

Legrand - 2007 Half Year Results

July 26, 2007



Synopsis

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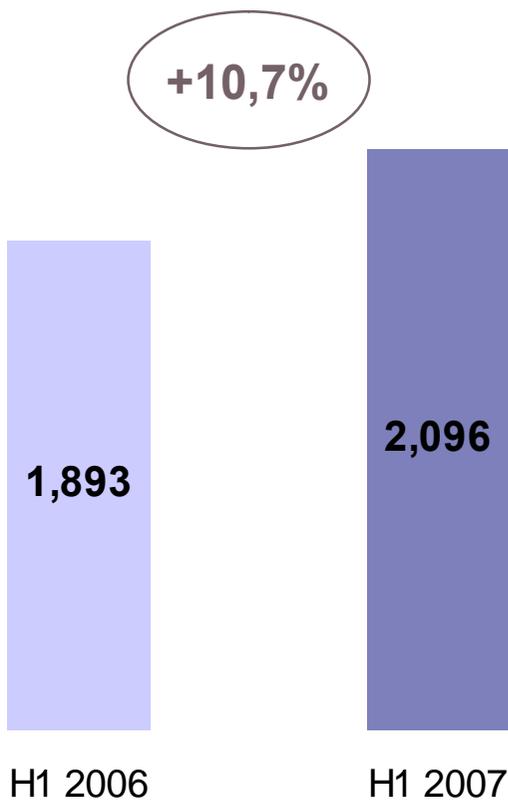
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2007 First Half Highlights

- Steep rise in net sales particularly in emerging countries
- Vigorous increase in adjusted operating income
- Appreciable improvement in adjusted operating margin
- Net income more than tripled

Steep Rise in Net Sales

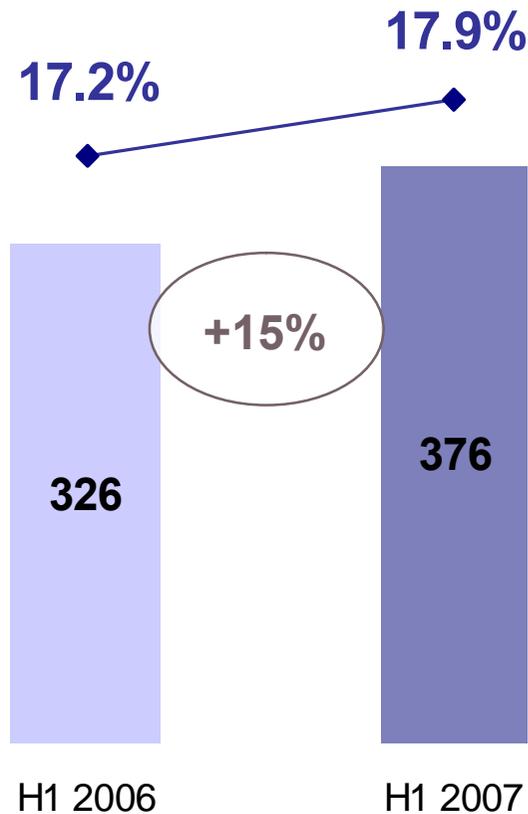
Net Sales (€M)



- Firm organic growth +8.6%
- Ongoing strong growth in emerging countries +18%
- Change in the scope of consolidation +3.8%
- Unfavourable FX effect -1.8%

Vigorous Increase in Adjusted Operating Income Combined with Appreciable Improvement in Margin

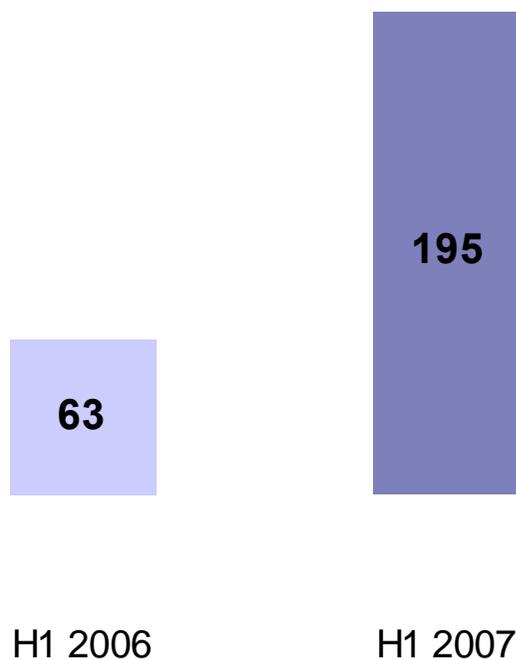
Adjusted EBIT (€M and as % of sales)



