- Press releases -

2017 achievements (pages 2 to 24)
Change in governance (pages 25 to 29)

2017 achievements

Double-digit growth in main indicators
2017 targets fully met
Enhancing investments for the future
Milestone: performance and potential fully confirmed

Change in governance

From February 8, 2018
Separation, on a long-term basis, of the offices of Chairman and of Chief Executive Officer:
Gilles Schnepp Chairman of the Board of Directors
Benoît Coquart Chief Executive Officer

As of January 1, 2019
Antoine Burel Deputy Chief Executive Officer in charge of Operations
Franck Lemery Chief Financial Officer
2017 achievements

Double-digit growth in main indicators

Sales: +10.0%
Adjusted operating profit: +12.9%
Net profit attributable to the Group: +13.2%
Normalized free cash flow: +17.8%

2017 targets\(^1\) fully met

Organic growth in sales: +3.1%, against initial target of 0% to +3%\(^2\)
Adjusted operating margin before acquisitions: 20.1%, against initial target of 19.3% to 20.1%\(^3\)
Achievement rate of CSR roadmap: 122%

Enhancing investments for the future

Increased investment in new products: +11%
Enhanced offering of Eliot products: over 30 connected product families at year-end 2017
Strengthened Group positions: 6 external growth operations

Milestone\(^4\): performance and potential fully confirmed

Organic growth in sales in 2017\(^5\): +3.0%, versus announced aim\(^6\) of +2% to +3%
Adjusted operating margin for 2017: 21.8% versus 21% in 2016\(^7\)
Synergy\(^8\) potential confirmed: Audio-Video\(^9\) Division created in North America combining Milestone with Middle Atlantic Products, and creation of a Residential AV Business Unit\(^10\)

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1 Targets relate to integrated performance combining financial and CSR-linked extra-financial results, drawing on a broader approach to corporate scope creating value for all stakeholders.
2 Target announced on February 9, 2017 with its minimum raised from 0% to +2% on November 7, 2017.
3 Target announced on February 9, 2017 with its minimum raised from 19.3% to 19.8% on November 7, 2017.
4 For more details on Milestone, including 2016 performance, sales growth seasonality in 2017, and the company’s contribution to Group performance, readers are invited to consult pages 16 and 17 of this press release.
6 As a reminder, on page 10 of the press release announcing nine-month 2017 results (published November 7, 2017), Legrand indicated that the full-year 2017 aim for organic growth in sales at Milestone was between +2% and +3%.
7 Commercial and cost synergies, short and medium term, representing 1% to 3% of Milestone’s 2016 sales.
8 As announced on June 28, 2017, creation of a single Division combining Milestone and Middle Atlantic Products and enabling back-office and commercial synergies.
9 Combination of residential audio-video offerings from Milestone, Middle Atlantic Products, Luxul, Nuvo, QMotion, Vantage and OnQ to be distributed through the current sales teams that serve specialist channels like CEDIA (international trade association grouping all players in home systems – manufacturers, designers and integrators).
On the closing of full-year accounts for 2017, Gilles Schnepp, Legrand Chairman and CEO, commented:

"Double-digit growth in main indicators

In 2017 Legrand reported double-digit growth in its main financial indicators. Total sales were thus up +10.0%, a very good showing fueled by momentum from external growth (+7.8%) and organic growth (+3.1%), new product launches, and Group teams’ commitment that helped strengthen Legrand’s positions in many countries. Adjusted operating profit rose +12.9%.

Driven by this good operating performance and a decrease in financial expense, net profit attributable to the Group increased +13.2%.

At the same time, normalized free cash flow was up +17.8%.

These good results reflect a new acceleration in our growth drivers and illustrate once again the robustness of the Group’s business model, as well as its ability to create sustained value for all of its stakeholders.

2017 targets¹ fully met

The Group fully reached its targets¹ for 2017 and recorded:

- organic growth in sales of +3.1%, exceeding the top end of its target range (+3.0%);
- adjusted operating margin before acquisitions (at 2016 scope of consolidation) of 20.1%, reaching the top end of its target range (20.1%);
- CSR roadmap achievement rate of 122% – Legrand thus nearly met the targets set in its five-year roadmap in year four.

Enhancing investments for the future

Legrand also enhanced investments aimed at fueling its sustainable and profitable development model. Investments dedicated to new products thus rose +11% from 2016, with momentum leading to many new product launches. More specifically, the Eliot program now has over 30 families of connected products, and the Group reported average annual total growth in sales of connected products of close to +28% from 2014 to 2017.

Legrand has also pursued commercial initiatives, recently opening six new showrooms and rolling out digital marketing and communications tools. In addition, the Group is also strengthening its local presence in markets representing long-term development opportunities, such as Russia. At the same time, Legrand is making targeted investments to digitize its production facilities by deploying data collection and analytics applications and using intelligent production assistance solutions.

Lastly, Legrand remained active in external growth, with six operations finalized in 2017. These will strengthen its positions in particular in digital infrastructures and specification-grade architectural lighting solutions in North America – businesses driven by social and technological megatrends.

Based on acquisitions announced, the contribution of the broader scope of consolidation to Group growth should be over +7% in 2018.

Milestone²: performance and potential fully confirmed

The acquisition of Milestone, a US frontrunner in audio-video (AV) mounts and projector screens, rounds out Legrand’s US positions in AV infrastructures and power, where the Group is already #1 in AV enclosures through its Middle Atlantic Products brand.

As reflected in its leadership, its well-known brands, a business driven by social and technological megatrends, a constant flow of innovation, a customer-centric sales support, and an active CSR policy, Milestone has a business model similar to that of Legrand.

¹ Targets relate to integrated performance combining financial and CSR-linked extra-financial results, drawing on a broader approach to corporate scope creating value for all stakeholders.
² For more details on Milestone, including 2016 performance, sales growth seasonality in 2017, and its contribution to Group performance, readers are invited to consult pages 16 and 17 of this press release.
In 2017, Milestone reported organic growth in sales of +3.0% – at the top end of its announced\(^1\) aim of +2% to +3% – and an adjusted operating margin of 21.8% compared with 21% in 2016\(^2\).

Moreover, potential for commercial and cost synergies following the acquisition of Milestone is confirmed\(^3\). In this respect, Legrand set up an Audio-Video\(^4\) Division in North America, which brings together Milestone and Middle Atlantic Products (Legrand’s historic AV operations). The Group also created a Residential AV Business Unit\(^5\) combining residential AV offerings from Milestone, Middle Atlantic Products, Luxul, Nuvo, QMotion, Vantage and OnQ.”

Proposed dividend

The Legrand Board of Directors will ask the General Meeting of shareholders to approve the payment of a dividend of €1.26 per share in respect of 2017 (compared with €1.19 in respect of 2016), representing a payout\(^6\) of 54%.

2018 targets

Macroeconomic projections for 2018 call for a still favorable economic environment overall. Against this backdrop, Legrand plans to pursue its strategy of profitable growth and has set the following targets for 2018:
- organic growth in sales of between +1% and +4%; and
- adjusted operating margin before acquisitions (at 2017 scope of consolidation) of between 20.0% and 20.5% of sales.

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

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\(^1\) As a reminder, on page 10 of the press release announcing nine-month 2017 results (published November 7, 2017), Legrand indicated that the full-year 2017 aim for organic growth in sales at Milestone was between +2% and +3%.

\(^2\) For more details on Milestone, including 2016 performance, sales growth seasonality in 2017, and the company’s contribution to Group performance, readers are invited to consult pages 16 and 17 of this press release.

\(^3\) Commercial and cost synergies, short and medium term, representing 1% to 5% of Milestone’s 2016 sales.

