

Legrand - 2009 half-year results

July 29, 2009



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2009 First-Half Highlights

- Ability to adapt fully demonstrated

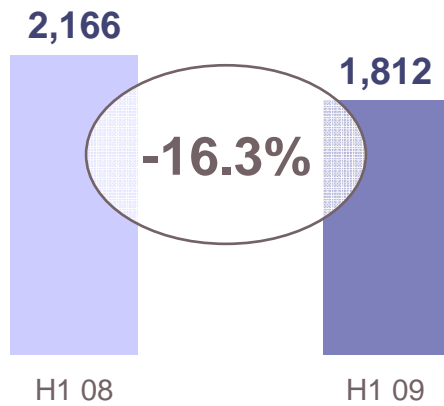
- Recurrent adjusted EBIT margin at 16.9% in H1 09
- Healthy level of cash-flow generation

- Resilient long-term drivers

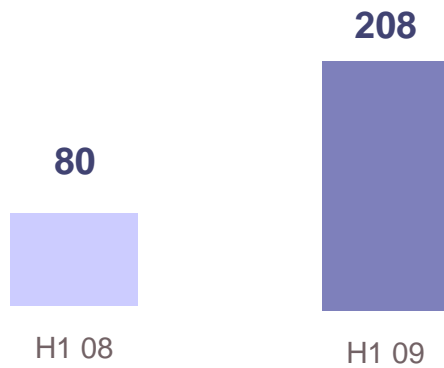
- Very solid fundamentals supporting the business model
- Preparing for the future profitable growth with product launches

2009 First-Half Results

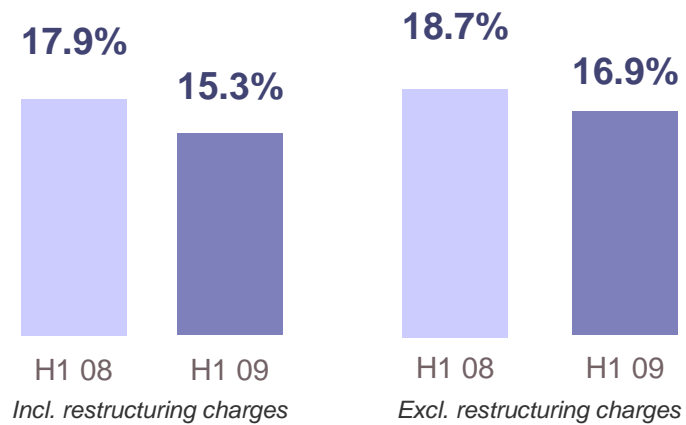
Change in net sales
in €m



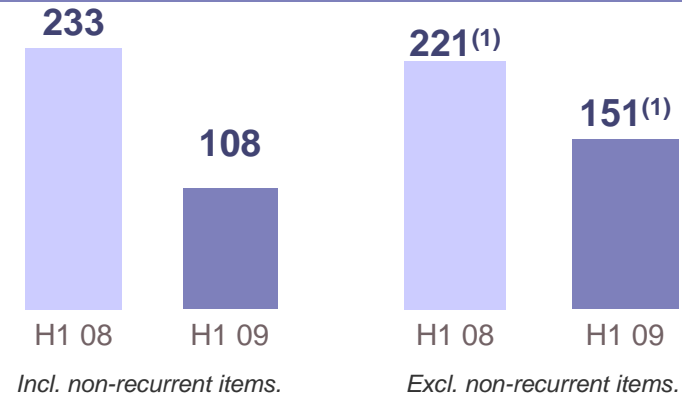
Healthy free cash-flow generation
in €m



Resilient adjusted EBIT margin
as % of sales



Net profit excl. non-recurrent items
in €m



1. Excluding non-recurrent items: restructuring, exchange-rate gains/losses and impairment of goodwill

Change in Net Sales

Group total €1812m in H1 2009

- -16.3% reported
- -16.7% LFL⁽¹⁾

France: €476m

- -9.9% LFL⁽¹⁾
- Continued benefit from trading up
- Voice-Data-Image systems on the rise
- General market slowdown