- Steep growth in sales
- Raw material price increases fully compensated by increase in selling prices
- Production costs under control and ongoing productivity improvements
- Continued investment in new products, sales and marketing staff to fuel growth
- Margin up 150 basis points before the impact of acquisitions
- Impact of acquisitions on margin: -80 basis points

Net Income Group Share More Than Tripled

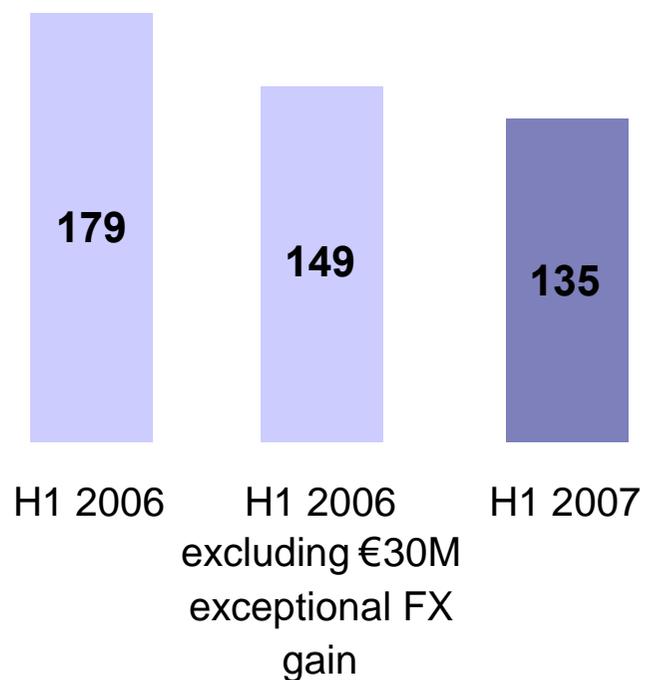
Net income group share (€M)



- Strong operating results
- Continued decline in net financial expense

Good Free Cash Flow in Spite of a Challenging Comparison Basis

Free cash flow (€M)



- Exceptional €30 million foreign-exchange gain relating to redemption of high-yield bonds in 2006
- Exceptionally low level of working capital requirement at December 31, 2006 (11.7% of sales)
- High level of free cash flow at 6.5% of sales

Steep Rise in Net Sales

Group total €2,096M in 2007 first half

- +10.7% reported growth
- +8.6% LFL⁽¹⁾ growth

France €529M

- +7.3% LFL⁽¹⁾ growth
- Ongoing success of new wiring device ranges Celiane, Mosaic and Batibox

Rest of Europe €447M

- +14.6% LFL⁽¹⁾ growth
- Double-digit growth in Greece, Spain, Turkey and Switzerland combined with a rise of over 25% in Eastern Europe

Rest of the World €397M

- +32% reported growth
 - +12.3% LFL⁽¹⁾ growth
- Very good performance in nearly all countries

USA/Canada €320M

- -4.6% reported growth
 - -0.8% LFL⁽¹⁾ growth
- Sales maintained as a whole despite unfavourable residential market; fast growing businesses (high value added products) offset challenging comparison basis in the 2nd quarter

