LEGRAND

UNAUDITED CONSOLIDATED FINANCIAL INFORMATION

MARCH 31, 2017

Consolidated key figures

(in € millions)	**1st quarter 2017**	**1st quarter 2016**
Net sales	1,318.8	1,189.6
Adjusted operating profit(1)	259.5	226.7
As % of net sales	*19.7%*	*19.1%*
	*19.8% before acquisitions**	
Operating profit	246.9	216.0
As % of net sales	*18.7%*	*18.2%*
Net income excluding minority interests	149.0	127.4
As % of net sales	*11.3%*	*10.7%*
Normalized free cash flow(2)	180.8	155.5
As % of net sales	*13.7%*	*13.1%*
Free cash flow(3)	83.1	37.4
As % of net sales	*6.3%*	*3.1%*
Net financial debt at March 31(4)	894.9	790.9

*At 2016 scope of consolidation.

(1) Adjusted operating profit is defined as operating profit adjusted for amortization of revaluation of intangible assets at the time of acquisitions and for expense and income relating to acquisitions and, where applicable, for impairment of goodwill.

(2) Normalized free cash flow is defined as the sum of net cash from operating activities - based on a working capital requirement representing 10% of the last 12 month's 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.

(3) 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.

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

The reconciliation of consolidated key figures with the financial statements is available in the appendices to the first quarter 2017 results press release.

Consolidated statement of income

(in € millions)	3 months ended March 31, 2017	3 months ended March 31, 2016
Net sales	**1,318.8**	**1,189.6**
Operating expenses		
Cost of sales	(618.1)	(559.4)
Administrative and selling expenses	(369.0)	(335.9)
Research and development costs	(63.7)	(59.0)
Other operating income (expenses)	(21.1)	(19.3)
Operating profit	**246.9**	**216.0**
Financial expenses	(23.1)	(24.4)
Financial income	2.9	2.4
Exchange gains (losses)	(2.0)	(3.7)
Financial profit (loss)	(22.2)	(25.7)
Profit before tax	**224.7**	**190.3**
Income tax expense	(74.1)	(62.1)
Share of profits (losses) of equity-accounted entities	**(0.8)**	**0.0**
Profit for the period	**149.8**	**128.2**
Of which:		
- Net income excluding minority interests	**149.0**	**127.4**
- Minority interests	**0.8**	**0.8**
Basic earnings per share *(euros)*	0.560	0.478
Diluted earnings per share *(euros)*	0.555	0.474

Statement of comprehensive income

(in € millions)	3 months ended March 31, 2017	3 months ended March 31, 2016
Profit for the period	149.8	128.2
Items that may be reclassified subsequently to profit or loss		
Translation reserves	17.8	(54.4)
Income tax relating to components of other comprehensive income	(0.8)	(5.9)
Items that will not be reclassified to profit or loss		
Actuarial gains and losses after deferred taxes	0.0	0.0
Comprehensive income for the period	**166.8**	**67.9**
Attributable to:		
- Legrand	**165.9**	**66.9**
- Minority interests	**0.9**	**1.0**

Consolidated balance sheet

(in € millions)	March 31, 2017	December 31, 2016
ASSETS		
Non-current assets		
Intangible assets	1,924.8	1,880.0
Goodwill	3,098.7	3,121.9
Property, plant and equipment	596.4	597.4
Investments in equity-accounted entities	1.5	2.2
Other investments	19.7	19.7
Other non-current assets	9.3	5.3
Deferred tax assets	110.3	102.5
Total non-current assets	**5,760.7**	**5,729.0**
Current assets		
Inventories (Note 4)	712.2	670.6
Trade receivables (Note 5)	652.9	564.2
Income tax receivables	32.6	41.1
Other current assets	167.5	164.8
Other current financial assets	0.0	1.6
Cash and cash equivalents	702.8	940.1
Total current assets	**2,268.0**	**2,382.4**
Total Assets	**8,028.7**	**8,111.4**