Rest of Europe: €355m

- -22.0% LFL⁽¹⁾
- General market slowdown

Rest of the World: €413m

- -9.8% LFL⁽¹⁾
- Resilience of some countries including China and India

USA & Canada: €259m

- -18.5% LFL⁽¹⁾
- Resilience of Watt Stopper sales
- Commercial and residential market in decline

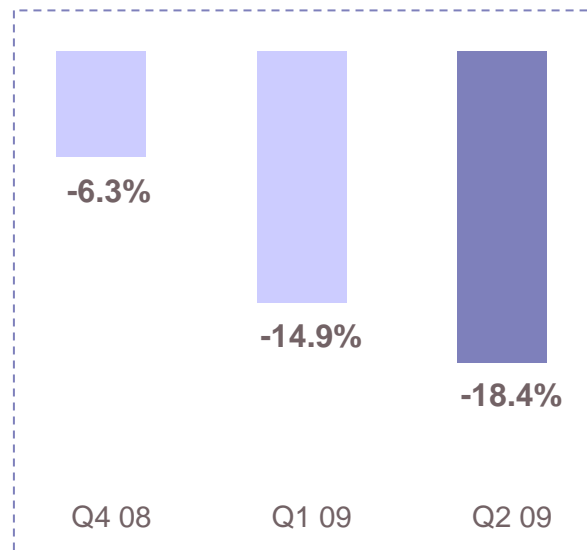
Italy: €309m

- -25.7% LFL⁽¹⁾
- Continued benefit from trading up
- Decline in end market combined with inventory cuts by distributors
- Distributors' sell-out at -13%

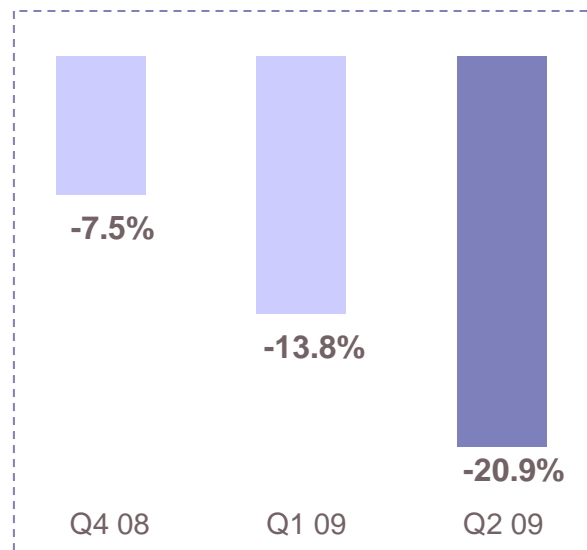
1. Like-for-like: at constant scope of consolidation and exchange rates

Active Adaptation of Costs to Changes in Business Trends

LFL⁽¹⁾ sales change



LFL⁽¹⁾ change in production and SG&A expense (excluding R&D)



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

Active Adaptation of Costs to Changes in Business Trends

- **€29m** in restructuring charges already booked in P&L vs €15m in H1 08; full-year estimates in a range of €40m - €50m vs €48m in 2008
- Cost base⁽¹⁾ reduced by **17%** LFL⁽²⁾ (H1 2009 vs H1 2008)
- About **50%** of savings related to fixed costs

