Limoges, November 10, 2016

PRESS RELEASE

Solid results in the first nine months of 2016

Healthy total growth in sales: +4.1% (including +2.1% organic growth)

Rise in adjusted operating profit: +5.7% (adjusted operating margin before acquisitions[1]: 20.2%)

Ongoing Group development

Deployment of the Eliot program: success of connected offers and launch of Eliot in North America

Active external growth: eight acquisitions made since the beginning of the year

2016 targets updated

Organic change in sales: 0% to +2% (compared with an initial[2] target of -2% to +2%)

Adjusted operating margin before acquisitions[1]: 19.3% to 19.6% (compared with an initial[2] target of 18.5% to 19.5%)

Gilles Schnepp, Chairman and CEO of Legrand, commented:

"Solid results in the first nine months of 2016

Legrand sales in the first nine months of 2016 were up +4.1% in total, or nearly +7% excluding the exchange-rate effect.
Organic growth in Group sales was solid at +2.1%, with a very good performance in the United States (+7.0%) and rising sales in mature countries in Europe (+1.8%) more than offsetting a slight retreat in new economies (-0.6%) where some countries face unfavorable economic conditions.
The broader scope of consolidation resulting from acquisitions was healthy at +4.6%, reflecting the good momentum of this growth driver.

Adjusted operating profit rose +5.7% and adjusted operating margin before acquisitions (at 2015 scope of consolidation) stood at 20.2% of sales compared with 19.7% in the first nine months of 2015, i.e. a 0.5-point rise. Taking acquisitions into account, adjusted operating margin came to 20.0% for the first nine months of 2016.

Net income excluding minority interests rose +2.3% to €426m, or 11.5% of sales.

Free cash flow generation was solid, with normalized free cash flow at 13.0% of sales over the same period, allowing Legrand to continue to self-finance its development over the long term.

This good overall performance reflects the commitment and operational efficiency of Legrand's teams.

Ongoing Group development

In connected products, Legrand has actively continued to deploy the Eliot program in 2016. Benefiting from the success in France and Italy of its new connected ranges, such as the Class 300X door entry system and the MyHome Play user interface offer, the Group thus today announced Eliot's launch in North America. Moreover, after taking part in CES Unveiled Paris, Legrand is scheduled to take part—for the third year running—in CES Las Vegas, where the Group will present its latest innovations.

[1] At 2015 scope of consolidation.
[2] Target announced February 11, 2016.

External growth is also healthy, with eight targeted acquisitions since the beginning of the year totaling annual acquired sales of over €170m, of which 80% with products that are no. 1 or 2 in their markets. For 2016 as a whole, the broader scope of consolidation should contribute over +4% to growth in consolidated sales. Legrand thus continues to actively enhance and expand its market positions."

2016 targets updated

Based on solid results in the first nine months and taking into account the fourth quarter of 2016 (unfavorable calendar effect and usual margin seasonality), Legrand is updating its 2016 targets and is now aiming for:
- organic change in sales of between 0% and +2% (compared with an initial[1] target of -2% to +2%), and
- adjusted operating margin before acquisitions[2] of between 19.3% and 19.6% of sales (compared with an initial[1] target of 18.5% to 19.5%).

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

[1] Target announced February 11, 2016.
[2] At 2015 scope of consolidation.

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Key figures

Consolidated data (€ millions)(1)	9 months 2015	9 months 2016	Change
Sales	3,560.3	3,704.6	+4.1%
Adjusted operating profit	700.9	740.6	+5.7%
As % of sales	*19.7%*	*20.0%* *20.2% before acquisitions(2)*	
Operating profit	668.7	707.5	+5.8%
As % of sales	*18.8%*	*19.1%*	
Net income excluding minority interests	416.2	425.6	+2.3%
As % of sales	*11.7%*	*11.5%*	
Normalized free cash flow	479.8	482.5	+0.6%
As % of sales	*13.5%*	*13.0%*	
Free cash flow	403.8	424.2	+5.1%
As % of sales	*11.3%*	*11.5%*	
Net financial debt at September 30	1,022.4	1,149.4	+12.4%

(1) See appendices to this press release for definitions and reconciliation tables of indicators presented.
(2) At 2015 scope of consolidation.

Financial performance at September 30, 2016

Consolidated sales

In the first nine months of 2016, sales totaled €3,704.6m, up +4.1% from the first nine months of 2015, i.e., +7% excluding the exchange-rate effect.
Organic growth in Group sales was +2.1%, reflecting a +3.6% rise in sales in mature countries as a whole, and a decline in activity in new economies (-0.6%). As announced, the Group sales performance benefited from a favorable calendar effect in the first half of 2016. Most of this effect should be reversed in the fourth quarter of the year.
The impact of the broader scope of consolidation that resulted from acquisitions was +4.6% in the first nine months of 2016. Based on acquisitions announced and their likely date of consolidation, the contribution to Group growth in sales from the broader scope of consolidation should be over +4% for 2016.
The exchange-rate effect was -2.6% in the first nine months of 2016.