(in € millions)	March 31, 2017	December 31, 2016
EQUITY AND LIABILITIES		
Equity		
Share capital (Note 6)	1,065.1	1,069.3
Retained earnings	3,388.3	3,227.8
Translation reserves	(222.3)	(240.0)
Equity attributable to equity holders of Legrand	4,231.1	4,057.1
Minority interests	10.1	9.3
Total equity	**4,241.2**	**4,066.4**
Non-current liabilities		
Long-term provisions	131.9	127.4
Provisions for post-employment benefits	164.7	166.0
Long-term borrowings (Note 7)	1,146.9	1,550.7
Deferred tax liabilities	645.3	636.2
Total non-current liabilities	**2,088.8**	**2,480.3**
Current liabilities		
Trade payables	583.5	558.3
Income tax payables	52.7	30.8
Short-term provisions	85.2	82.4
Other current liabilities	523.1	546.2
Short-term borrowings (Note 7)	450.8	346.4
Other current financial liabilities	3.4	0.6
Total current liabilities	**1,698.7**	**1,564.7**
Total Equity and Liabilities	**8,028.7**	**8,111.4**

Consolidated statement of cash flows

	3 months ended	
(in € millions)	**March 31, 2017**	**March 31, 2016**
Profit for the period	**149.8**	**128.2**
Adjustments for non-cash movements in assets and liabilities:		
– Depreciation and impairment of tangible assets	23.5	23.1
– Amortization and impairment of intangible assets	12.9	10.2
– Amortization and impairment of capitalized development costs	6.3	6.5
– Amortization of financial expenses	0.4	0.6
– Impairment of goodwill	0.0	0.0
– Changes in long-term deferred taxes	10.4	4.7
– Changes in other non-current assets and liabilities	7.2	6.9
– Unrealized exchange (gains)/losses	6.6	0.3
– Share of (profits) losses of equity-accounted entities	0.8	0.0
– Other adjustments	(0.1)	0.1
– Net (gains)/losses on sales of assets	(0.5)	0.2
Changes in working capital requirement:		
– Inventories (Note 4)	(39.1)	(11.6)
– Trade receivables (Note 5)	(87.0)	(59.5)
– Trade payables	24.9	(16.2)
– Other operating assets and liabilities	(2.4)	(33.0)
Net cash from operating activities	**113.7**	**60.5**
– Net proceeds from sales of fixed and financial assets	2.0	0.2
– Capital expenditure	(24.2)	(17.0)
– Capitalized development costs	(8.4)	(6.3)
– Changes in non-current financial assets and liabilities	1.6	0.3
– Acquisitions of subsidiaries, net of cash acquired	(30.1)	(11.3)
Net cash from investing activities	**(59.1)**	**(34.1)**
– Proceeds from issues of share capital and premium (Note 6)	5.6	0.9
– Net sales (buybacks) of treasury shares and transactions under the liquidity contract (Note 6)	0.7	(22.9)
– Dividends paid to equity holders of Legrand	0.0	0.0
– Dividends paid by Legrand subsidiaries	(0.1)	0.0
– Proceeds from new borrowings and drawdowns	0.0	3.4
– Repayment of borrowings (Note 7)	(300.7)	(0.7)
– Debt issuance costs	0.0	0.0
– Net sales (buybacks) of marketable securities	0.0	2.5
– Increase (reduction) in bank overdrafts	(2.1)	5.2
– Acquisitions of ownership interests with no gain of control	0.0	0.0
Net cash from financing activities	**(296.6)**	**(11.6)**
Translation net change in cash and cash equivalents	4.7	(8.7)
Increase (decrease) in cash and cash equivalents	**(237.3)**	**6.1**
Cash and cash equivalents at the beginning of the period	940.1	1,085.9
Cash and cash equivalents at the end of the period	**702.8**	**1,092.0**
Items included in cash flows:		
– Interest paid* during the period	47.2	45.8
– Income taxes paid during the period	32.9	32.0

** Interest paid is included in the net cash from operating activities.*

Note 1 - Introduction

This unaudited consolidated financial information of Legrand is presented for the three months ended March 31, 2017. This unaudited consolidated financial information should be read in conjunction with consolidated financial statements for the year ended December 31, 2016 such as established in the Registration Document deposited under visa no D.17-0285 with the French Financial Markets Authority (AMF) on March 31, 2017.