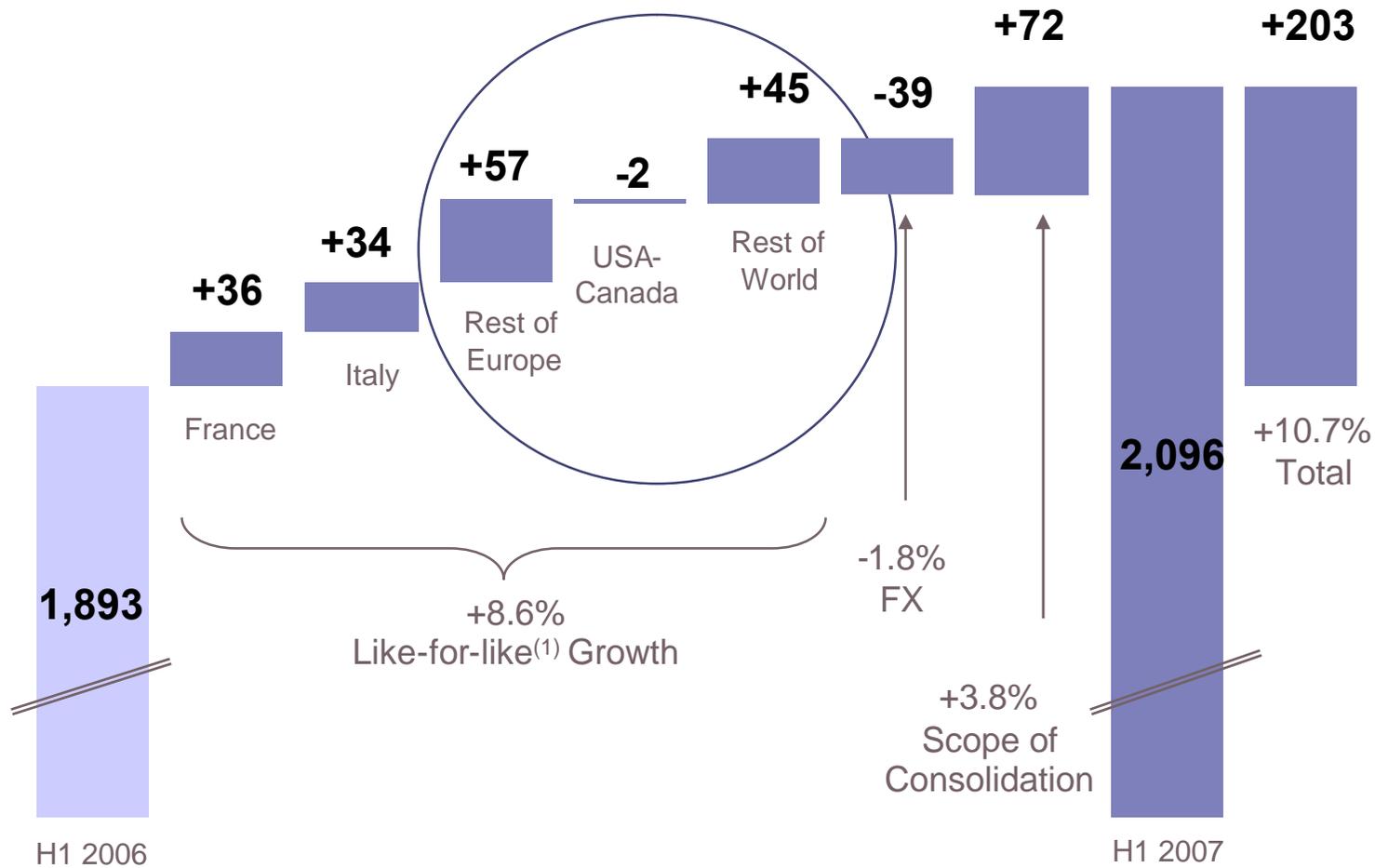
Italy €403M

- +9.1% LFL⁽¹⁾ growth
- Generally favorable market conditions, good performance of all product families

1. Like-for-like: at constant scope of consolidation and exchange rates

Steep Rise in Net Sales

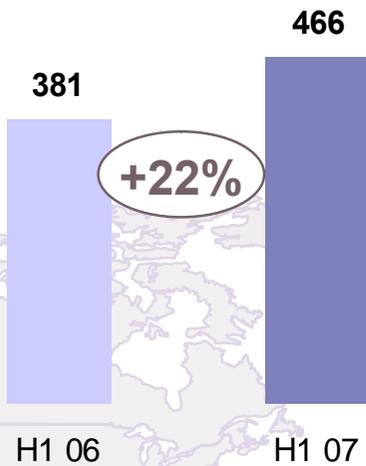
2007 first-half net sales analysis (€M)



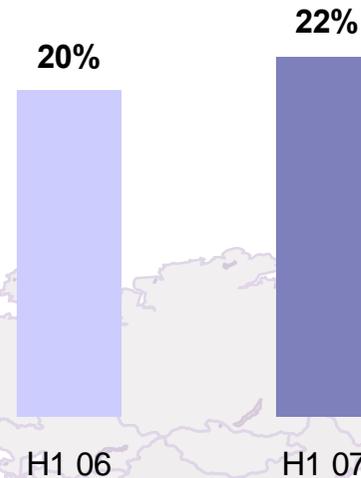
1. At constant scope of consolidation and exchange rates

Increasing Weight of Emerging Countries

Strong rise in net sales (€M)



