public sectors have partnered with allies in the financial and utilities industries to show how cost-saving investments in our infrastructure improve bottom lines. Committing investments in our infrastructure over the next decade, these partners and allies more than 2 billion square feet of commercial and industrial real estate and \$2 billion in investments, these partners and allies demonstrate what is possible when we work together in pursuit of a shared vision.

Meeting the challenges of the 21st century requires the ingenuity and innovation of leaders from every sector of our society. And I thank you for your continued dedication to building America stronger.

Better Plants CHALLENGE
U.S. DEPARTMENT OF ENERGY

Achievement of 25% Savings Goal
Legrand North America

Presented by the U.S. Department of Energy
May 7, 2014

Barack Obama
President of the United States

enBiz
Sustainability Reporting and Management Best Practices: from G4 to Digital Reporting, What Smart Companies are Doing
A Free GreenBiz... Webcast Moderated by Heather Clancy
sponsored by enablon
May 20, 2014 at 12:00pm ET

Market Watch
THE WALL STREET JOURNAL
May 16, 2014 9:27 AM EDT
3% BREAKING
Applied Materials gains 4.3% on robust earnings
9:30a U.S. stocks turn negative after opening higher
9:30a Gold dips, but falling bond yields seen limiting drop
DOW -330.14 (-0.42%)
S&P 500 -1.49
NASDAQ -0.21%
16,443.73 -0.02%
4,000.92 -0.21%
1,869.36 -0.06%

Forbes
Energy in America
Is This How We'll Cure Cancer?
Unlocking The Wu Yang Chen's Secret Album In Morocco
How To Negotiate Severance

Designing A High Performance Building: It Takes Planning To Do It Right
Over the past year, I've had the opportunity to interview a number of individuals about smart construction, net-zero buildings (which produce as much energy as they consume), and high performance buildings (HPBs). A focus on efficiency in the built space is critical, since buildings consume nearly 40% of U.S. energy consumption, and a huge amount of that (over 50%) is wasted.

Commitment and Planning
In each of my discussions with designers of better buildings, one constant step clear: a committed building team (contractor and architect) is essential.

To investors who want to retire comfortably.
If you have a 401(k)...

LEGRAND NORTH AMERICA (2003-2013)

Performance over 10 years

2013 sales

\$1bn

x1.7 vs 2003

2013 Adj. EBIT
margin

15.8%

x2 vs 2003

Front Office

- ❑ Aligned by channel
- ❑ Enhanced profile of Legrand brand
- ❑ Multi discipline solutions
- ❑ Leverage digital to reach new customers

Leadership positions

- ❑ #1 Cable management
- ❑ #1 Audio-video enclosures - New
- ❑ #1 Energy-efficient lighting control
- ❑ #1 Pre-terminated solutions for VDI and A/V networks - New
- ❑ #1 Structured cabling for residential buildings - New

Back Office

- ❑ 67% fewer sites (at comparable structure)
- ❑ Double the weight of low cost production
- ❑ Centralized admin
- ❑ Lean processes

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