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

	9 months 2016 / 9 months 2015	3rd quarter 2016 / 3rd quarter 2015
France	-2.3%	-1.4%
Italy	+3.8%	+2.4%
Rest of Europe	+5.7%	+5.0%
North and Central America	+6.5%	+7.8%
Rest of the World	-2.2%	-2.7%
Total	**+2.1%**	**+2.5%**

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

- **France** (17.6% of Group sales): in the first nine months of 2016, the organic change in sales in France was -2.3%. In the third quarter alone, the unfavorable calendar effect announced was more than offset by high demand from some distributors at the end of the quarter.
Moreover, the basis for comparison in the fourth quarter of 2016 should be demanding due notably to a calendar effect.
More generally, the improvement of leading indicators for construction observed since the beginning of the year—more particularly in residential construction—should only be reflected in Legrand's business with several quarters' lag.

- **Italy** (10.3% of Group sales): sales were up +3.8% at constant scope of consolidation and exchange rates in the first nine months of 2016. This strong showing was in particular supported by the success of the new range of Class 300X connected door entry system and in the first half by one-off projects in energy distribution.

- **Rest of Europe** (17.2% of Group sales): sales were up +5.7% at constant scope of consolidation and exchange rates compared with the first nine months of 2015.
Legrand reported a healthy rise in sales in Southern Europe[1] as well as in several other mature countries[2] in the region. More particularly in the United Kingdom, which accounts for around 2.5% of Group sales[3], Legrand achieved notable successes in the commercial segment. Sales were also up in Eastern Europe. Finally, sales in Turkey declined, penalized—notably in the third quarter—by the political situation in the country.

- **North and Central America** (29.5% of Group sales): in the first nine months of 2016, sales in this region rose +6.5% at constant scope of consolidation and exchange rates.

In the United States alone:
Over the first nine months of 2016, with a favorable construction market, Legrand recorded a +7.0% rise. This was driven in particular by the success of its *Digital Lighting Management* offering and good showings in the non-residential segment.
In the third quarter alone, very healthy growth in sales (+9.3%) was driven by one-off load-in in the retail business and the good performance of businesses that recently joined the Group.
Excluding all of these one-off effects, organic growth in sales in the United States was in the neighborhood of +3% in both the third quarter and the first nine months of 2016.

Legrand also reported a healthy rise in sales in Mexico and Costa Rica in the first nine months of 2016.

- **Rest of the World:** (25.4% of Group sales): sales were down -2.2% at constant scope of consolidation and exchange rates compared with the first nine months of 2015.
Growth recorded in India, Chile, Colombia and Morocco could not compensate declines in activity in Brazil and some countries in Asia and the Middle East.
More particularly, sales in China (4.0% of the Group total) rose during the first nine months of 2016, benefiting in the first half from government measures aimed at supporting housing sales and in the third quarter from a favorable basis for comparison.

Adjusted operating profit and margin

Adjusted operating profit was up +5.7% in the first nine months of 2016, reaching €740.6m and reflecting the Group's capacity to create value over the long term.

Adjusted operating margin before acquisitions (at 2015 scope of consolidation) came to 20.2% of sales. Compared with 19.7% for the first nine months of 2015, the 0.5-point improvement was due to a good operating performance against a backdrop of rising sales.

Taking acquisitions into account, the Group's adjusted operating margin stood at 20.0% of sales in the first nine months of 2016.

[1] Southern Europe = Spain + Greece + Portugal.
[2] Includes Austria, Belgium, Germany, and the United Kingdom.
[3] Based on average exchange rates for the first nine months of 2016 and annual sales of the last acquisitions.

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Net income excluding minority interests

Legrand's net income excluding minority interests for the first nine months of 2016 came to 11.5% of sales or €425.6m. It increased compared with the first nine months of 2015, reflecting:

- a good operating performance, with a €38.8m rise in operating profit, partially offset by:
- an €8.4m rise in net financial expense (which remains under control at less than 2% of sales), due in particular to the December 2015 issue of a bond to anticipate refinancing of the bond maturing in February 2017;
- an €11.7m rise in income tax expense (with the income tax rate at 32.9%);
- other elements, including notably change in the foreign-exchange result (-€0.2m for the first nine months of 2016 compared with +€6.7m over the same period of 2015) and in the result of equity-accounted entities (-€0.8m).