1. Cost base defined as the sum of production expenses and SG&A expenses

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

Healthy Cash Generation

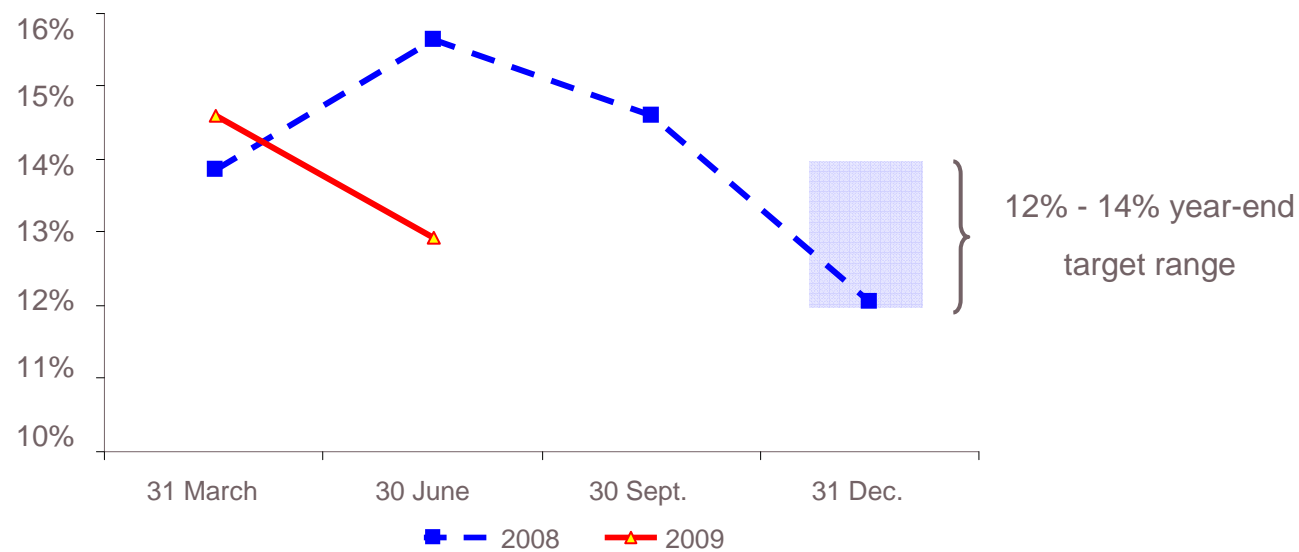
- Effective management of margin
- Active adaptation of WCR ⁽¹⁾ and CAPEX⁽¹⁾: less cash outflow from change in WCR and CAPEX compared with first-half 2008

In € millions	H1 2008	H1 2009
Cash-Flow From Operations⁽²⁾	306	221
<i>As % of Sales</i>	14.1%	12.2%
Change in Working Capital Requirement	(161)	27
Net Cash Provided by Operating Activities	145	248
<i>As % of Sales</i>	6.7%	13.7%
Capital Expenditures (including capitalized R&D)	(71)	(57)
Net Proceeds from Sales of Fixed Assets	6	17
Free Cash-flow	80	208
<i>As % of Sales</i>	3.7%	11.5%

1. WCR: Working Capital Requirement; CAPEX: Capital expenditures net of proceeds of sales of fixed assets
2. Cash flow from operations is defined as the sum of net cash provided by operating activities and change in working capital requirement

WCR ⁽¹⁾ Adaptation: Shift in Seasonal Trend

WCR⁽¹⁾ as % of LTM sales



- H1 09: inventory adaptation ahead of usual seasonal trend
- Year-end WCR ⁽¹⁾ as a percentage of sales confirmed within 12% - 14% range

1. WCR: Working Capital Requirement

Headroom for covenant

Net debt / maintainable EBITDA ⁽¹⁾

At
June 30, 2009

Threshold

2.2 < 3.5




Financing resources over the long term

100%

of net debt backed by credit lines
running through to 2013 at the earliest and 2025 at the latest

1. Defined as per the 2006 credit agreement and bank loan contract; no other financial covenants.

Favorable Top-Line Basics Confirmed

- Positive trend in product mix 
- Positive price effect 
- Good resilience of long-term drivers 

