



# 2010 Half-Year Results

July 29, 2010



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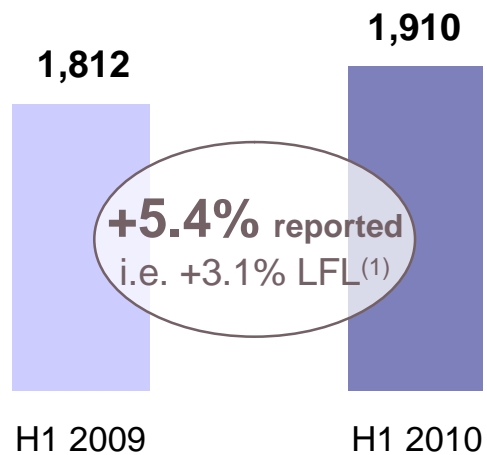
21 to 29

# Highlights

- Strong growth in emerging markets
- Continuing acquisitions
- Target for 2010 full-year adjusted operating margin raised again, to over 19%

# Net Sales

€ millions



- Strong growth in emerging countries (+17.4% reported)
- Growing business segments such as energy efficiency
- Success of new products
- Favorable calendar effect and low basis for comparison

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

2. Due to first consolidation of entities

# Breakdown of Sales by Geographical Market

2010  
Half-Year  
Results

## Group total: €1,910m

- +5.4% reported
- +3.1% LFL<sup>(1)</sup>

## USA & Canada: €275m

- +5.7% LFL<sup>(1)</sup>
  - Residential market stabilizes
  - Worsening market in the commercial segment
  - Strong showing for wiring devices, digital infrastructure and lighting controls
  - Favorable basis for comparison

## France: €475m

- -0.1% LFL<sup>(1)</sup>
  - Good showing for wiring devices
  - Success of LCS<sup>2</sup> solutions for digital infrastructure
  - Resilience of sales on renovation markets
  - Favorable calendar effects

## Italy: €316m

- + 2.2% LFL<sup>(1)</sup>
  - Strong growth in sales of wiring devices (Axolute, Matix)
  - Double-digit growth in sales of My Home residential system
  - Favorable basis for comparison resulting from a rundown of inventory by distributors in H1 2009

## Rest of the World: €491m

- +12.0% LFL<sup>(1)</sup>
  - Return to strong growth confirmed in most emerging countries
  - Sound and effective business development strategy