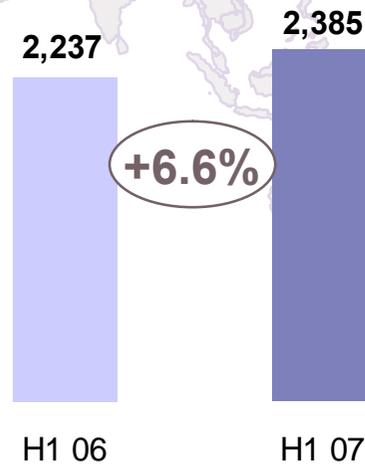
Increasing weight in group sales



Strong H1 2007 like-for-like growth

+18%

Sales and marketing team

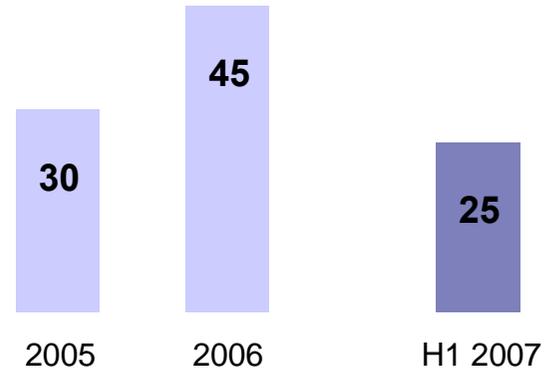


Growth Initiatives

Research and Development

- Continued new product launches:
- More than 1 800 people dedicated to R&D

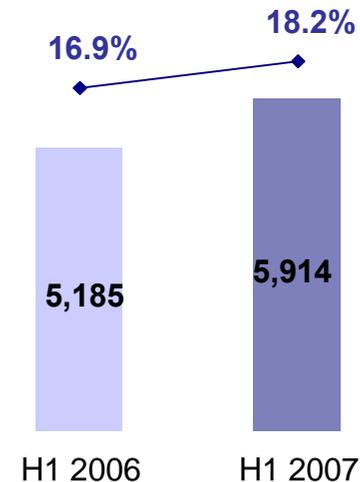
of new ranges launched



Ongoing reinforcement of sales and marketing

- About 3% like-for-like increase in headcount
- Many subsidiaries or office opening in process

Sales and Marketing headcount (# of employees and as % of total headcount)



Innovative Solutions to Reach Energy Savings

Example of Lighting Control

Residential buildings

- Home automation



Commercial buildings

- Home automation and presence detectors



Up to
35%
of energy savings

Ongoing Expansion in Emerging Countries with the Acquisition⁽¹⁾ of Kontaktor in Russia

- #1 for air circuit breakers and moulded case circuit breakers in Russia
- Complement Legrand's existing leading positions in Russia:
 - #2 for modular circuit breakers
 - #1 in wiring devices
 - #1 in plastic trunking
- Net sales of €35 millions in 2006 up 43%
- 2,400 employees



A3790 600A



BA08 800A



BA08 1600A



BA06-36 250A



AB2M 2000A



Proton 3200A

1. The transaction is subject to the approval of competent authorities

3 Acquisitions since January 2007 Totalling Close to €150 millions of Sales

Growth Markets



- #1 in Russia for power circuit breakers
- 2006 net sales: €35M
- 2,400 employees



- Home automation specialist in the US
- 2006 net sales: \$12M
- 36 employees



Market Access



- #2 in wiring devices in Australia and New Zealand
- 2006 net sales of €100M
- 875 employees