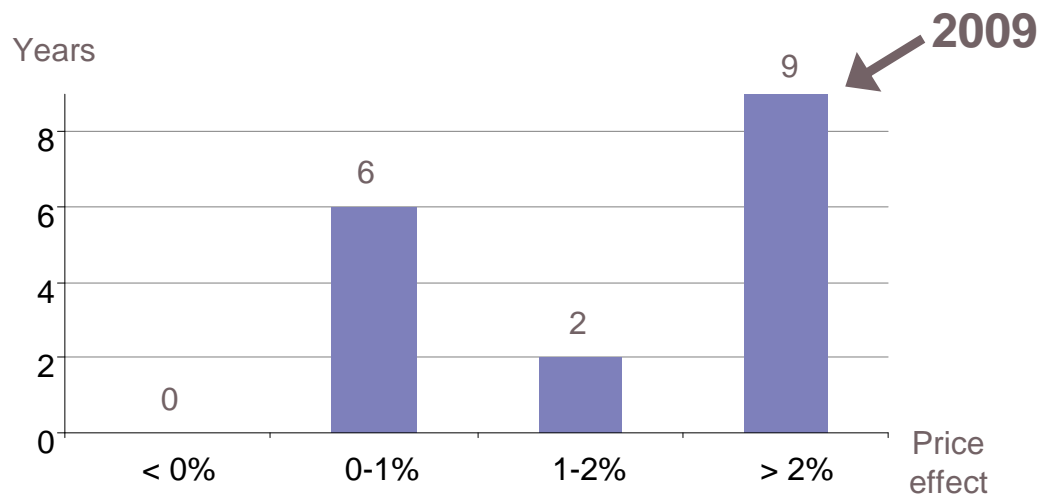
Strong Fundamentals Supporting the Business Model

Positive trend in product mix despite unfavorable market trends

- Impact of trading up in France and Italy in H1 09: **> +1%**

Positive price effect confirmed

- Price increase of over **2%** expected for 2009



Annual price-effect ranges over the past 17 years by number of years of occurrence

Good Resilience of Long-Term Growth Drivers – 1/2

Promising market segments:
growth premium throughout the crisis

H1 09 LFL growth-spread
vs the rest of the Group

Energy efficiency



Home systems

Wiremesh cable
management



Power distribution⁽¹⁾



VDI systems



Double
digit

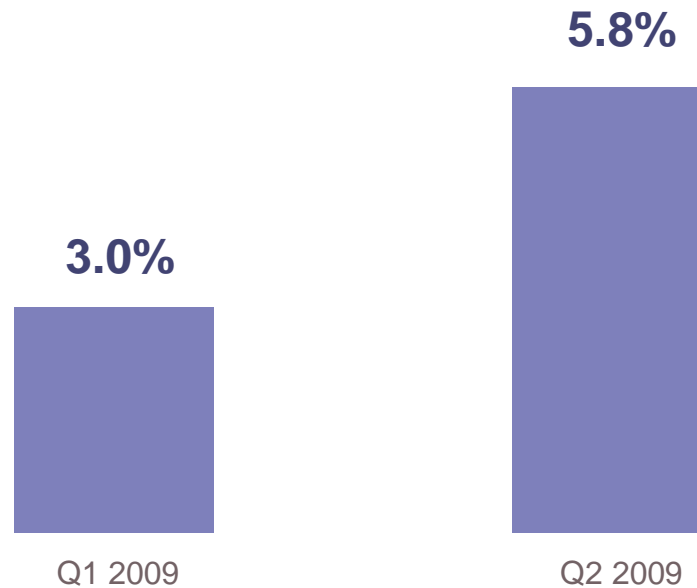
Mid
single
digit

Low
single
digit

1. Excluding Russia

Good Resilience of Long-Term Growth Drivers – 2/2

LFL growth-spread: emerging countries vs mature countries



- Structural needs of emerging countries
- China and India show positive signs

Preparing for Future Profitable Growth with Product Launches

Reinforced best-in-class position in wiring devices

- **Arteor** program

For geographical, end-market and technological leadership



Comprehensive solutions for future needs

- **LCS2** systems

To seize growth in structural data traffic growth and prepare the future home automation architecture