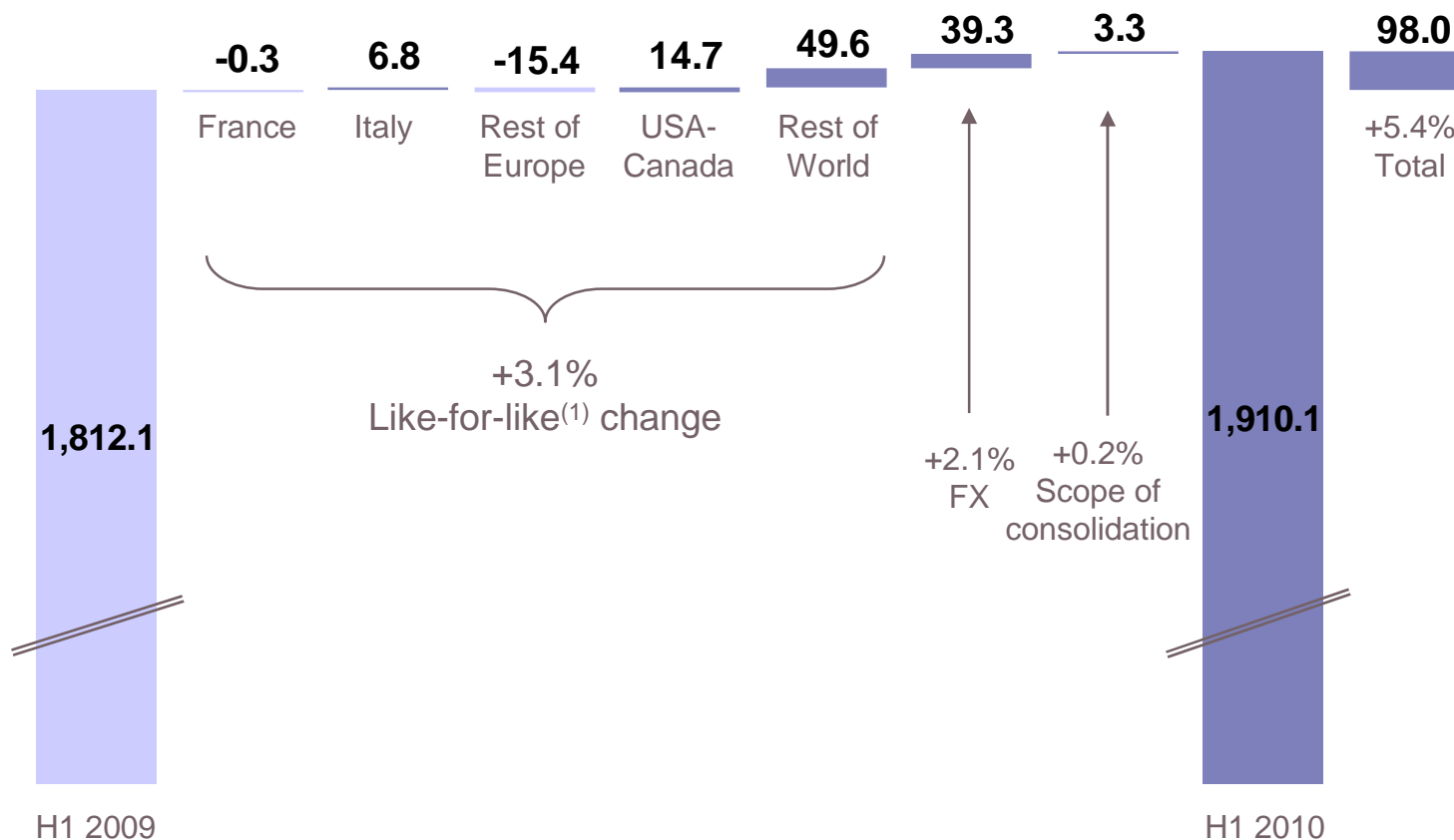
## Rest of Europe: €353m

- -4.3% LFL<sup>(1)</sup>
  - Very good showings in Russia and Turkey
  - Stabilization of some markets
  - Favorable basis for comparison
  - Offsetting a difficult Q2 in Eastern Europe, the Netherlands and the UK.

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

# Breakdown of Change in 2010 Half-Year Net Sales

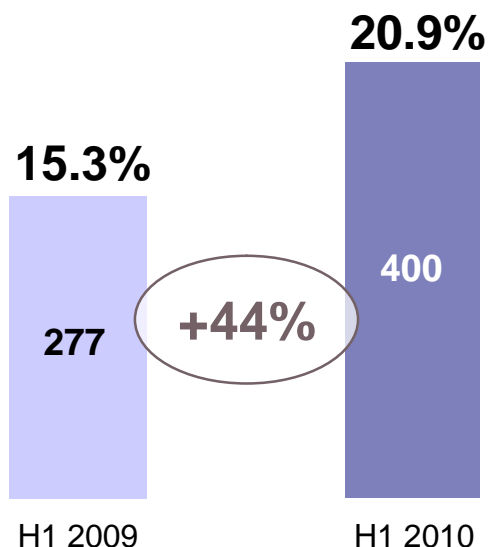
In € millions



1. At constant scope of consolidation and exchange rates

# Strong Increase in Adjusted<sup>(1)</sup> Operating Income

in € millions  
and as % of sales



Marked improvement resulting from:

- Strong performance for operating costs
  - Full impact of reorganization already deployed
  - Leverage from sales growth
  - Overall productivity on production costs
- Miscellaneous
  - Lower operating items and restructuring
  - Replenishment of inventory
  - Effect of change in French tax law

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

# Strong Increase in Adjusted Operating Income

In € millions	H1 2009	H1 2010	% change
<b>Net Sales</b>	<b>1,812.1</b>	<b>1,910.1</b>	<b>5.4%</b>
Gross Profit	939.6	<b>1 052.8</b>	12.0%
<i>As % of sales</i>	<i>51.9%</i>	<b>55.1%</b>	
Maintainable <sup>(1)</sup> adjusted <sup>(2)</sup> operating income	306.6	<b>421.2</b>	37.4%
<i>As % of sales</i>	<i>16.9%</i>	<b>22.1%</b>	
Restructuring charges	(29.4)	<b>(21.2)</b>	-27.9%
<b>Adjusted<sup>(2)</sup> Operating Income</b>	<b>277.2</b>	<b>400.0</b>	<b>44.3%</b>
<i>As % of sales</i>	<i>15.3%</i>	<b>20.9%</b>	
Accounting entries related to the acquisition of Legrand France	(19.3)	<b>(13.2)</b>	
Impairment of goodwill	(15.9)	<b>0.0</b>	
Operating income	242.0	<b>386.8</b>	59.8%
<i>As % of sales</i>	<i>13.4%</i>	<b>20.3%</b>	
Net financial expenses	(52.2)	<b>(32.9)</b>	-37.0%
Exchange gains & losses	(12.9)	<b>(52.5)</b>	
Income tax expense	(68.4)	<b>(108.4)</b>	
<b>Net profit</b>	<b>108.5</b>	<b>193.0</b>	<b>77.9%</b>
<b>Net profit excluding minorities</b>	<b>107.9</b>	<b>192.6</b>	<b>78.5%</b>