\(^4\) As announced on June 28, 2017, creation of a single Division combining Milestone and Middle Atlantic Products and enabling back-office and commercial synergies.

\(^5\) Combination of residential audio-video offerings from Milestone, Middle Atlantic Products, Luxul, Nuvo, QMotion, Vantage and OnQ to be distributed through the current sales teams that serve specialist channels like CEDIA (international trade association grouping all players in home systems – manufacturers, designers and integrators).

\(^6\) Based on adjusted net profit attributable to the Group. Adjusted net profit attributable to the Group does not take into account the net favorable effect of significant non-recurring gains and expenses resulting from announced changes in corporate taxation, primarily in France and in the United States. This net favorable effect is adjusted as it does not reflect an underlying performance. For more information and reconciliations, readers are invited to consult pages 14, 15 and 20 of this press release.
RESULTS PRESS RELEASE

Key figures

<table>
<thead>
<tr>
<th>Consolidated data (€ millions)(^{(1)})</th>
<th>2016</th>
<th>2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>5,018.9</td>
<td>5,520.8</td>
<td>+10.0%</td>
</tr>
<tr>
<td>Adjusted operating profit As % of sales</td>
<td>978.5</td>
<td>1,104.9</td>
<td>+12.9%</td>
</tr>
<tr>
<td>Operating profit As % of sales</td>
<td>934.0</td>
<td>1,025.6</td>
<td>+9.8%</td>
</tr>
<tr>
<td>Net profit attributable to the Group(^{(3)}) As % of sales</td>
<td>628.5</td>
<td>711.2</td>
<td>+13.2%</td>
</tr>
<tr>
<td>Normalized free cash flow As % of sales</td>
<td>623.9</td>
<td>735.2</td>
<td>+17.8%</td>
</tr>
<tr>
<td>Free cash flow As % of sales</td>
<td>673.0</td>
<td>695.8</td>
<td>+3.4%</td>
</tr>
<tr>
<td>Net financial debt at December 31</td>
<td>957.0</td>
<td>2,219.5</td>
<td>+131.9%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) See appendices to this press release for definitions and reconciliation tables of indicators.
\(^{(2)}\) At 2016 scope of consolidation.
\(^{(3)}\) See detailed explanation of change in net profit attributable to Group on pages 14, 15 and 20 of this press release.

2017 performance\(^{1}\)

Legrand reported a very good performance\(^{1}\) in 2017, demonstrating its ability to create lasting value for all of its stakeholders:

- profitable growth accelerated as consolidated sales rose +10.0%, adjusted operating profit increased +12.9%, and net profit attributable to the Group gained +13.2% (notably reflecting both a good operating performance and a decrease in financial expense);
- normalized free cash flow rose +17.8% to stand at €735.2 million; and
- achievement rate of its CSR roadmap reached 122% - Legrand thus nearly met the targets set in its five-year roadmap in year four.

Consolidated sales

Sales for 2017 stood at €5,520.8 million, up +10.0% from 2016.

Sales growth at constant scope of consolidation and exchange rates was +3.1%, with increases in all five geographical regions. These showings, which reflect strengthening of the Group’s market positions in many countries, were driven both by sustained growth in new economies (+4.7%) and good performances in mature countries (+2.4%). They also illustrate successful launches of new products, as well as the commitment of teams across all countries.

The contribution of the broader scope of consolidation to Group growth was +7.8% in 2017, and is expected to be over +7%\(^{2}\) in 2018.

The exchange-rate effect on sales was -1.1% in 2017. Based on average exchange rates in January 2018, (i) the full-year foreign-exchange impact on 2018 sales should be around -4% (around -6% in the first half of 2018 and around -2% in the second half of 2018) and (ii) change in foreign-exchange rates shouldn’t have any impact on Group operating margin.

As a reminder, organic growth in sales was strong in the first quarter of 2017, thus representing a demanding basis for comparison including an unfavorable calendar effect in the first quarter of 2018 and in particular in the United States.

\(^{1}\) This relates to integrated performance combining financial and CSR-linked extra-financial results, drawing on a broader approach to corporate scope creating value for all stakeholders.
\(^{2}\) Based on acquisitions announced.
Results

Press Release

Changes in sales by destination at constant scope of consolidation and exchange rates broke down as follows by region:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>+3.2%</td>
<td>+5.8%</td>
</tr>
<tr>
<td>Italy</td>
<td>+4.0%</td>
<td>+5.7%</td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>+5.5%</td>
<td>+5.8%</td>
</tr>
<tr>
<td>North and Central America</td>
<td>+1.7% (+7.6% over 2 years)¹</td>
<td>+2.1%</td>
</tr>
<tr>
<td>Rest of the world</td>
<td>+3.1%</td>
<td>+2.4%</td>
</tr>
<tr>
<td>Total</td>
<td>+3.1%</td>
<td>+3.6%</td>
</tr>
</tbody>
</table>

These changes at constant scope of consolidation and exchange rates are analyzed below by geographical region:

- **France** (16.3% of Group sales): organic growth in sales in France stood at +3.2% in 2017.
  This good relative performance reflects the strengthening of Legrand’s positions in France, driven by factors including successful commercial initiatives and well-received launches of new products, among them the Classe 300X door entry system and LCS3 digital infrastructure solutions.
  The new residential construction market showed strong growth throughout the year. Over the same period, new non-residential construction also expanded, while the renovation market showed very moderate growth.
  At the end of 2017, French building sector activity accelerated, fueled by a marked one-off rise in demand that drove organic growth in the fourth quarter.

- **Italy** (9.3% of Group sales): at constant scope of consolidation and exchange rates, sales were up +4.0% in Italy for 2017 as a whole.
  These 2017 showings were led by a very positive response to recently launched connected offerings, including the Classe 300X door entry system, My Home Up home systems, and the new Smarther intelligent thermostat. Against a backdrop of very slight growth in the construction market, this healthy performance also illustrated the Group’s successful commercial initiatives.

- **Rest of Europe** (17.0% of Group sales): at constant scope of consolidation and exchange rates, sales rose +5.5% from 2016.
  Countries in Eastern Europe, including Russia, Hungary and the Czech Republic, turned in solid showings for the year as a whole. Turkey also reported strong growth in sales, benefiting from a favorable basis for comparison in the second half of 2016.
  In addition, business increased strongly in a number of mature European countries of the zone, including Spain, the Netherlands, Greece and Scandinavian countries.
  In the United Kingdom (less than 2.5% of Legrand’s total sales) sales were up very slightly compared with 2016, with activity declining in the second half alone.

¹ As announced, 2016 represented a demanding basis for comparison. For more details, readers should refer to comments on Legrand’s performance in North and Central America on page 7 of this press release.
- North and Central America (33.0% of Group sales): at constant scope of consolidation and exchange rates, sales were up +1.7% from 2016 and +7.6% over two years compared with 2015, due notably to a very good performance in the United States in 2016.

In the United States alone, organic growth stood at +1.0% for 2017 and was up +6.6% over two years compared with 2015. This good showing reflects Legrand's stronger positions in the country, driven by new products and successful commercial initiatives.

Milestone's performance over full-year 2017 was at the top of the range of the aim announced last November, with organic growth in sales up +3.0%.

There was also a double-digit rise in sales in Mexico.

- Rest of the World (24.4% of Group sales): organic growth was up +3.1% from 2016.

This good performance was buoyed by a number of countries in the region, including China, Indonesia, Algeria and the United Arab Emirates.

Growth was also sustained in India, with a particularly sharp rise in the second half after a temporary slowdown in the second quarter as the GST was rolled out.

In the rest of the region, sales retreated in Brazil, Colombia and Malaysia, in particular.

Adjusted operating profit and margin

Adjusted operating profit was up +12.9% at €1,104.9 million, reflecting the Group's ability to create value through profitable growth.