All the amounts are presented in millions of euros unless otherwise indicated. Some totals may include rounding differences.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations adopted by the European Union and applicable or authorized for early adoption from January 1, 2017.

None of the IFRSs issued by the International Accounting Standards Board (IASB) that have not been adopted for use in the European Union are applicable to the Group.

Note 2 – Significant transactions and events for the period

Apart from the points mentioned in this document, no significant transactions or events are to be reported over the period.

Note 3 - Changes in the scope of consolidation

The contributions to the Group's consolidated financial statements of companies acquired since January 1, 2016 were as follows:

2016	March 31	June 30	September 30	December 31
Full consolidation method				
Fluxpower	Balance sheet only	Balance sheet only	8 months' profit	11 months' profit
Primetech	Balance sheet only	Balance sheet only	8 months' profit	11 months' profit
Pinnacle		Balance sheet only	5 months' profit	8 months' profit
Luxul Wireless		Balance sheet only	5 months' profit	8 months' profit
Jontek		Balance sheet only	5 months' profit	8 months' profit
Trias		Balance sheet only	Balance sheet only	8 months' profit
CP Electronics		Balance sheet only	Balance sheet only	7 months' profit
Solarfective			Balance sheet only	5 months' profit
Equity method				
TBS		6 months' profit	9 months' profit	12 months' profit

2017	March 31
Full consolidation method	
Fluxpower	3 months' profit
Primetech	3 months' profit
Pinnacle	3 months' profit
Luxul Wireless	3 months' profit
Jontek	3 months' profit
Trias	3 months' profit
CP Electronics	3 months' profit
Solarfective	3 months' profit
OCL	Balance sheet only
Equity method	
TBS	3 months' profit

One acquisition was carried out in the first three months of 2017: OCL, specialized in architectural lighting solutions for commercial and high-end residential buildings in the United States. OCL reports annual sales of about $15 million.

Note 4 - Inventories

Inventories are as follows:

(in € millions)	**March 31, 2017**	**December 31, 2016**
Purchased raw materials and components	273.2	254.2
Sub-assemblies, work in progress	90.8	85.7
Finished products	466.7	447.4
Gross value at the end of the period	**830.7**	**787.3**
Impairment	(118.5)	(116.7)
Net value at the end of the period	**712.2**	**670.6**

Note 5 - Trade receivables

Trade receivables are as follows:

(in € millions)	**March 31, 2017**	**December 31, 2016**
Trade receivables	728.3	640.7
Impairment	(75.4)	(76.5)
Net value at the end of the period	**652.9**	**564.2**

Note 6 - Share capital

Share capital as of March 31, 2017 amounted to €1,065,096,888 represented by 266,274,222 ordinary shares with a par value of €4 each, for 266,274,222 theoretical voting rights and 266,219,094 exercisable voting rights (after subtracting shares held in treasury by the Group as of this date).

As of March 31, 2017, the Group held 55,128 shares in treasury, versus 1,365,561 shares as of December 31, 2016, i.e. 1,310,433 less shares corresponding to:

- the cancellation of 1,300,000 shares;
- the net sale of 10,433 shares under the liquidity contract (Note 6.2.2).

As of March 31, 2017, among the 55,128 shares held in treasury by the Group, 5,128 shares have been allocated according to the allocation objectives described in Note 6.2.1, and 50,000 shares are held under the liquidity contract.

6.1 Changes in share capital

	Number of shares	Par value	Share capital (euros)	Premiums (euros)
As of December 31, 2016	267,327,374	4	1,069,309,496	949,737,052
Exercise of options under the 2007 plan	146,450	4	585,800	3,062,270
Exercise of options under the 2008 plan	36,588	4	146,352	597,775
Exercise of options under the 2009 plan	15,327	4	61,308	137,483
Exercise of options under the 2010 plan	48,483	4	193,932	851,749
Cancellation of shares	(1,300,000)	4	(5,200,000)	(57,387,122)
As of March 31, 2017	266,274,222	4	1,065,096,888	896,999,207

On February 8, 2017, the Board of Directors decided the cancellation of 1,300,000 shares acquired under the share buyback program (shares bought back in 2016). The €57,387,122 difference between the buy-back price of the cancelled shares and their par value was deducted from the premium account.