Appreciable Margin improvement and Net Income More Than Tripled

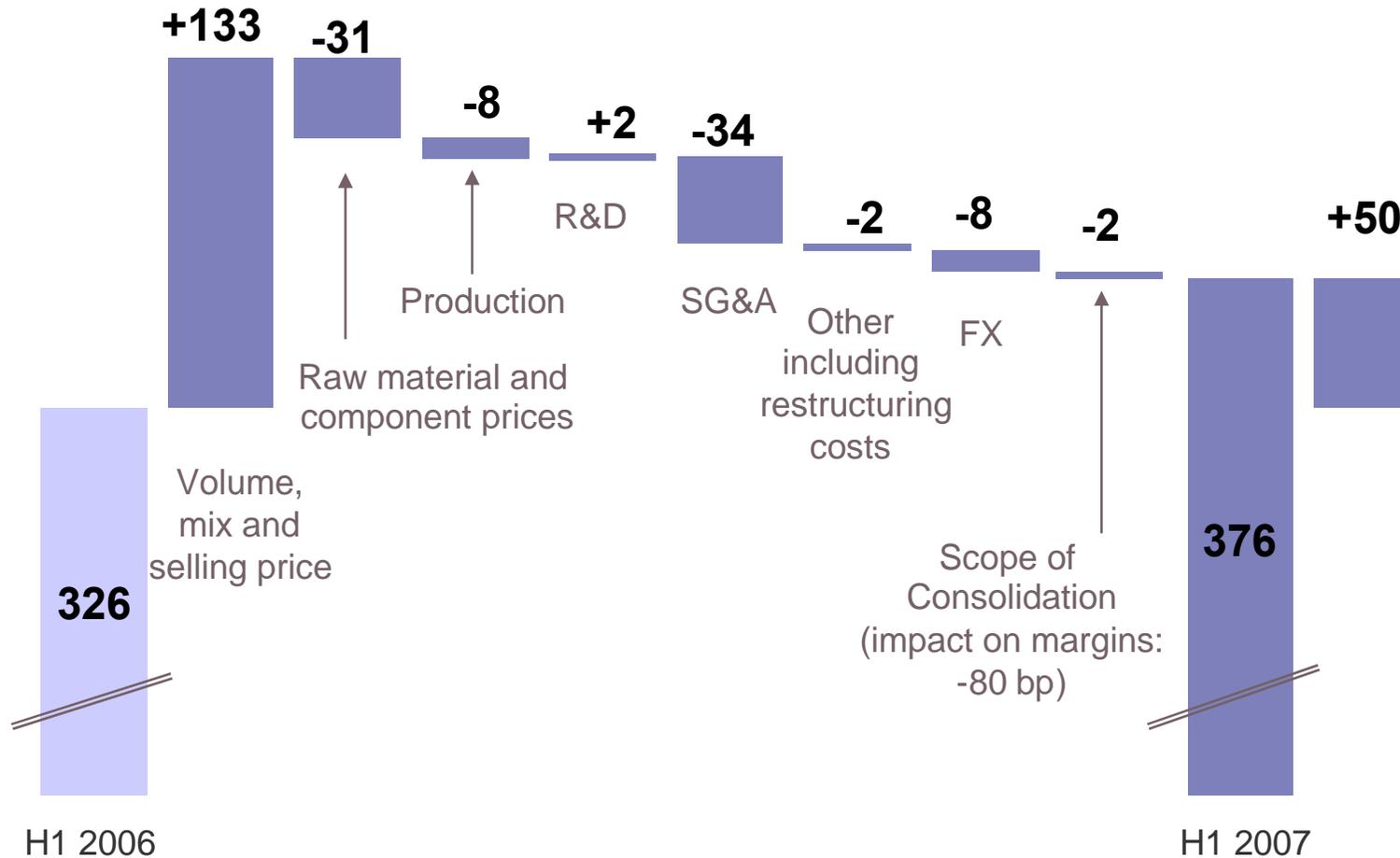
(IFRS. €M)	1 st half 2006	1 st half 2007	% of change
Net Sales	1,893.3	2,095.7	10.7%
Gross profit	953.5	1,061.7	11.3%
<i>As % of sales</i>	50.4%	50.7%	
Adjusted ⁽¹⁾ operating income	326.4	375.8	15.1%
<i>As % of sales</i>	17.2%	17.9%	
Purchase accounting ⁽²⁾	(43.4)	(31.3)	
Operating income	283.0	344.5	21.7%
<i>As % of sales</i>	14.9%	16.4%	
Net financial expenses	(73.9)	(53.1)	-28.1%
Exchange gains and losses	21.7	8.4	
Loss on extinguishment of debt	(109.0)	0.0	
Income tax expense	(57.7)	(104.3)	
Net profit	64.6	196.1	204%

1. Figures restated for accounting entries with no cash impact relating to the acquisition of Legrand France in 2002

2. Accounting entries relating to the acquisition of Legrand France

Strong Growth in Adjusted Operating Income

2007 first-half adjusted operating income bridge analysis (€m)



H1 2006
17.2% of sales

- Strong increase +15%
- Improvement in margin +70bp

H1 2007
17.9% of sales

Good Free Cash Flow in Spite of a Challenging Comparison Basis

(IFRS, €M)	1 st half 2006	1 st half 2007	% change
Cash flow from operations ⁽¹⁾	338.9	330.2	-2.6%⁽²⁾
<i>As % of sales</i>	<i>17.9%</i>	<i>15.8%</i>	
Change in working capital requirement	(100.3)	(128.2) ⁽³⁾	
Net cash provided by operating activities	238.6	202.0	-15.3% ⁽²⁾⁽³⁾
<i>As % of sales</i>	<i>12.6%</i>	<i>9.6%</i>	
Capital expenditures (including capitalised R&D)	(74.8)	(73.8)	
Net proceeds from sales of fixed assets	15.5	7.2	
Free cash flow	179.3	135.4	-24.5%⁽²⁾⁽³⁾
<i>As % of sales</i>	<i>9.5%</i>	<i>6.5%</i>	