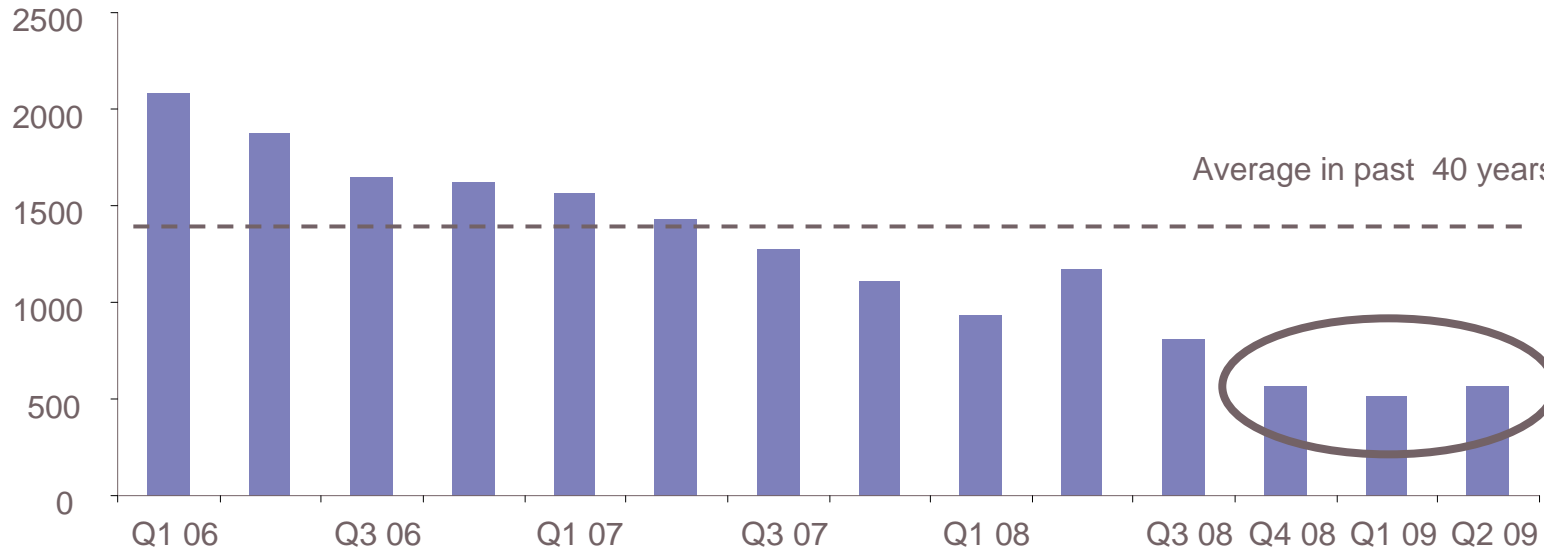


- **Energy Savings :**

New range of products for lighting management to be launched in H2 09

A Few Positive Signs From Some Leading Indicators

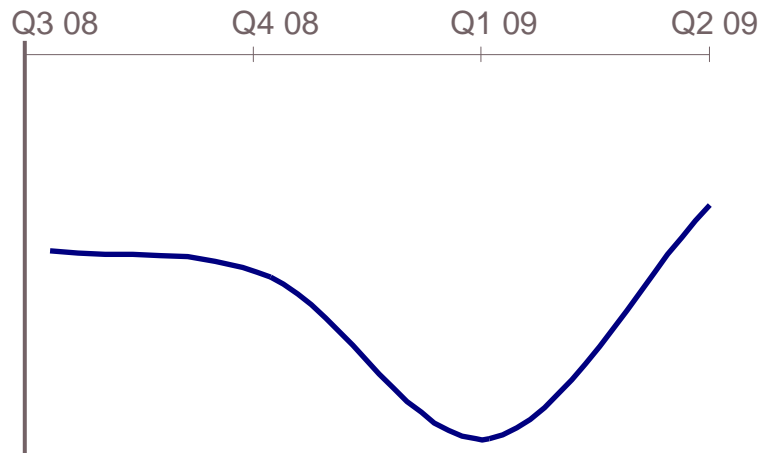
Bottoming out of new residential markets in US – permits delivered⁽¹⁾