Adjusted operating margin before acquisitions (at 2016 scope of consolidation) stood at 20.1% of 2017 sales, in line with the top end of the target range (20.1%).

This represents a +0.6-point rise from 2016 adjusted operating margin (19.5%). It reflects the Group's good operating performance for +0.5 points as well as a net favorable non-recurring effect of around +0.1 points (coming from the impact of inventory build-up in finished and semi-finished goods estimated at less than +0.2 points, partially offset by the unfavorable effect of non-recurring items for close to -0.1 points).

When acquisitions are taken into account, adjusted operating margin stood at 20.0% of net sales.

By reacting quickly to adjust its price lists, Legrand more than offset, in absolute value, the impact of a marked rise in raw material and component prices in 2017.

Net profit attributable to the Group

Net profit attributable to the Group rose by +13.2% to €711.2 million in 2017.

2017 net profit attributable to the Group benefited from a non-recurring net tax income of €85.5 million linked to announced changes in corporate taxation both in France and in the United States in 2017. As a reminder, in 2016, net profit attributable to the Group had benefited from a €61.2 million non-recurring net tax income of the same type, related primarily to changes in French corporate taxation.

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1 As a reminder, the US recorded organic growth in sales of +5.6% in 2016. As noted on page 4 of the press release presenting full-year 2016 results, published February 9, 2017, organic growth for 2016 as a whole would have stood at around +3% excluding one-off impacts due to the "success of the Digital Lighting Management offering", "good showings in the non-residential segment" and "one-off load-in in the retail business".

2 As a reminder, on page 10 of the press release announcing nine-month 2017 results (published November 7, 2017), Legrand indicated that the full-year 2017 aim for organic growth in sales at Milestone was between +2% and +3%. For more details on Milestone's sales growth in 2017, readers are invited to consult page 16 in the appendices of this press release.

3 GST: Goods and Services Tax.
Net profit attributable to the Group adjusted\(^1\) for these factors stood at €625.7 million in 2017 compared with €567.3 million in 2016, a rise of €58.4 million. This change reflects:

- a solid operational performance, with operating profit up a steep €91.6 million;
- a €12.0 million reduction in net financial expense;
  partially offset by:
- a €29.9 million rise in income tax booked in the adjusted net profit attributable to the Group\(^1\) (on this basis, the tax rate on adjusted\(^1\) net profit attributable to the Group for 2017 would be 33.0%, almost stable compared with that of 2016);
- a foreign exchange result in 2017, which as it compares with a profit in 2016, represents a net unfavorable change of €14.8 million – the realized (cash) foreign exchange result recorded nevertheless a favorable change of €2.1 million;
- a €0.3 million rise in profit attributable to minority interests; and
- a €0.2 million decline in the result of equity-accounted entities.

The adjusted\(^1\) net profit attributable to the Group in 2017 also includes accounting expense related to Milestone’s PPA for a total amount of €16.0 million (non-cash impact expenses). This sets the adjusted\(^1\) net profit attributable to the Group before the Milestone\(^2\) PPA at €641.7 million, up +13.1% from 2016\(^3\).

**Cash generation and solid balance sheet structure**

In 2017, cash flow from operations came to 16.7% of sales and stood at €919.8 million, up +16.2% from 2016.

Industrial investments as percentage of sales stood at 3.2%, in keeping with the Group’s long-term ambition (3% to 3.5% of net sales over the long run).

Working capital requirement expressed as a percentage of 2017 sales remained at a low level, standing at 6.8% at December 31, 2017.

Normalized free cash flow stood at 13.3% of sales in 2017 (or €735.2 million), up +17.8% compared with 2016.

At the same time, free cash flow was €695.8 million, up €22.8 million from 2016. This change reflects:

- a solid operating performance with EBITDA improving by €132.5 million;
- a €9.9 million decline in net financial expense;
- a €4.4 million improvement in other items, primarily long-term items;
- a €2.1 million favorable change in the realized foreign-exchange result;
  partially offset by:
- a €105.9 million\(^4\) increase in change in working capital requirement excluding tax items;
- a €10.3 million rise in tax paid; and
- a €9.9 million rise in investments net of sales.

The Group’s balance sheet structure as of December 31, 2017, including the impact of acquisitions made in the course of 2017, remained particularly robust. Net debt to EBITDA ratio thus stands at 1.8 and gross debt, which has an average maturity of more than 6 years, is fully financed with fixed rates.

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\(^1\) Adjusted net profit attributable to the Group does not take into account the net favorable effect of significant non-recurring gains and expenses resulting from announced changes in corporate taxation, primarily in France and in the United States. This net favorable effect is adjusted as it does not reflect an underlying performance. For more information and reconciliations, readers are invited to consult pages 14, 15 and 20 of this press release.

\(^2\) Adjusted net profit attributable to the Group before Milestone PPA (Purchase Price Allocation) corresponds to adjusted net profit attributable to the Group before amortization of intangible assets and reversal of inventory step-up (with no cash impact) resulting from the PPA. For more information and reconciliations, readers are invited to consult pages 17 and 20 of this press release.

\(^3\) Compared with adjusted net profit attributable to the Group for 2016.

\(^4\) As a reminder, 2016 full-year results announcements specified in particular that “Working capital requirement expressed as a percentage of sales at the end of 2016 was temporarily at an exceptionally low level compared with the past ten years, which makes a challenging basis for comparison in 2017.”
Non-financial performance

CSR is at the heart of Legrand’s strategy. In this respect, Legrand set ambitious and innovative targets in its third multi-year roadmap, covering the period from 2014 to 2018. This defines 21 targets and sets annual milestones. Based on four focus points (user, society, employees and the environment), Legrand’s CSR draws on an approach based on progress for all of its stakeholders and contributes to sustainable use of electric power.

In 2017, Legrand’s ongoing initiatives in this field included:

- strengthening Legrand’s historic commitment to limit the environmental impact of its activities, by signing the “French Business Climate Pledge”;
- supporting equal opportunity and diversity by ratifying the Business and Disability network charter of the International Labor Organization;
- conducting a comprehensive materiality survey on CSR challenges in the first half of 2017, polling all Group stakeholders to prepare the next multi-year roadmap;
- launching, in all countries where Legrand operates, a program to guarantee minimum social protection in three key areas: parenthood, healthcare and insurance;
- pursuing partnership agreements with NGOs, in particular with “Electricians without Borders”, with which Legrand has worked for the past ten years to support projects that develop access to electricity; and
- renewing, through the Legrand Foundation, its call for projects that recognized three structures assisting people who are losing their independence.

In 2017 the Group recorded a 122% global achievement rate for the targets set\(^1\), thus almost meeting its CSR roadmap’s five-year target in year four. Legrand demonstrated once again its ability to meet key environmental, societal and technological challenges over the long term.

Dividend

The Legrand board of directors will ask the General Meeting of Shareholders to be held on May 30, 2018 to approve the payment of a €1.26 per-share dividend in respect of 2017 (versus €1.19 in respect of 2016), representing a payout\(^2\) of 54%. The ex-dividend date will be June 1, 2018 and the dividend will be paid on June 5, 2018.

Based on the number of shares outstanding on December 31, 2017, dividend distribution in 2018 in respect of 2017 will be effected under the same conditions as that in respect of the previous year, by deduction from:

- distributable income in an amount of €0.93\(^3\) per share on the one hand; and
- the “issue premium” account in an amount of €0.33\(^3\) per share on the other.

Enhancing investments for the future

Innovation

In a growth-supportive economic environment, Legrand pursued its innovation momentum, with investments in new products totaling nearly €82 million in 2017, up +11% from 2016.