1. Cash flow from operations is defined as net cash provided by operating activities + change in working capital requirement
2. 2006 comparison basis benefited from an exceptional foreign-exchange gain of €30 million in the first quarter of 2006
3. Working capital requirement was exceptionally low as of December 31, 2006.

Outlook

On those bases, Legrand remains very confident in its capacity to

- at least achieve its target of 7 to 10% sales growth in 2007 - excluding the impact of exchange rates and with acquisitions contributing 3 to 4% for the current year - and
- generate an adjusted operating margin at least equal to that recorded in 2006

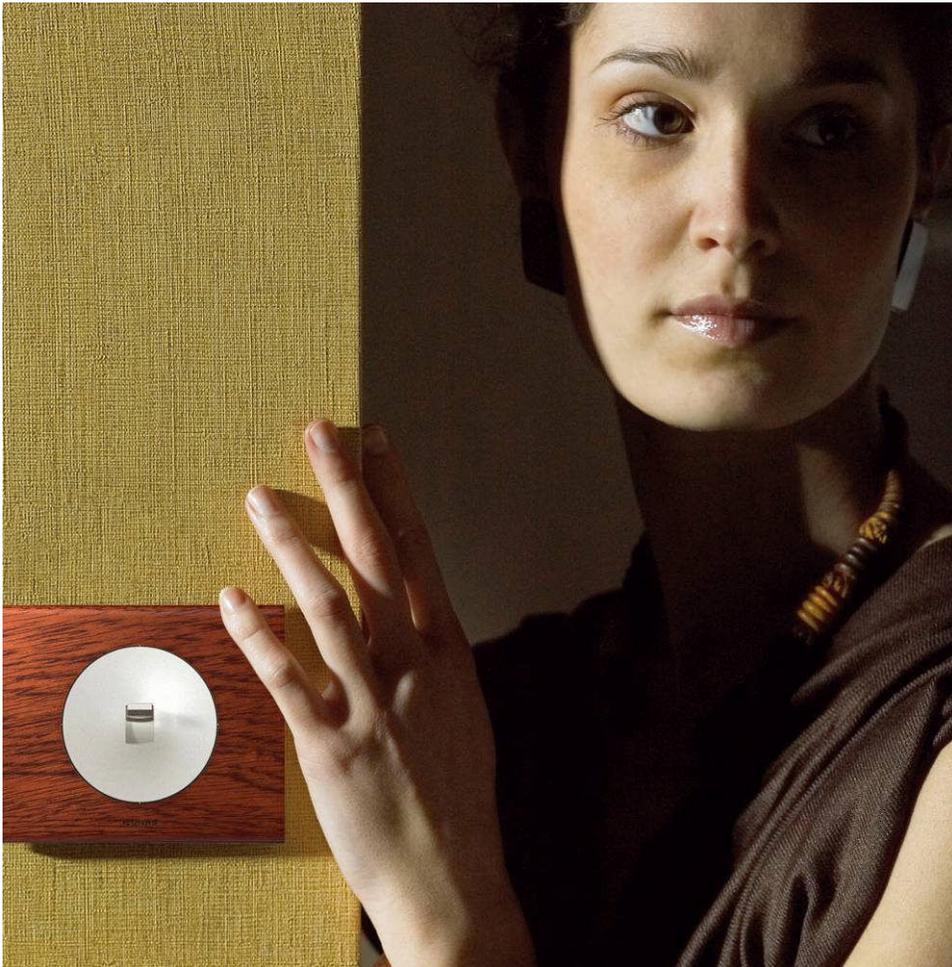
Agenda and Contacts

Agenda

- November 8, 2007:
2007 nine-month results
- February 7, 2008:
2007 annual results
- May 7, 2008:
2008 first quarter results
- May 22, 2008:
Annual General Meeting of
shareholders