1. Source: Census; annual rate of authorization seasonally adjusted

A few emerging countries showing encouraging signs

LFL change in sales for Legrand in China - Mexico - India



Agenda & Contacts

Agenda

- November 5, 2009:
2009 nine-month results

Contacts

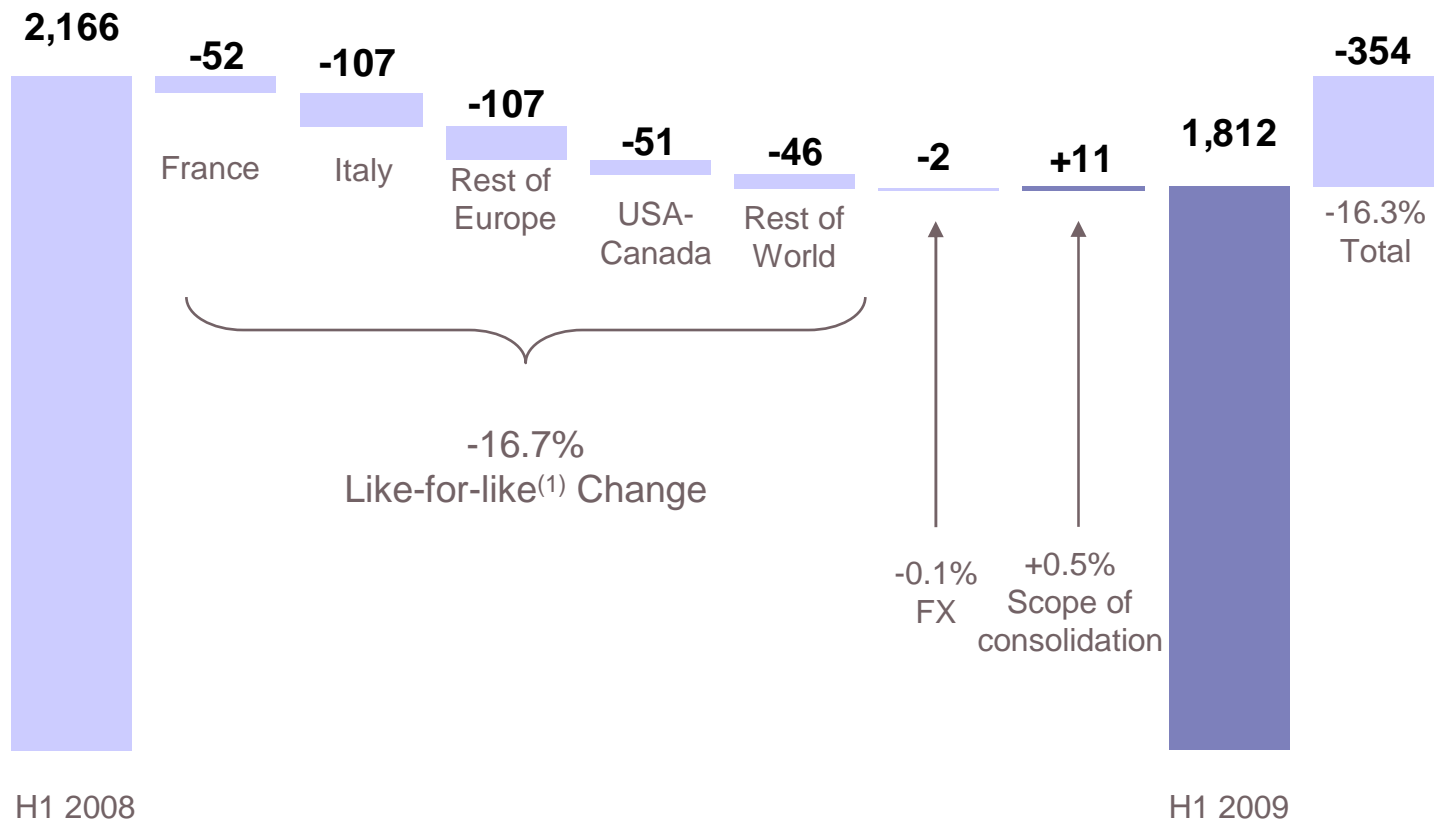
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Appendices

Change in Net Sales

Breakdown of change in 2009 first-half net sales (€ millions)



1. At constant scope of consolidation and exchange rates

2009 First Half – Net Sales by Destination (1)

(€M)	H1 2008	H1 2009	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
France	533.1	476.0	-10.7%	-0.9% ⁽²⁾	-9.9%	0.0%
Italy	415.3	308.7	-25.7%	0.0%	-25.7%	0.0%
Rest of Europe	482.7	355.2	-26.4%	1.2%	-22.0%	-6.8%
USA/Canada	274.4	259.1	-5.6%	1.0%	-18.5%	14.7%
Rest of the World	460.5	413.1	-10.3%	1.7%	-9.8%	-2.2%
Total	2,166.0	1,812.1	-16.3%	0.5%	-16.7%	-0.1%