These ongoing investments enable Legrand to renew its catalog for product ranges in its historical business areas, including in 2017:

- Luzica and Clickme user interface ranges, designed for markets in South America;
- a new easy-to-install home eco-meter that measures energy consumption in real time and can be programmed using NFC\(^4\) technology; and
- additions to installation component lines, including new multi-outlet sockets equipped with USB and induction chargers along with electric power supply functions.

\(^1\) For details on 2017 CSR performance, please visit Legrand’s website (http://www.legrand.com/EN/progress-tracking_13157.html).

\(^2\) Based on adjusted net profit attributable to the Group. Adjusted net profit attributable to the Group does not take into account the net favorable effect of significant non-recurring gains and expenses resulting from announced changes in corporate taxation, primarily in France and in the United States. This net favorable effect is adjusted as it does not reflect an underlying performance. For more information and reconciliations, readers are invited to consult pages 14, 15 and 20 of this press release.

\(^3\) Indicative split released for information purposes only and likely to be amended, depending on the number of shares entitling their holders to the distribution by the payment date.

\(^4\) NFC = Near Field Communication. Short-distance – a few centimeters – contactless communication technology.
At the same time the Group launched innovative solutions for markets buoyed by societal and technological megatrends, including:

- LCS3, an innovative high-performance copper and optical fiber cabling system for digital infrastructures; and
- new UPS\(^1\) solutions, with notably the launch in 2017 of the Daker+ and Keor T Evo ranges.

Moreover, since the launch of the Eliot program, Legrand has also steadily expanded its offering of connected solutions, which now comprises over 30 connected product families. Rollouts in 2017 included the EMS CX\(^3\) power metering system, the Smarther intelligent thermostat, and the IRVE 3.0 offering of charging stations for electric vehicles. At the same time, the successful deployment of the Classe 300X connected door entry system continued and in early 2018 Legrand launched in France “Céliane with Netatmo”, a new line of connected user interfaces.

Altogether sales generated by connected products rose nearly +12\% in 2017, with total annual growth averaging close to +28\% from 2014 to 2017. Eliot is thus proceeding in advance of its roadmap.

Momentum is set to continue with upcoming launches of:

- “Smart Lighting controls from the radiant collection”, an offering of connected sockets and switches for the American market for light control, sockets and other connected appliances in the home; and
- a range of lighting controls respectful of biological cycles, integrated into control devices from Pinnacle Architectural Lighting and into Wattstopper’s Digital Lighting Management range.

In the field of connected products, Legrand also relies on a number of partnership agreements. At the 2018 Consumer Electronics Show in Las Vegas, which it attended for the fourth consecutive year, the Group thus announced the launch of “Works with Legrand”, a program that enables players in connected building to deploy solutions that are interoperable with Legrand’s offering. Over twenty partners have already joined.

Within this framework, Legrand has teamed up with Amazon, Apple and Google. The Group also worked with Samsung to develop “Guest Room Management”, a new connected management system for Marriott International’s hotel rooms. The program also counts connected building players BNP Paribas Real Estate and Vinci Immobilier as well as start-ups like Netatmo, Lumenetix and Bios Lighting. Additionally, this initiative encourages the development of offerings targeting new uses, such as a car-to-home connection designed with Renault, and door entry systems with face recognition through artificial intelligence, produced by Shidean in China.

**Commercial and industrial initiatives**

Legrand is also pursuing its commercial and marketing programs through:

- ongoing enhancement of digital marketing content for clients including distributors, prescribers and end-users (rich content);
- active contribution to the development of BIM\(^2\), an innovative process for digital planning of building life cycles;
- roll-out of digital promotion tools and ongoing enhancement of awareness amongst clients with digital communication campaigns such as “Il Mistero Sottile”, watched 6.5 million times online;
- expansion of its remote training offering for professional customers, which now includes webinars such as electrical installation management, maintenance of emergency lighting and the EMS CX\(^3\) connected offering; and
- expansion of its network of showrooms, with the opening this year of two Innoval spaces in France (Bordeaux and Lille) and a third in Bombay, as well as three new showrooms (in India, in Austria, and in Australia, the latter being dedicated to the Eliot offering).

Legrand is also actively expanding its presence in markets offering long-term development opportunities. This includes Russia, where the Group is investing in a new plant that will localize the manufacturing of user interface and energy distribution ranges for sale in Russia.

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1. Uninterruptible Power Supply.
2. BIM = Building Information Modeling.
At the same time, the Group is making targeted investments to digitize its manufacturing processes by:
- gradually rolling out applications designed to collect and analyze data for real-time control of manufacturing processes across the economic chain, allowing acceleration of its production cycles, and
- implementing solutions that assist intelligent production. These include AGVs\(^1\), Cobots\(^2\) and augmented reality, already installed at some plants.

Those initiatives are part of a global approach to manufacturing excellence.

**Acquisitions**

In 2017, Legrand pursued its strategy of acquisitions, making six external growth operations with companies operating in complementary segments driven by megatrends. These included:
- audio-video (AV) infrastructure and power in the United States with the acquisition of Milestone AV Technologies LLC ("Milestone");
- specification-grade architectural lighting solutions for non-residential buildings in the United States with the acquisitions of Finelite and OCL;
- solutions for datacenters with the purchase of Server Technology, Inc. and AFCO Systems Group;
- three-phase UPS\(^3\) systems with the signature of a joint venture agreement with Borri.

Based on acquisitions announced, the expected contribution of the broader scope of consolidation to Group growth should be over +7\% in 2018.

More generally, these external growth operations should help raise on a yearly basis the share of Group sales made in new business segments\(^4\) to more than 38\%\(^5\), and raise the percentage of Group sales made with products ranked #1 or #2 in their respective markets to around 69\%\(^6\).

**Milestone\(^6\): performance and potential fully confirmed**

Milestone is a frontrunner in audio-video (AV) infrastructure and power in the United States. It rounds out Legrand’s existing positions in AV enclosures, following the Group’s 2011 purchase of Middle Atlantic Products, as well as strong positions in residential structured wiring (OnQ), natural light control (QMotion), residential whole house audio (NuVO) and residential wireless networking (Luxul).

Driven by societal (co-working and remote working) and technological (digital signage and streaming) megatrends, Milestone’s development relies on a business model similar to Legrand’s. This is built on:
- solid leading positions and well-known brands;
- a continuous stream of innovation backed by investment in R&D;
- customer-centric sales support; and
- an active CSR policy.

Over full-year 2017, Milestone organic growth in sales stood at +3.0\% – at the top end of the aim range announced\(^5\) – and adjusted operating margin was 21.8\% against 21\% in 2016\(^6\).

More specifically, and linked to the mechanical impact of seasonal fluctuations in its business, the organic sales evolution for the last five months of 2017, corresponding to the period of time consolidated in Group accounts for the fourth quarter, was -2.1\%\(^6\).

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\(^1\) Automated Guide Vehicles.

\(^2\) Cobot: collaborative robots.

\(^3\) Uninterruptible Power Supply.

\(^4\) Digital infrastructure, energy efficiency, assisted living and home systems.

\(^5\) Based on 2017 sales including 12 months of acquisitions made in 2017.

\(^6\) For more details on Milestone, including 2016 performance, sales growth seasonality in 2017, and the company’s contribution to Group performance, readers are invited to consult pages 16 and 17 of this press release.