Contacts

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Appendices

2007 First Half Net Sales by Destination

(€M)	H1 2006	H1 2007	Total change	Scope of consolidation	Like-for-like growth	Currency effect
France	492.4	529.1	7.5%	0.2%	7.3%	0.0%
Italy	374.6	402.6	7.5%	-1.5% ⁽¹⁾	9.1%	0.0%
Rest of Europe	389.8	446.8	14.6%	0.3%	14.6%	-0.3%
USA/Canada	335.3	319.9	-4.6%	4.0%	-0.8%	-7.5%
Rest of the World	301.2	397.3	31.9%	21.0%	12.3%	-2.9%
Total	1,893.3	2,095.7	10.7%	3.8%	8.6%	-1.8%

1. Due to accounting reclassification

2007 First Half Net Sales by Origin

(€M)	H1 2006	H1 2007	Total change	Scope of consolidation	Like-for-like growth	Currency effect
France	568.5	616.9	8.5%	0.0%	8.5%	0.0%
Italy	394.4	429.5	8.9%	-1.5% ⁽¹⁾	10.5%	0.0%
Rest of Europe	364.1	408.1	12.1%	0.0%	12.4%	-0.3%
USA/Canada	340.4	326.8	-4.0%	4.3%	-0.5%	-7.5%
Rest of the World	225.9	314.4	39.2%	28.2%	12.5%	-3.5%
Total	1,893.3	2,095.7	10.7%	3.8%	8.6%	-1.8%

1. Due to accounting reclassification

Net Sales by Destination

(€M)	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007
France	246.6	245.8	213.1	244.3	264.4	264.7
Italy	193.1	181.5	151.2	146.6	209.5	193.1
Rest of Europe	192.5	197.3	197.5	218.9	219.4	227.4
USA/Canada	161.8	173.5	163.6	144.3	155.1	164.8
Rest of the World	146.6	154.6	163.0	201.0	184.3	213.0
Total	940.6	952.7	888.4	955.1	1,032.7	1,063.0

Net Sales by Origin

(€M)	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007
France	283.6	284.9	253.8	286.4	306.0	310.9
Italy	202.9	191.5	159.4	160.0	223.5	206.0
Rest of Europe	180.5	183.6	181.4	203.1	198.7	209.4
USA/Canada	163.6	176.8	166.7	146.6	158.8	168.0
Rest of the World	110.0	115.9	127.1	159.0	145.7	168.7
Total	940.6	952.7	888.4	955.1	1,032.7	1,063.0

2007 First Quarter - Net Sales by Destination

(€M)	Q1 2006	Q1 2007	Total change	Scope of consolidation	Like-for-like growth	Currency effect
France	246.6	264.4	7.2%	0.1%	7.1%	0.0%
Italy	193.1	209.5	8.5%	-1.4% ⁽¹⁾	10.0%	0.0%
Rest of Europe	192.5	219.4	14.0%	0.3%	14.7%	-0.9%
USA/Canada	161.8	155.1	-4.1%	3.7%	0.6%	-8.1%
Rest of the World	146.6	184.3	25.7%	18.0%	12.6%	-5.4%
Total	940.6	1,032.7	9.8%	3.3%	9.0%	-2.5%

1. Due to accounting reclassification

2007 First Quarter - Net Sales by Origin

(€M)	Q1 2006	Q1 2007	Total change	Scope of consolidation	Like-for-like growth	Currency effect
France	283.6	306.0	7.9%	0.0%	7.9%	0.0%
Italy	202.9	223.5	10.2%	-1.3% ⁽¹⁾	11.6%	0.0%
Rest of Europe	180.5	198.7	10.1%	0.0%	11.1%	-0.9%
USA/Canada	163.6	158.8	-2.9%	4.3%	1.4%	-8.2%
Rest of the World	110.0	145.7	32.5%	24.1%	14.3%	-6.6%
Total	940.6	1,032.7	9.8%	3.3%	9.0%	-2.5%

1. Due to accounting reclassification

2007 Second Quarter - Net Sales by Destination

(€M)	Q2 2006	Q2 2007	Total change	Scope of consolidation	Like-for-like growth	Currency effect
France	245.8	264.7	7.7%	-0.1%	7.6%	0.0%
Italy	181.5	193.1	6.4%	-1.7% ⁽¹⁾	8.2%	0.0%
Rest of Europe	197.3	227.4	15.3%	0.4%	14.5%	0.3%
USA/Canada	173.5	164.8	-5.0%	4.0%	-2.0%	-6.8%
Rest of the World	154.6	213.0	37.8%	23.8%	12.0%	-0.6%
Total	952.7	1,063.0	11.6%	4.4%	8.2%	-1.2%