In the first three months of 2017, 246,848 shares were issued under the 2007 to 2010 stock option plans, resulting in a capital increase representing a total amount of €5.6 million (premiums included).

6.2 Share buybacks and transactions under the liquidity contract

As of March 31, 2017, the Group held 55,128 shares in treasury (1,365,561 as of December 31, 2016, out of which 1,305,128 under the share buyback program and 60,433 under the liquidity contract) which can be detailed as follows:

6.2.1 Share buybacks

As of March 31, 2017, the Group held 5,128 shares, acquired at a total cost of €238,046. These shares are being held for allocation upon exercise of performance share plans.

6.2.2 Liquidity contract

On May 29, 2007, the Group appointed a financial institution to maintain a liquid market for its ordinary shares on the Euronext™ Paris market under a liquidity contract complying with the Code of Conduct issued by the AMAFI (French Financial Markets Association) approved by the AMF on March 22, 2005. €15.0 million in cash was allocated by the Group to the liquidity contract.

As of March 31, 2017, the Group held 50,000 shares under this contract, purchased at a total cost of €2,677,996. During the first three months of 2017, transactions under the liquidity contract led to a cash inflow of €736,850 corresponding to net sales of 10,433 shares.

Note 7 - Long-term and short-term borrowings

7.1 Long-term borrowings

Long-term borrowings can be analyzed as follows:

(in € millions)	**March 31, 2017**	**December 31, 2016**
Bonds	700.0	1,100.0
Yankee bonds	364.3	368.8
Other borrowings	88.8	88.5
Long-term borrowings excluding debt issuance costs	**1,153.1**	**1,557.3**
Debt issuance costs	(6.2)	(6.6)
Total	**1,146.9**	**1,550.7**

7.2 Short-term borrowings

Short-term borrowings can be analyzed as follows:

(in € millions)	**March 31, 2017**	**December 31, 2016**
Bonds	400.0*	300.0**
Negotiable commercial paper	15.0	15.0
Other borrowings	35.8	31.4
Total	**450.8**	**346.4**

* *Corresponds to bonds which will be redeemable at maturity on March 21, 2018.*

*** Corresponds to bonds which were redeemable at maturity on February 24, 2017.*

Note 8 - Segment information

In accordance with IFRS 8, operating segments are determined based on the reporting made available to the chief operating decision maker of the Group and to the Group's management.
Given that Legrand activities are carried out locally, the Group is organized for management purposes by countries or groups of countries which are allocated for internal reporting purposes into five geographical segments:

- France;
- Italy;
- Rest of Europe, mainly including Benelux (including especially Belgium and Netherlands), Germany, Iberia (including Portugal and Spain), Poland, Russia, Turkey and the UK;
- North and Central America, including Canada, Mexico, the United States, and other Central American countries; and
- Rest of the world, mainly including Australia, China, India, Saudi Arabia and South America (including particularly Brazil, Chile and Colombia).

The first four segments are under the responsibility of four segment managers who are directly accountable to the chief operating decision maker of the Group.
Rest of the world is the only segment subject to an aggregation of several operating segments which are under the responsibility of segment managers who are themselves directly accountable to the chief operating decision maker of the Group. The economic models of subsidiaries within these segments are quite similar.
Indeed, their sales are made up of electrical and digital building infrastructure products in particular to electrical installers mainly through third-party distributors.