\(^7\) As a reminder, on page 10 of the press release announcing nine-month 2017 results (published November 7, 2017), Legrand indicated that the full-year 2017 aim for organic growth in sales at Milestone was between +2\% and +3\%.
Moreover, short- and medium-term potential for commercial and cost synergies linked to the Milestone acquisition is confirmed at between 1% and 5% of Milestone’s 2016 sales. Against this backdrop, the Group set up, in particular, a new Audio-Video Division\(^1\) in North America that brings together Milestone’s and Middle Atlantic Products’ activities. Legrand also created a Residential AV Business Unit combining residential AV offerings from Milestone, Middle Atlantic Products, Luxul, Nuvo, QMotion, Vantage and OnQ, to be distributed through the current sales teams that serve specialist channels like CEDIA\(^2\).

\(^{------}\)

\(^1\) As announced on June 28, 2017, creation of a single Division combining Milestone and Middle Atlantic Products and enabling back-office and commercial synergies.

\(^2\) International trade association grouping all players in home systems – manufacturers, designers and integrators.
The Legrand Board of Directors adopted audited consolidated financial statements for 2017 at its meeting on February 7, 2018. These consolidated financial statements, a presentation of 2017 annual results and the related teleconference (live and replay) are available at www.legrand.com.

KEY FINANCIAL DATES:

- 2018 first-quarter results: **May 3, 2018**
  "Quiet period" starts April 3, 2018
- General Meeting of Shareholders: **May 30, 2018**
- Ex-dividend date: **June 1, 2018**
- Dividend payment: **June 5, 2018**
- 2018 first-half results: **July 31 2018**
  "Quiet period" starts July 1, 2018

ABOUT LEGRANG

Legrand is the global specialist in electrical and digital building infrastructures. Its comprehensive offering of solutions for commercial, industrial and residential markets makes it a benchmark for customers worldwide. Drawing on an approach that involves all teams and stakeholders, Legrand is pursuing its strategy of profitable and sustainable growth driven by acquisitions and innovation, with a steady flow of new offerings—including Eliot* connected products with enhanced value in use. Legrand reported sales of more than €5.5 billion in 2017. The company is listed on Euronext Paris and is notably a component stock of the CAC 40 index.

(code ISIN FR0010307819)

http://www.legrand.com

*Eliot is a program launched in 2015 by Legrand to speed up deployment of the Internet of Things in its offering. A result of the group’s innovation strategy, Eliot aims to develop connected and interoperable solutions that deliver lasting benefits to private individual users and professionals.

http://www.legrand.com/EN/eliot-program_13238.html

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1 All communication suspended in the run-up to publication of results.
Appendices

Information on main impacts of tax changes adopted in 2017 in France and in the United States (1/2)

1/ Changes in corporate taxation

In France

- After the Tax Law for 2017 introduced a gradual reduction in the corporate income tax rate from 33% to 28%, taking full effect from January 1, 2020, the Tax Law for 2018 introduced a new gradual reduction in this rate to 25%, taking full effect from January 1, 2022.

- In 2017, a refund to companies by the French State of the tax on dividends paid since 2013 and payment by some companies of an exceptional income tax (partial financing of tax on dividends refund).

In the US

- Tax reform in the US includes in particular a cut in the federal income tax rate on American companies from 35% to 21% starting January 1, 2018.

2/ Non-recurring impacts on Legrand’s 2017 accounts

In France

- Gradual reduction in the corporate income tax rate in France to 25% in 2022.
  
  The gradual reduction in the corporate income tax rate announced in 2016 (from 33% to 28%) led to a mechanical revaluation of deferred tax liabilities on trademarks, accounting for most of the non-recurring non-cash tax income of €61.2 million booked in 2016.
  
  The new gradual reduction in the income tax rate on companies announced in 2017 (to 25% in 2022) will have similar accounting effects, generating a €26.4m non-recurring tax income in 2017.
  
- The refund in 2017 of the tax on dividends (previously paid by Legrand) net of the exceptional income tax on companies in 2017 generated a €18.3m non-recurring tax income in 2017.

In the US

- Tax reform, and in particular a reduction in the federal corporate income tax rate from 35% to 21% in 2018, generated in 2017 a non-recurring and non-cash net tax income of €40.8m in 2017, mainly due to the mechanical revaluation of deferred tax liabilities and assets.

Summary of non-recurring impacts on Legrand’s accounts in 2017 and comparison with 2016

<table>
<thead>
<tr>
<th>€ million</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2016 reminder</strong></td>
</tr>
<tr>
<td>Tax income linked to mechanical revaluation of deferred tax liabilities on trademarks resulting from the announcement of reductions in corporate income tax rates, primarily in France (non-cash impact)</td>
</tr>
<tr>
<td>Tax income resulting from refund of tax on dividends paid since 2013, net of the exceptional income tax on companies in 2017 in France</td>
</tr>
<tr>
<td>Net tax income linked to changes in corporate taxation in the United States, mainly accounting impacts due to mechanical revaluation of deferred tax assets and liabilities (non-cash impact)</td>
</tr>
<tr>
<td>Total non-recurring impacts</td>
</tr>
</tbody>
</table>
**Information on main impacts of tax changes adopted in 2017 in France and in the United States (2/2)**

3/ Estimated recurring impacts on Legrand’s accounts after 2017

<table>
<thead>
<tr>
<th>In tax-rate basis points</th>
<th>Starting in 2018</th>
<th>Starting in 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated impact on US tax rate of changes in corporate taxation including the reduction in the federal income tax rate on US companies from 35% to 21% in 2018</td>
<td>-11pts</td>
<td></td>
</tr>
<tr>
<td>Estimated impact on French tax rate of the gradual reduction in the corporate income tax rate on French companies from 33% to 25% in 2022</td>
<td></td>
<td>-8pts</td>
</tr>
<tr>
<td>Estimated impact on Group's tax rate</td>
<td>-3pts(^1)</td>
<td>-1pts(^2)</td>
</tr>
</tbody>
</table>

\(^1\) Based on 2017 average exchange rates and sales including the full year impact of 2017 acquisitions.

\(^2\) Expected impact in 2022, considering the 2017 taxable basis and taking into account a full impact in 2022, as the corporate income tax rate is set to gradually change (31% in 2019, 28% in 2020, 26.5% in 2021 and 25% in 2022).
Updated information on Milestone (1/2)

Full-year 2017 performance

Consolidation

September 30, 2017\(^1\): consolidated only in Group balance sheet.
December 31, 2017\(^1\): consolidated in Group balance sheet and statement of income for a 5-month period.

<table>
<thead>
<tr>
<th>Milestone key figures</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales:</td>
<td>$464m</td>
<td>$478m</td>
</tr>
<tr>
<td>Adjusted operating margin:</td>
<td>21(^2)%</td>
<td>21.8%</td>
</tr>
</tbody>
</table>

Sales

- Buoyant activity in the long run, but fluctuating by nature in the short term
  - Milestone is in a buoyant market driven by societal megatrends (communications, security, co-working, remote working, etc.) and technological megatrends (digitalization, new display technologies, streaming, etc.). However its business is by nature subject to short-term fluctuations (projects, retail demand, etc.).

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>+19%</td>
<td>-9%</td>
<td>+16%</td>
<td>+1%</td>
<td>+3%</td>
<td>+7%</td>
<td>+12%</td>
<td>-11%</td>
<td>+3%</td>
<td>-4%</td>
<td>+9%</td>
<td>-5%</td>
<td>+3.0%</td>
</tr>
</tbody>
</table>

- 2017 growth in sales

In 2017, Milestone organic growth in sales was as follows:

January to December: +3.0\%  
January to July (pre-acquisition): +7.0\%  
August to December (post-acquisition): -2.1\%  

Performance over the consolidation period in 2017

<table>
<thead>
<tr>
<th>Milestone (5 months)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>€187.5m</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>€41.7m</td>
</tr>
<tr>
<td>as % of sales</td>
<td>22.2%</td>
</tr>
</tbody>
</table>

---

\(^1\) See note 1.3.2 to audited consolidated financial statements at December 31, 2017.