1. Due to accounting reclassification

2007 Second Quarter - Net Sales by Origin

(€M)	Q2 2006	Q2 2007	Total change	Scope of consolidation	Like-for-like growth	Currency effect
France	284.9	310.9	9.1%	0.0%	9.1%	0.0%
Italy	191.5	206.0	7.6%	-1.6% ⁽¹⁾	9.3%	0.0%
Rest of Europe	183.6	209.4	14.1%	0.0%	13.7%	0.4%
USA/Canada	176.8	168.0	-5.0%	4.3%	-2.3%	-6.8%
Rest of the World	115.9	168.7	45.6%	31.9%	11.0%	-0.6%
Total	952.7	1,063.0	11.6%	4.4%	8.2%	-1.2%

1. Due to accounting reclassification

1st Quarter P&L

(IFRS, €M)	1 st quarter 2006	1 st quarter 2007	% of change
Net Sales	940.6	1 032.7	9.8%
Gross profit	475.2	525.4	10.6%
<i>As % of sales</i>	50.5%	50.9%	
Adjusted ⁽¹⁾ operating income	163.5	185.1	13.2%
<i>As % of sales</i>	17.4%	17.9%	
Accounting entries relating to the acquisition of Legrand France	(21.8)	(15.7)	
Operating income	141.7	169.4	19.6%
<i>As % of sales</i>	15.1%	16.4%	
Net financial expenses	(46.6)	(28.5)	- 38.8%
Exchange gains and losses	5.8	3.1	
Loss on extinguishment of debt	(109.0)	0.0	
Income tax expense	(27.0)	(51.6)	
Net profit	(34.6)	92.9	

1. Figures restated for accounting entries with no cash impact relating to the acquisition of Legrand France in 2002

2nd Quarter P&L

(IFRS, €M)	2 nd quarter 2006	2 nd quarter 2007	% of change
Net Sales	952.7	1,063.0	11.6%
Gross profit	478.3	536.3	12.1%
<i>As % of sales</i>	50.2%	50.5%	
Adjusted ⁽¹⁾ operating income	162.9	190.7	17.1%
<i>As % of sales</i>	17.1%	17.9%	
Accounting entries relating to the acquisition of Legrand France	(21.6)	(15.6)	
Operating income	141.3	175.1	23.9%
<i>As % of sales</i>	14.8%	16.5%	
Net financial expenses	(27.3)	(24.6)	-9.9%
Exchange gains and losses	15.9	5.3	
Loss on extinguishment of debt	0.0	0.0	
Income tax expense	(30.7)	(52.7)	
Net profit	99.2	103.2	4.0%

1. Figures restated for accounting entries with no cash impact relating to the acquisition of Legrand France in 2002

Reconciliation of Cash-Flow From Operations with Net Profit

(IFRS, €M)	1st half 2006	1st half 2007
Net profit	64.6	196.1
Depreciation and amortization	120.8	109.4
Loss on extinguishment of debt	109.0	0.0
Change in other non-current assets and liabilities and deferred tax	2.0	38.3
Share of loss/(profit) of associates	(0.5)	(0.6)
Exchange (gains)/losses net	16.7	(9.7)
(Gains)/losses on fixed asset disposals and sales of securities	(0.3)	(2.0)
Other adjustments	26.6 ⁽¹⁾	(1.3)
Cash-flow from operations	338.9	330.2

1. Mainly non-cash interests related to the shareholder's loan and a €9 million non recurrent non-cash expense from IPO

Scope of Consolidation

2006	Q1	2006 H1	9 months	Full Year
Van Geel	3 months	6 months	9 months	12 months
Zucchini	3 months	6 months	9 months	12 months
On Q	3 months	6 months	9 months	12 months
TCL	3 months	6 months	9 months	12 months
ICM Group	3 months	6 months	9 months	12 months
Cemar		Only in BS ⁽¹⁾	3 months	6 months
Shidean		Only in BS ⁽¹⁾	Only in BS ⁽¹⁾	12 months
Vantage			Only in BS ⁽¹⁾	Only in BS ⁽¹⁾

2007	Q1	2007 H1	9 months	Full Year
Cemar	3 months	6 months	9 months	12 months
Shidean	3 months	6 months	9 months	12 months
Vantage	3 months	6 months	9 months	12 months
HPM	2 months	5 months	8 months	11 months
USTec	3 months	6 months	9 months	12 months
Kontaktor			To be defined	To be defined

1. BS : Balance Sheet

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