Cash generation and net debt

In the first nine months of 2016, cash flow from operations was robust at €583.3m, or 15.7% of sales.

Investments and working capital requirement were under control at respectively 2.5% and 8.1% of sales in the first nine months of 2016 (compared with 2.3% and 8.8% respectively over the same period of 2015).

Normalized free cash flow—a good measure of free cash flow generation—was 13.0% of sales.

After payment of a dividend in a total amount of €307.1m and financing of eight acquisitions representing a total investment of €409.7m (compared with €214.2m in the first nine months of 2015), net debt stood at €1,149.4m at September 30, 2016 compared with €802.7m at December 31, 2015.

Active external growth

As announced, since the beginning of the year, Legrand has pursued its strategy of self-financed bolt-on[1] acquisitions with leading positions or proven technological expertise. The Group has thus made eight acquisitions since the beginning of the year, representing total acquired sales of over €170m, with:

- over 80% of acquired sales generated by companies with no. 1 or 2 positions in their markets; and
- six out of eight acquisitions in new business segments[2].

More specifically, the eight companies that have joined the Group since the beginning of the year are:

- Pinnacle Architectural Lighting, one of the US leaders in architectural lighting solutions for non-residential buildings;
- CP Electronics, the UK leader in energy-efficient lighting control;
- Luxul Wireless, the US leader in audio/video infrastructure products for residential buildings and small- to mid-size commercial buildings;
- Solarfective, a Canadian specialist in natural lighting control for commercial buildings;
- Fluxpower in Germany and Primetech in Italy, both specialized in UPS;
- Trias[3], an Indonesian specialist in cable management and distribution cabinets; and
- Jontek, a UK specialist in solutions for monitoring assisted-living platforms.

Based on acquisitions announced and their likely date of consolidation, the contribution from the broader scope of consolidation to Group growth in sales should be over +4% for 2016.

[1] Small- to mid-size acquisitions that complement Legrand's activities.
[2] Energy efficiency, digital infrastructures, home systems and assisted living.
[3] Signature of a joint-venture agreement; Legrand holds 80% of equity.

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Deployment of the Eliot program

Legrand has expanded its initiatives in connected products since the beginning of the year, and has in particular:

- launched new connected offerings such as the Class 300X door entry system and the MyHome Play user interface;
- continued geographical deployment of Eliot, with today's launch of the program in North America;
- actively sought interoperable solutions by continuing to forge partnerships with leading IoT players, in particular in July 2016 with TCL—a Chinese group that is a global player in consumer goods, electronic equipment and internet solutions;
- participated in CES Unveiled Paris, before taking part for the third year running in CES Las Vegas, where it will present its latest innovations.

Legrand is thus actively pursuing expansion in its offer of connected solutions and is ahead of schedule in its development plan.

The consolidated financial statements for the first nine months of 2016 were adopted by the Board of Directors at its meeting on November 9, 2016. These consolidated financial statements, a presentation of the first nine months of 2016, and the related teleconference (live and replay) are available at www.legrand.com.

Key financial dates

- 2016 annual results: **February 9, 2017**
  "Quiet period"[1] starts January 9, 2017
- 2017 first-quarter results: May **10, 2017**
  "Quiet period"[1] starts April 10, 2017
- General Meeting of Shareholders: **May 31, 2017**

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 a nearly 10-year CSR (Corporate Social Responsibility) approach that involves all employees, Legrand is pursuing its strategy of profitable and sustainable growth driven by innovation, with a steady flow of new offerings-—including Eliot connected products with enhanced value in use-—and acquisitions. Legrand reported sales of more than €4.8 billion in 2015. The company is listed on Euronext Paris and is a component stock of indexes including the CAC40, FTSE4Good, MSCI World, Corporate Oekom Rating, DJSI World, Vigeo Euronext Eurozone 120-Europe 120-France 20 and World 120, and Ethibel Sustainability Index Excellence. (ISIN code 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

Investor relations
Legrand
François Poisson
Tel: +33 (1) 49 72 53 53

francois.poisson@legrand.fr

Press Relations
Publicis Consultants
Robert Amady/Vilizara Lazarova
Tel: +33 (0)1 44 82 46 31 / +33 (0)1 44 82 46 34
Mob: +33 (0)6 72 63 08 91 / +33 (0)6 26 72 57 14
robert.amady@consultants.publicis.fr
vilizara.lazarova@consultants.publicis.fr

[1] Period of time when all communication is suspended in the run-up to publication of results.

Appendices

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 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.

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) 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 of revaluation of intangible assets at the time of acquisitions and for expense/income relating to acquisitions and, where applicable, for impairment of goodwill.

Payout
Payout is defined as the ratio between the proposed dividend per share for a given year, divided by the net income excluding minorities 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.