\(^2\) Excludes non-recurring items.
**Updated information on Milestone (2/2)**

Financial fundamentals of Milestone’s acquisition

**Annual cash impact (before synergies)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Normalized free cash flow generated by par Milestone¹</td>
<td>$58m</td>
<td>+$13m</td>
<td>$71m</td>
</tr>
<tr>
<td>Annual cash tax benefit²</td>
<td>+$30m</td>
<td>-$10m</td>
<td>+$20m</td>
</tr>
<tr>
<td>Financing costs:</td>
<td>-$12m</td>
<td>0m</td>
<td>-$12m</td>
</tr>
<tr>
<td>Milestone’s annual contribution to Group cash generation:</td>
<td>= $76m</td>
<td>= +$3m</td>
<td>= $79m</td>
</tr>
</tbody>
</table>

**Value creation (before synergies)**

In addition to bringing highly valuable positions to the Group in a buoyant market and with solid fundamentals that are similar to Legrand’s, the acquisition of Milestone is, before synergies, value creative from year one:

<table>
<thead>
<tr>
<th>Description</th>
<th>Announced in November 2017</th>
<th>Impacts of US tax reform in 2017</th>
<th>Announced in November after impacts of the US tax reform</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted operating profit (21% of sales)¹</td>
<td>$97m</td>
<td>$0m</td>
<td>$97m</td>
</tr>
<tr>
<td>Income tax on adjusted operating profit:</td>
<td>-$38m</td>
<td>+$13m</td>
<td>-$25m</td>
</tr>
<tr>
<td>Cash tax gain resulting from standard goodwill amortization²:</td>
<td>+$30m</td>
<td>-$10m</td>
<td>+$20m</td>
</tr>
<tr>
<td>Adjusted operating profit after tax + cash tax benefit:</td>
<td>=-$89m</td>
<td>=+$3m</td>
<td>=-$92m</td>
</tr>
<tr>
<td>Gross price paid:</td>
<td>$1,200m</td>
<td></td>
<td>$1,200m</td>
</tr>
<tr>
<td>Return (including cash tax benefit) on invested capital (a) / (b):</td>
<td>7.4%*</td>
<td></td>
<td>7.7%</td>
</tr>
</tbody>
</table>

(* i.e., higher than the 7% WACC used when the acquisition was announced)

**Purchase Price Allocation (PPA)³** – non-cash impacts on the statement of income

- Recurring non-cash impact from 2017 (5 months) through 2026: $25.8m in annual amortization of intangible assets, decreasing from 2027.
- Non-recurring non-cash impact (2017 only): $18.9m reversal of inventory step-up

These non-cash expenses (with no impact on cash position) will have no impact on the Group’s adjusted operating profit

**Synergies**

Synergies: between 1% and 5% of Milestone 2016 sales

including medium-term commercial synergies (client cover, development of business in other distribution channels and geographical regions) and short- medium-term cost synergies (purchasing, production and administration).

Against this backdrop, the Group set up, in particular, a new Audio-Video Division in North America that brings together Milestone’s and Middle Atlantic Products’ activities. Legrand also created a Residential AV Business Unit combining residential AV offerings from Milestone, Middle Atlantic Products, Luxul, Nuvo, QMotion, Vantage and OnQ, to be distributed through the current sales teams that serve specialist channels like CEDIA (international trade association grouping all players in home systems – manufacturers, designers and integrators).

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¹ Based on Milestone data for 2016 and excluding non-recurring items.
² Cash tax benefit with no impact on statement of tax income.
³ See note 3.2 to audited consolidated financial statements at December 31, 2017.
Glossary

Working capital requirement
Working capital requirement is defined as the sum of trade receivables, inventories, other current assets, income tax receivables and short-term deferred tax assets, less the sum of trade payables, other current liabilities, income tax payables, short-term provisions and short-term deferred tax liabilities.

Free cash flow
Free cash flow is defined as the sum of net cash from operating activities and net proceeds from sales of fixed and financial assets, less capital expenditure and capitalized development costs.

Normalized free cash flow
Normalized free cash flow is defined as the sum of net cash from operating activities—based on a normalized 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 period considered—and net proceeds of sales from fixed and financial assets, less capital expenditure and capitalized development costs.

Organic growth
Organic growth is defined as the change in sales at constant structure (scope of consolidation) and exchange rates.

Net financial debt
Net financial debt is defined as the sum of short-term borrowings and long-term borrowings, less cash and cash equivalents and marketable securities.

EBITDA
EBITDA is defined as operating profit plus depreciation and impairment of tangible assets, amortization and impairment of intangible assets (including capitalized development costs), reversal of inventory step-up and impairment of goodwill.

Cash flow from operations
Cash flow from operations is defined as net cash from operating activities excluding changes in working capital requirement.

Adjusted operating profit
Adjusted operating profit is defined as operating profit adjusted for amortization and depreciation of revaluation of assets at the time of acquisitions and for other P&L impacts relating to acquisitions and, where applicable, for impairment of goodwill.

CSR
Corporate Social Responsibility

Payout
Payout is defined as the ratio between the proposed dividend per share for a given year, divided by the net income excluding minority interests per share of the same year, calculated on the basis of the average number of ordinary shares at December 31 of that year, excluding shares held in treasury.
## Calculation of working capital requirement

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables</td>
<td>564.2</td>
<td>624.9</td>
</tr>
<tr>
<td>Inventories</td>
<td>670.6</td>
<td>747.4</td>
</tr>
<tr>
<td>Other current assets</td>
<td>164.8</td>
<td>184.1</td>
</tr>
<tr>
<td>Income tax receivables</td>
<td>41.1</td>
<td>48.0</td>
</tr>
<tr>
<td>Short-term deferred taxes assets/(liabilities)</td>
<td>83.1</td>
<td>83.4</td>
</tr>
<tr>
<td>Trade payables</td>
<td>(558.3)</td>
<td>(612.9)</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>(546.2)</td>
<td>(583.7)</td>
</tr>
<tr>
<td>Income tax payables</td>
<td>(30.8)</td>
<td>(37.7)</td>
</tr>
<tr>
<td>Short-term provisions</td>
<td>(82.4)</td>
<td>(75.3)</td>
</tr>
<tr>
<td><strong>Working capital required</strong></td>
<td><strong>306.1</strong></td>
<td><strong>378.2</strong></td>
</tr>
</tbody>
</table>

## Calculation of net financial debt

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term borrowings</td>
<td>346.4</td>
<td>585.4</td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td>1,550.7</td>
<td>2,457.1</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>(940.1)</td>
<td>(823.0)</td>
</tr>
<tr>
<td><strong>Net financial debt</strong></td>
<td><strong>957.0</strong></td>
<td><strong>2,219.5</strong></td>
</tr>
</tbody>
</table>
Reconciliation of adjusted net profit attributable to the Group before Milestone PPA, adjusted net profit attributable to the Group and net profit attributable to the Group

<table>
<thead>
<tr>
<th>€ million</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adjusted net profit attributable to the Group before Milestone PPA</strong></td>
<td>567.3</td>
<td>641.7</td>
</tr>
<tr>
<td>Non-cash after tax impacts(^{(1)}) linked to Milestone Purchase Price Allocation (PPA), reflecting:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- recurring impacts (5 months in 2017) linked to amortization of intangible assets (decreasing from 2027 on)</td>
<td>0.0</td>
<td>(5.8)</td>
</tr>
<tr>
<td>- non-recurring impact (2017 only) linked to reversal of inventory step-up</td>
<td>0.0</td>
<td>(10.2)</td>
</tr>
<tr>
<td><strong>Adjusted net profit attributable to the Group</strong></td>
<td>567.3</td>
<td>625.7</td>
</tr>
<tr>
<td>Tax income linked to mechanical revaluation of deferred tax liabilities on trademarks resulting from the announcement of reductions in corporate income tax rates, primarily in France (non-cash impact)</td>
<td>61.2</td>
<td>26.4</td>
</tr>
<tr>
<td>Tax income resulting from refund of tax on dividends paid since 2013, net of the exceptional income tax on companies in 2017 in France</td>
<td>0.0</td>
<td>18.3</td>
</tr>
<tr>
<td>Net tax income linked to changes in corporate taxation in the United States (mainly accounting impacts due to mechanical revaluation of deferred tax assets and liabilities) (non-cash impact)</td>
<td>0.0</td>
<td>40.8</td>
</tr>
<tr>
<td><strong>Net profit attributable to the Group</strong></td>
<td>628.5</td>
<td>711.2</td>
</tr>
</tbody>
</table>

\(^{(1)}\) 2017 non-cash impacts linked to the Purchase Price Allocation (PPA) of Milestone – after tax, converted into Euro and prorata temporis as far as the amortization of intangible assets is concerned (for further details on these impacts, see page 17 of this press release).