1. Market where sales are recorded

2. Due to the sale of a non-core business of ICM Group

2009 Second Quarter – Net Sales by Destination (1)

(€M)	Q2 2008	Q2 2009	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
France	277.8	240.1	-13.6%	-0.8% ⁽²⁾	-12.9%	0.0%
Italy	199.0	147.1	-26.1%	0.0%	-26.1%	0.0%
Rest of Europe	248.9	171.6	-31.1%	-0.9% ⁽²⁾	-25.7%	-6.4%
USA/Canada	140.3	128.3	-8.6%	0.6%	-20.8%	14.7%
Rest of the World	251.0	223.6	-10.9%	-0.8% ⁽³⁾	-9.9%	-0.3%
Total	1,117.0	910.7	-18.5%	-0.5%	-18.4%	0.4%

1. Market where sales are recorded
2. Due to the sale of a non-core business of ICM Group
3. Due to accounting reclassification

2009 First Half – Net Sales by Origin ⁽¹⁾

(€M)	H1 2008	H1 2009	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
France	607.2	525.1	-13.5%	-2.0% ⁽²⁾	-11.7%	0.0%
Italy	439.1	332.5	-24.3%	-0.1% ⁽³⁾	-24.2%	0.0%
Rest of Europe	451.1	332.4	-26.3%	2.4%	-22.3%	-7.4%
USA/Canada	278.5	262.1	-5.9%	0.7%	-18.5%	14.7%
Rest of the World	390.1	360.0	-7.7%	3.0%	-8.1%	-2.5%
Total	2,166.0	1,812.1	-16.3%	0.5%	-16.7%	-0.1%

1. Zone of origin of the product sold
2. Due to the sale of a non-core business of ICM Group
3. Due to accounting reclassification

2009 Second Quarter – Net Sales by Origin ⁽¹⁾

(€M)	Q2 2008	Q2 2009	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
France	313.9	265.1	-15.5%	-1.6% ⁽²⁾	-14.1%	0.0%
Italy	212.6	159.1	-25.2%	-0.1% ⁽³⁾	-25.1%	0.0%
Rest of Europe	232.8	162.0	-30.4%	0.0%	-25.3%	-6.8%
USA/Canada	142.5	129.6	-9.1%	-0.1% ⁽³⁾	-20.7%	14.8%
Rest of the World	215.2	194.9	-9.4%	-0.3% ⁽³⁾	-8.8%	-0.4%
Total	1,117.0	910.7	-18.5%	-0.5%	-18.4%	0.4%

1. Zone of origin of the product sold
2. Due to the sale of a non-core business of ICM Group
3. Due to accounting reclassification

2009 First-half P&L

In € millions	H1 2008	H1 2009	% change
Net Sales	2,166.0	1,812.1	-16.3%
Gross Profit	1,117.8	939.6	-15.9%
As % of Sales	51.6%	51.9%	
Maintainable⁽¹⁾ Adjusted⁽²⁾ Operating Income	404.1	306.6	-24.1%
As % of Sales	18.7%	16.9%	
Restructuring charges	(15.4)	(29.4)	
Adjusted⁽²⁾ Operating Income	388.7	277.2	-28.7%
As % of Sales	17.9%	15.3%	
Accounting entries related to the acquisition of Legrand France	(25.1)	(19.3)	
Impairment of goodwill	0.0	(15.9)	
Operating Income	363.6	242.0	-33.4%
As % of Sales	16.8%	13.4%	
Net Financial Expenses	(57.1)	(52.2)	-8.6%
Exchange Gains & Losses	32.5	(12.9)	
Income Tax Expense	(105.0)	(68.4)	
Net Profit	234.0	108.5	-53.6%
Net Profit Excluding Minorities	233.1	107.9	-53.7%
Add non-recurrent items (after tax):			
Restructuring expense	10.6	19.0	
Impairment of goodwill	0.0	15.9	
Exchange-rate gains/losses	(22.4)	8.3	
Net profit excluding minorities before non-recurrent items	221.3	151.1	-31.7%