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Calculation of working capital requirement

In € millions	9M 2015	9M 2016
Trade receivables	587.8	615.2
Inventories	686.3	684.1
Other current assets	151.5	170.2
Income tax receivables	36.5	34.0
Short-term deferred taxes assets/(liabilities)	82.6	95.6
Trade payables	(514.9)	(519.9)
Other current liabilities	(462.8)	(519.9)
Income tax payables	(51.1)	(70.4)
Short-term provisions	(101.0)	(86.7)
Working capital requirement	**414.9**	**402.2**

Calculation of net financial debt

In € millions	9M 2015	9M 2016
Short-term borrowings	111.7	391.8
Long-term borrowings	1,515.3	1,509.5
Cash and cash equivalents	(602.1)	(751.9)
Marketable securities	(2.5)	0.0
Net financial debt	**1,022.4**	**1,149.4**

Reconciliation of adjusted operating profit with profit for the period

In € millions	9M 2015	9M 2016
Profit for the period	**416.8**	**427.8**
Share of profits (losses) of equity-accounted entities	0.0	0.8
Income tax expense	198.4	210.1
Exchange (gains) / losses	(6.7)	0.2
Financial income	(8.5)	(6.3)
Financial expense	68.7	74.9
Operating profit	**668.7**	**707.5**
Amortization of revaluation of intangible assets at the time of acquisitions and expense/income relating to acquisitions	32.2	33.1
Impairment of goodwill	0.0	0.0
Adjusted operating profit	**700.9**	**740.6**

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Reconciliation of EBITDA with profit for the period

In € millions	9M 2015	9M 2016
Profit for the period	**416.8**	**427.8**
Share of profits (losses) of equity-accounted entities	0.0	0.8
Income tax expense	198.4	210.1
Exchange (gains) / losses	(6.7)	0.2
Financial income	(8.5)	(6.3)
Financial expense	68.7	74.9
Operating profit	**668.7**	**707.5**
Depreciation and impairment of tangible assets	71.6	70.4
Amortization and impairment of intangible assets (including capitalized development costs) and impairment of goodwill	52.8	53.7
EBITDA	**793.1**	**831.6**

Reconciliation of cash flow from operations, free cash flow and normalized free cash flow with profit for the period

In € millions	9M 2015	9M 2016
Profit for the period	**416.8**	**427.8**
Adjustments for non-cash movements in assets and liabilities:		
Depreciation, amortization and impairment	126.1	125.9
Changes in other non-current assets and liabilities and long-term deferred taxes	18.1	31.5
Unrealized exchange (gains)/losses	1.4	(3.8)
(Gains)/losses on sales of assets, net	0.5	0.5
Other adjustments	0.2	1.4
Cash flow from operations	**563.1**	**583.3**
Decrease (Increase) in working capital requirement	(77.4)	(65.9)
Net cash provided from operating activities	**485.7**	**517.4**
Capital expenditure (including capitalized development costs)	(82.8)	(94.4)
Net proceeds from sales of fixed and financial assets	0.9	1.2
Free cash flow	**403.8**	**424.2**
Increase (Decrease) in working capital requirement	77.4	65.9
(Increase) Decrease in normalized working capital requirement	(1.4)	(7.6)
Normalized free cash flow	**479.8**	**482.5**

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Scope of consolidation

2015	Q1	H1	9M	Full year
Full consolidation method				
Valrack	Balance sheet only	Balance sheet only	Balance sheet only	10 months
IME		Balance sheet only	Balance sheet only	7 months
Raritan			Balance sheet only	3 months
QMotion				Balance sheet only

2016	Q1	H1	9M	Full year
Full consolidation method				
Valrack	3 months	6 months	9 months	12 months
IME	3 months	6 months	9 months	12 months
Raritan	3 months	6 months	9 months	12 months
QMotion	3 months	6 months	9 months	12 months
Fluxpower	Balance sheet only	Balance sheet only	8 months	11 months
Primetech	Balance sheet only	Balance sheet only	8 months	11 months
Pinnacle Architectural Lighting		Balance sheet only	5 months	8 months
Luxul Wireless		Balance sheet only	5 months	8 months
Jontek		Balance sheet only	5 months	8 months
Trias		Balance sheet only	Balance sheet only	8 months
CP Electronics		Balance sheet only	Balance sheet only	7 months
Solarfective			Balance sheet only	5 months
Equity method				
TBS[(1)]		6 months	9 months	12 months

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

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Disclaimer

This press release may contain forward-looking statements which are not historical data. Although Legrand considers these statements to be based on reasonable assumptions at the time of publication of this release, they are subject to various risks and uncertainties that could cause actual results to differ from those expressed or implied herein.

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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