Reconciliation of adjusted operating profit with profit for the period

<table>
<thead>
<tr>
<th>In € millions</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit for the period</strong></td>
<td>630.2</td>
<td>713.2</td>
</tr>
<tr>
<td>Share of profits (losses) of equity-accounted entities</td>
<td>1.3</td>
<td>1.5</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>218.6</td>
<td>224.2</td>
</tr>
<tr>
<td>Exchange (gains) / losses</td>
<td>(6.5)</td>
<td>8.3</td>
</tr>
<tr>
<td>Financial income</td>
<td>(10.9)</td>
<td>(13.7)</td>
</tr>
<tr>
<td>Financial expense</td>
<td>101.3</td>
<td>92.1</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>934.0</td>
<td>1,025.6</td>
</tr>
<tr>
<td>Amortization &amp; depreciation of revaluation of assets at the time of acquisitions and other P&amp;L impacts relating to acquisitions</td>
<td>44.5</td>
<td>79.3</td>
</tr>
<tr>
<td>Impairment of goodwill</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Adjusted operating profit</strong></td>
<td>978.5</td>
<td>1,104.9</td>
</tr>
</tbody>
</table>
Reconciliation of EBITDA with profit for the period

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit for the period</strong></td>
<td>630.2</td>
<td>713.2</td>
</tr>
<tr>
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<td>1.3</td>
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<td>224.2</td>
</tr>
<tr>
<td>Exchange (gains) / losses</td>
<td>(6.5)</td>
<td>8.3</td>
</tr>
<tr>
<td>Financial income</td>
<td>(10.9)</td>
<td>(13.7)</td>
</tr>
<tr>
<td>Financial expense</td>
<td>101.3</td>
<td>92.1</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>934.0</td>
<td>1,025.6</td>
</tr>
<tr>
<td>Depreciation and impairment of tangible assets</td>
<td>97.1</td>
<td>99.8</td>
</tr>
<tr>
<td>Amortization and impairment of intangible assets (including capitalized development costs) and reversal of Milestone inventory step-up</td>
<td>77.9</td>
<td>116.1</td>
</tr>
<tr>
<td>Impairment of goodwill</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>1,109.0</td>
<td>1,241.5</td>
</tr>
</tbody>
</table>
Reconciliation of cash flow from operations, free cash flow and normalized free cash flow with profit for the period

<table>
<thead>
<tr>
<th>In € millions</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit for the period</strong></td>
<td>630.2</td>
<td>713.2</td>
</tr>
<tr>
<td>Adjustments for non-cash movements in assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation, amortization and impairment</td>
<td>177.4</td>
<td>217.7</td>
</tr>
<tr>
<td>Changes in other non-current assets and liabilities and long-term deferred taxes</td>
<td>(3.0)</td>
<td>(12.9)</td>
</tr>
<tr>
<td>Unrealized exchange (gains)/losses</td>
<td>(16.2)</td>
<td>0.6</td>
</tr>
<tr>
<td>(Gains)/losses on sales of assets, net</td>
<td>0.8</td>
<td>0.1</td>
</tr>
<tr>
<td>Other adjustments</td>
<td>2.2</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Cash flow from operations</strong></td>
<td>791.4</td>
<td>919.8</td>
</tr>
<tr>
<td>Decrease (Increase) in working capital requirement</td>
<td>40.4</td>
<td>(56.1)</td>
</tr>
<tr>
<td><strong>Net cash provided from operating activities</strong></td>
<td>831.8</td>
<td>863.7</td>
</tr>
<tr>
<td>Capital expenditure (including capitalized development costs)</td>
<td>(160.9)</td>
<td>(178.2)</td>
</tr>
<tr>
<td>Net proceeds from sales of fixed and financial assets</td>
<td>2.1</td>
<td>10.3</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>673.0</td>
<td>695.8</td>
</tr>
<tr>
<td>Increase (Decrease) in working capital requirement</td>
<td>(40.4)</td>
<td>56.1</td>
</tr>
<tr>
<td>(Increase) Decrease in normalized working capital requirement</td>
<td>(8.7)</td>
<td>(16.7)</td>
</tr>
<tr>
<td><strong>Normalized free cash flow</strong></td>
<td>623.9</td>
<td>735.2</td>
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Scope of consolidation

<table>
<thead>
<tr>
<th>2016</th>
<th>Q1</th>
<th>H1</th>
<th>9M</th>
<th>Full year</th>
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<tr>
<td><strong>Full consolidation method</strong></td>
<td></td>
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<tr>
<td>Fluxpower</td>
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<td>8 months</td>
<td>11 months</td>
</tr>
<tr>
<td>Primetech</td>
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<td>Balance sheet only</td>
<td>8 months</td>
<td>11 months</td>
</tr>
<tr>
<td>Pinnacle Architectural Lighting</td>
<td>Balance sheet only</td>
<td>Balance sheet only</td>
<td>5 months</td>
<td>8 months</td>
</tr>
<tr>
<td>Luxul Wireless</td>
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<td>5 months</td>
<td>8 months</td>
<td></td>
</tr>
<tr>
<td>Jontek</td>
<td>Balance sheet only</td>
<td>5 months</td>
<td>8 months</td>
<td></td>
</tr>
<tr>
<td>Trias</td>
<td>Balance sheet only</td>
<td>Balance sheet only</td>
<td>8 months</td>
<td></td>
</tr>
<tr>
<td>CP Electronics</td>
<td>Balance sheet only</td>
<td>Balance sheet only</td>
<td>7 months</td>
<td></td>
</tr>
<tr>
<td>Solarfective</td>
<td>Balance sheet only</td>
<td>5 months</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity method</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TBS(1)</td>
<td>6 months</td>
<td>9 months</td>
<td>12 months</td>
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</table>

<table>
<thead>
<tr>
<th>2017</th>
<th>Q1</th>
<th>H1</th>
<th>9M</th>
<th>Full year</th>
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<tr>
<td><strong>Full consolidation method</strong></td>
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<tr>
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<td>12 months</td>
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<td>Pinnacle Architectural Lighting</td>
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<td>12 months</td>
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<td>Solarfective</td>
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<td>OCL</td>
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<td>AFCO Systems Group</td>
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<tr>
<td><strong>Equity method</strong></td>
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<tr>
<td>TBS(1)</td>
<td>3 months</td>
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<td>Borri</td>
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<td>Balance sheet only</td>
<td>8 months</td>
<td></td>
</tr>
</tbody>
</table>

(1) Created together with a partner, TBS is to produce and sell transformers and busbars in the Middle East.
Disclaimer

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Details on risks are provided in the Legrand Registration Document filed with the Autorité des marchés financiers (Financial Markets Authority, AMF), which is available on-line on the websites of both AMF (www.amf-france.org) and Legrand (www.legrand.com).