1. Excluding restructuring charges

2. Figures restated for accounting entries with no cash impact relating to the acquisition of Legrand France in 2002 and impairment of goodwill

2009 2nd Quarter P&L

In € millions	Q2 2008	Q2 2009	% change
Net Sales	1,117.0	910.7	-18.5%
Gross Profit	576.4	472.1	-18.1%
<i>As % of Sales</i>	51.6%	51.8%	
Maintainable⁽¹⁾ Adjusted⁽²⁾ Operating Income	213.4	163.4	-23.4%
<i>As % of Sales</i>	19.1%	17.9%	
Restructuring charges	(12.3)	(21.4)	
Adjusted⁽²⁾ Operating Income	201.1	142.0	-29.4%
<i>As % of Sales</i>	18.0%	15.6%	
Accounting entries related to the acquisition of Legrand France	(12.5)	(9.6)	
Impairment of goodwill	0.0	(15.9)	
Operating Income	188.6	116.5	-38.2%
<i>As % of Sales</i>	16.9%	12.8%	
Net Financial Expenses	(27.9)	(22.0)	
Exchange Gains & Losses	7.0	(1.5)	
Income Tax Expense	(47.2)	(41.2)	
Net Profit	119.9	51.8	-56.8%
Net Profit Excluding Minorities	119.3	51.4	-56.9%
Add non-recurrent items (after tax):			
Restructuring expense	8.5	13.6	
Impairment of goodwill	0.0	15.9	
Exchange-rate gains/losses	(5.5)	0.6	
Net profit excluding minorities before non-recurrent items	122.3	81.5	-33.4%

1. Excluding restructuring charges

2. Figures restated for accounting entries with no cash impact relating to the acquisition of Legrand France in 2002 and impairment of goodwill

2009 1st Quarter P&L

In € millions	Q1 2008	Q1 2009	% change
Net sales	1,049.0	901.4	-14.1%
Gross profit	541.4	467.5	-13.6%
<i>As % of sales</i>	51.6%	51.9%	
Maintainable⁽¹⁾ adjusted⁽²⁾ operating income	190.7	143.2	
<i>As % of sales</i>	18.2%	15.9%	
Restructuring charges (net of gains/losses on sales of fixed assets)	(3.1)	(8.0)	
Adjusted⁽²⁾ operating income	187.6	135.2	-27.9%
<i>As % of sales</i>	17.9%	15.0%	
Accounting entries related to the acquisition of Legrand France	(12.6)	(9.7)	
Operating income	175.0	125.5	-28.3%
<i>As % of sales</i>	16.7%	13.9%	
Net financial expense	(29.2)	(30.2)	
Exchange gains & losses	25.5	(11.4)	
Income-tax expense	(57.8)	(27.2)	
Net profit	114.1	56.7	-50.3%
Net profit excluding minorities	113.8	56.5	-50.4%
Add non-recurrent items (after tax):			
Restructuring charges (net of gains/losses on sales of fixed assets)	2.1	5.4	
Exchange-rate gains/losses	(16.9)	7.7	
Net profit excluding minorities before non-recurrent items	99.0	69.6	-29.7%

1. Excluding restructuring charges

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

Scope of Consolidation

2008	Q1	H1	9M	FY
PW Industries	2 months	5 months	8 months	11 months
Estep		3 months	6 months	9 months
HDL		3 months	6 months	9 months
Electrak		3 months	6 months	9 months

2009	Q1	H1	9M	FY
PW Industries	3 months	6 months	9 months	12 months
Estep	3 months	6 months	9 months	12 months
HDL	3 months	6 months	9 months	12 months
Electrak	3 months	6 months	9 months	12 months

Reconciliation of Cash-Flow From Operations with Net Profit

In € millions	H1 2008	H1 2009
Net Profit	234.0	108.5
Depreciation & Amortization	104.6	115.3
Change in other non-current assets and liabilities and deferred tax	(13.5)	(0.1)
Share of loss/(profit) of associates	0.0	0.0
Exchange (gains)/losses net	(23.8)	1.2
(Gains)/losses on fixed asset disposals and sales of securities	1.0	(4.4)
Other Adjustments	4.0	0.1
Cash-Flow From Operations	306.3	220.6

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