3 months ended March 31, 2017	Geographical segments					
	Europe			North and Central America	Rest of the world	
(in € millions)	France	Italy	Others			Total
Net sales to third parties	**247.9**	**150.3**	**231.5**	**395.6**	**293.5**	**1,318.8**
Cost of sales	(91.2)	(48.5)	(128.9)	(186.5)	(163.0)	(618.1)
Administrative and selling expenses, R&D costs	(109.3)	(43.2)	(57.3)	(142.2)	(80.7)	(432.7)
Other operating income (expenses)	(7.7)	(1.8)	(4.3)	(3.3)	(4.0)	(21.1)
Operating profit	**39.7**	**56.8**	**41.0**	**63.6**	**45.8**	**246.9**
- of which acquisition-related amortization, expenses and income						
• accounted for in administrative and selling expenses, R&D costs	(1.2)	(0.1)	(1.0)	(7.1)	(3.2)	(12.6)
• accounted for in other operating income (expenses)						0.0
- of which goodwill impairment						0.0
Adjusted operating profit	**40.9**	**56.9**	**42.0**	**70.7**	**49.0**	**259.5**
- of which depreciation expense	(6.1)	(4.2)	(3.7)	(3.1)	(6.2)	(23.3)
- of which amortization expense	(0.7)	(0.8)	(0.2)	(0.6)	(0.3)	(2.6)
- of which amortization of development costs	(4.3)	(1.5)	(0.4)	0.0	(0.1)	(6.3)
- of which restructuring costs	(2.4)	(0.1)	(0.3)	(0.1)	(1.1)	(4.0)
Capital expenditure	(6.6)	(3.2)	(4.8)	(6.3)	(3.3)	(24.2)
Capitalized development costs	(5.1)	(2.2)	(0.6)	0.0	(0.5)	(8.4)
Net tangible assets	173.1	114.6	87.8	81.2	139.7	596.4
Total current assets	589.6	157.1	365.8	415.0	740.5	2,268.0
Total current liabilities	791.2	224.2	138.4	198.6	346.3	1,698.7

3 months ended March 31, 2016	Geographical segments					
	Europe			North and Central	Rest of the	
(in € millions)	France	Italy	Others	America	world	Total
Net sales to third parties	**239.3**	**147.5**	**205.0**	**334.5**	**263.3**	**1,189.6**
Cost of sales	(89.0)	(51.0)	(116.5)	(158.9)	(144.0)	(559.4)
Administrative and selling expenses, R&D costs	(108.4)	(42.0)	(52.7)	(117.2)	(74.6)	(394.9)
Other operating income (expenses)	(6.2)	(0.6)	(3.3)	(3.9)	(5.3)	(19.3)
Operating profit	**35.7**	**53.9**	**32.5**	**54.5**	**39.4**	**216.0**
- of which acquisition-related amortization, expenses and income						
• accounted for in administrative and selling expenses, R&D costs	(1.2)	(0.1)	(0.6)	(5.6)	(3.2)	(10.7)
• accounted for in other operating income (expenses)						0.0
- of which goodwill impairment						0.0
Adjusted operating profit	**36.9**	**54.0**	**33.1**	**60.1**	**42.6**	**226.7**
- of which depreciation expense	(6.3)	(4.2)	(3.6)	(3.0)	(5.9)	(23.0)
- of which amortization expense	(0.4)	(0.8)	(0.1)	(0.5)	(0.2)	(2.0)
- of which amortization of development costs	(4.5)	(1.7)	(0.1)	0.0	(0.2)	(6.5)
- of which restructuring costs	(3.0)	(0.5)	(2.2)	0.0	(1.3)	(7.0)
Capital expenditure	(4.6)	(2.7)	(2.4)	(4.2)	(3.1)	(17.0)
Capitalized development costs	(4.6)	(1.5)	0.0	0.0	(0.2)	(6.3)
Net tangible assets	171.1	106.4	83.9	65.6	122.9	549.9
Total current assets	1,077.2	156.2	320.1	336.9	669.1	2,559.5
Total current liabilities	689.7	185.3	146.1	175.2	305.6	1,501.9

Note 9 - Subsequent events

At the end of April 2017, the Group issued negotiable commercial paper for a total amount of €460.0 million, with a maximum maturity of 3 months.

At the beginning of May 2017, the Group announced:

- the acquisition[(1)] of Finelite, a US front-runner in linear specification-grade lighting fixtures for non-residential buildings. Finelite has annual sales of approximately $200 million;
- the acquisition of AFCO Systems, a US provider of Voice-Data-Image (VDI) cabinets for datacenters, specialized in customized solutions. AFCO Systems has annual sales of about $23 million;
- the signature of a joint-venture agreement to purchase 49% of Borri, an Italian UPS specialist. As this agreement provides the Group with a joint-control alongside Borri's historical shareholders, this entity will be consolidated in the Group's financial statements using the equity method.

[(1)] subject to standard conditions precedent