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Change in governance

From February 8, 2018
Separation, on a long-term basis, of the offices of Chairman and of Chief Executive Officer:
Gilles Schnepp Chairman of the Board of Directors
Benoît Coquart Chief Executive Officer

As of January 1, 2019
Antoine Burel Deputy Chief Executive Officer in charge of Operations
Franck Lemery Chief Financial Officer

Separation, on a long-term basis, of the offices of Chairman and of Chief Executive Officer with effect from February 8, 2018: Gilles Schnepp Chairman of the Board of Directors and Benoît Coquart Chief Executive Officer.

Gilles Schnepp, Chairman and Chief Executive Officer of Legrand, has proposed to the Board of Directors a change in the Group’s governance, a proposal accepted by the Board, aimed at pursuing the development of Legrand in the best conditions.

In this respect, further to Gilles Schnepp’s proposal and the recommendation of the Nominating and Governance Committee, the Board of Directors has decided to separate the offices of Chairman of the Board and of Chief Executive Officer with effect from February 8, 2018. This separation will be organized on a long-term basis and is in line with best corporate governance practices. It will enable the two respective duties to be fully carried out.

Consequently, the Board has decided to renew Gilles Schnepp’s appointment as Chairman of the Board of Directors, to recommend that his appointment as board director be renewed at the next General Meeting of shareholders which is to be held on May 30, 2018, and to appoint Benoît Coquart to take over from him as Chief Executive Officer of Legrand.

The appointment of Benoît Coquart places at the head of Legrand’s general management a next-generation executive, who is fully aware of the challenges of the Group and its industry, and who has demonstrated his leadership skills by holding key strategic and operating positions at Legrand for over 20 years. After being Executive Vice-President France since 2015 and the first Chief Digital Officer of the Group in the context of his previous duties as Executive Vice-President Strategy and Development, Benoît Coquart will know how to write a new chapter of profitable and sustainable growth for Legrand.
Following the board meeting on February 7, 2018, Gilles Schnepp said: “This change in governance at Legrand marks the completion of a continuous and successful process of preparing the best talents to take charge of the responsibilities of a group to which I remain unfailingly attached. I am particularly happy that Benoît has been appointed Chief Executive Officer: I have known Benoît since he started at the company more than 20 years ago and am impressed by the capacity he has demonstrated to successfully take on increasingly important responsibilities within the Group and which have earned him recognition not only within the company but outside as well. Benoît has both strategic vision and execution talent which characterizes the management at Legrand, as well as strong attachment to the values of the Group. I will be at his side as Chairman of the Board of Directors so that he can devote himself fully to his new duties as Chief Executive Officer.”

Following his appointment, Benoît Coquart declared: “My thanks go to Gilles Schnepp, the Nominating and Governance Committee and the Board of Directors for their show of confidence by appointing me as Chief Executive Officer. It is with much enthusiasm that I take on this office and I know that I am lucky in that I will be able to benefit from the support of the Group’s more than 37,000 employees who each day work with skill and passion to reinforce our positions throughout the world. I would like to assure them, as well as our clients and all of our partners, of my intention of building on Legrand’s outstanding strengths in order to pursue the Group’s development and thus to create value for all of its stakeholders.”

As of January 1, 2019: Antoine Burel Deputy Chief Executive Officer in charge of Operations, Franck Lemery Chief Financial Officer.

Patrice Soudan has decided to stand down from his office as Deputy Chief Executive Officer in charge of Operations at the end of 2018, after 30 years of very successfully contributing to the Group’s development. Patrice Soudan will be replaced with effect from January 1, 2019 by Antoine Burel, currently Chief Financial Officer. The appointment of Antoine Burel, which is another step in his exemplary career path spanning more than 20 years within the Group, will enable Legrand to benefit from his widely-recognized qualities in a broad range of responsibilities comprising product marketing, innovation, R&D, supply chain, production and purchasing.

Franck Lemery, currently Vice-President Operations Performance, who has a full 20 years of experience within Legrand’s Finance Department, will be appointed Chief Financial Officer as of January 1, 2019.

Gilles Schnepp also said: “I am very happy that Antoine will be able to use his many qualities and his experience as Deputy Chief Executive Officer in charge of Operations of Legrand, a key area for the company’s development.”
Biographies

Benoît Coquart, 44, is a graduate of the Institut d’Etudes Politiques de Paris (Sciences Po Paris) and the French business school ESSEC. He joined Legrand immediately after completing his studies in 1997 to manage the Group’s activities in South Korea. Gilles Schnepp then asked Benoît Coquart to head up Investor Relations. Pursuing his career within the Group, Benoît Coquart successfully held several positions, including Vice-President of Corporate Development (M&A), Executive Vice-President Strategy and Development and since 2015, Executive Vice-President France. Benoît Coquart has been a member of Legrand’s Executive Committee since 2010.

Antoine Burel, 55, is a graduate of Neoma Business School (France) and holds the DECF accounting and finance qualification. He joined Legrand in 1993, after having worked as an auditor at KPMG. He held several administrative and financial executive positions at Group subsidiaries and was then appointed to head up Group Financial Control in 2005. After that, in 2008, he was appointed Chief Financial Officer (a position for which he received the CFO of the Year Award in 2013). Antoine Burel has been a member of the Executive Committee since 2010.

Franck Lemery, 50, is a graduate of the French business school ESCP Europe and holds the DESCF accounting and finance qualification. He joined Legrand in 1994, after having worked as an auditor at Ernst & Young. He first served as internal auditor of the Group and then successively held administrative and financial executive positions in several Group entities. He was appointed to head up Group Financial Control in 2008, reporting to Antoine Burel, and was then also placed in charge of internal control and risk management. In 2014, Franck Lemery became Vice-President for Operations Performance, reporting to Patrice Soudan.

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KEY FINANCIAL DATES:

- 2018 first-quarter results: **May 3, 2018**
  “Quiet period” starts April 3, 2018
- General Meeting of Shareholders: **May 30, 2018**
- Ex-dividend date: **June 1, 2018**
- Dividend payment: **June 5, 2018**
- 2018 first-half results: **July 31, 2018**
  “Quiet period” starts July 1, 2018

ABOUT LEGRAND

LeGrand is the global specialist in electrical and digital building infrastructures. Its comprehensive offering of solutions for commercial, industrial and residential markets makes it a benchmark for customers worldwide. Drawing on an approach that involves all teams and stakeholders, LeGrand is pursuing its strategy of profitable and sustainable growth driven by acquisitions and innovation, with a steady flow of new offerings—including Eliot* connected products with enhanced value in use. LeGrand reported sales of more than €5.5 billion in 2017. The company is listed on Euronext Paris and is a component stock of the CAC 40 index.

(code ISIN FR0010307819)

http://www.legrand.com

*Eliot is a program launched in 2015 by LeGrand to speed up deployment of the Internet of Things in its offering. A result of the group’s innovation strategy, Eliot aims to develop connected and interoperable solutions that deliver lasting benefits to private individual users and professionals.

http://www.legrand.com/EN/eliot-program_13238.html

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1 All communication suspended in the run-up to publication of results.
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In accordance with Regulation (EU) 2016/1055 of the European Commission of 29 June 2016 laying down implementing technical standards with regard to the technical means for appropriate public disclosure of inside information and for delaying the public disclosure of inside information in accordance with Regulation (EU) 596/2014 of the European Parliament and of the Council, this press release may contain inside information and was sent to Legrand’s primary information provider at 6:45 am on February 8, 2018.