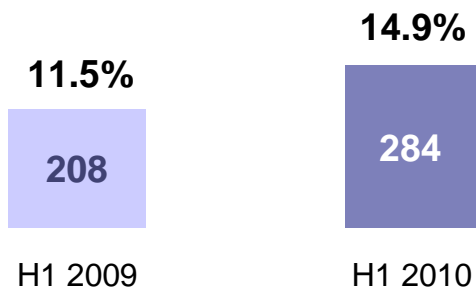
1. Excluding restructuring charges

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

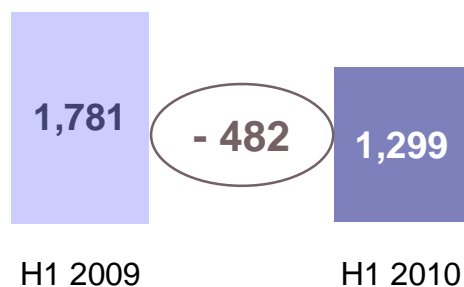


# Strong Cash Generation and Financial Flexibility

Strong free cash flow generation  
(in € millions and as % of sales)



Decline in net debt  
(€ millions)

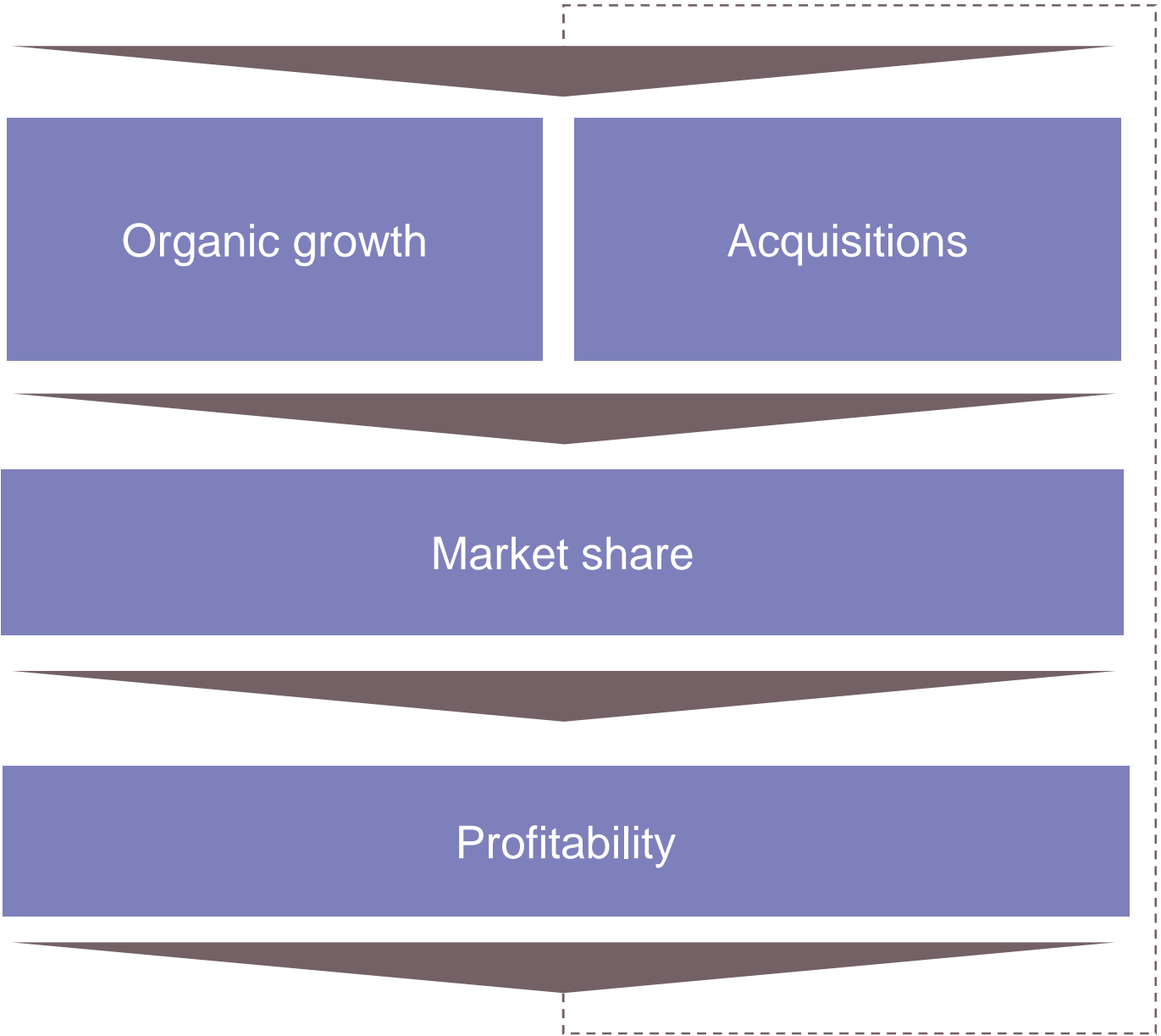


Significant financial headroom

€ 1.2bn

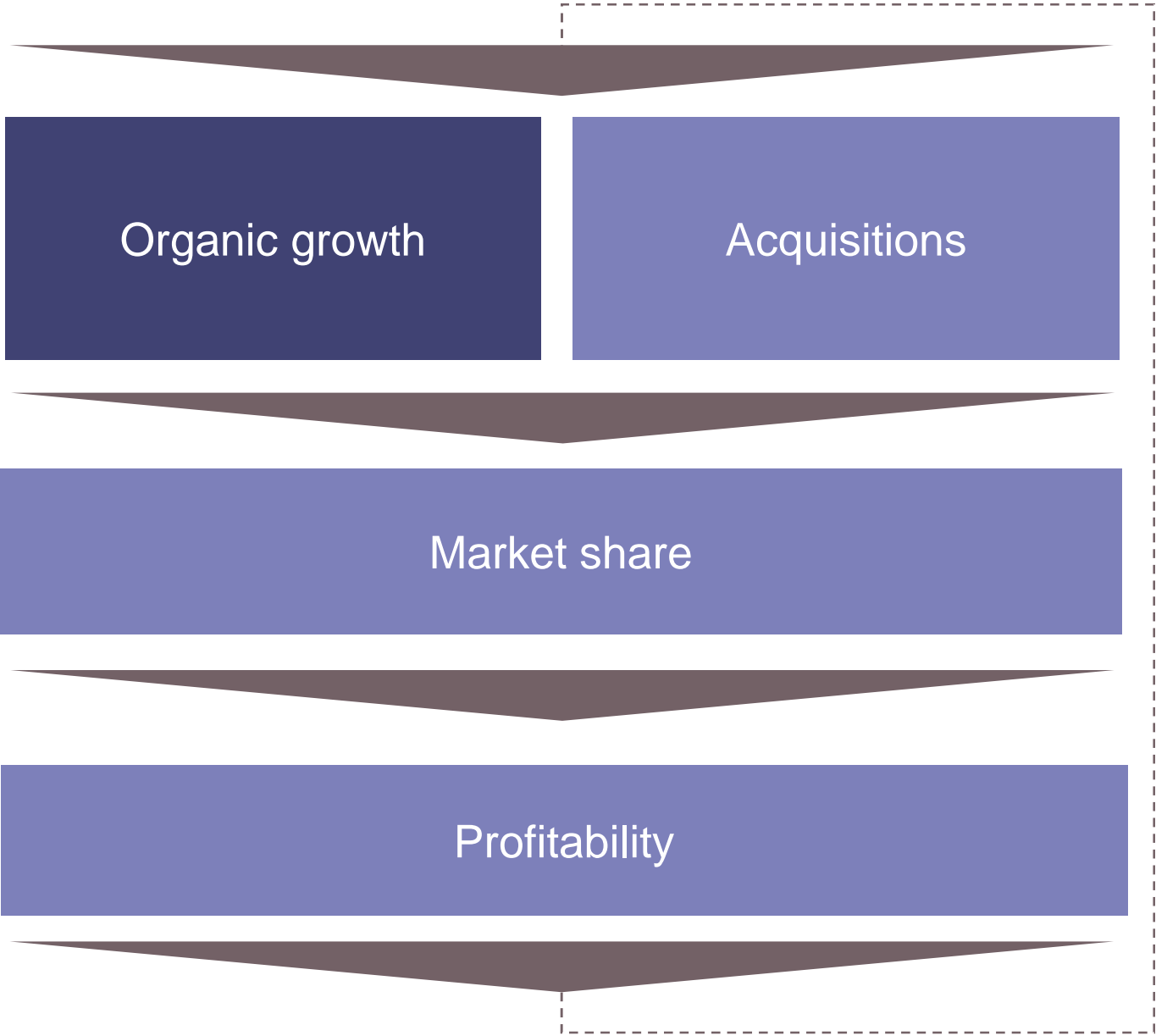
Ample resources to  
finance organic  
and acquisition-  
driven growth

# A Business with Two Growth Drivers



**A Business  
with  
Two Growth  
Drivers**

# A Business with Two Growth Drivers



**A Business  
with  
Two Growth  
Drivers**

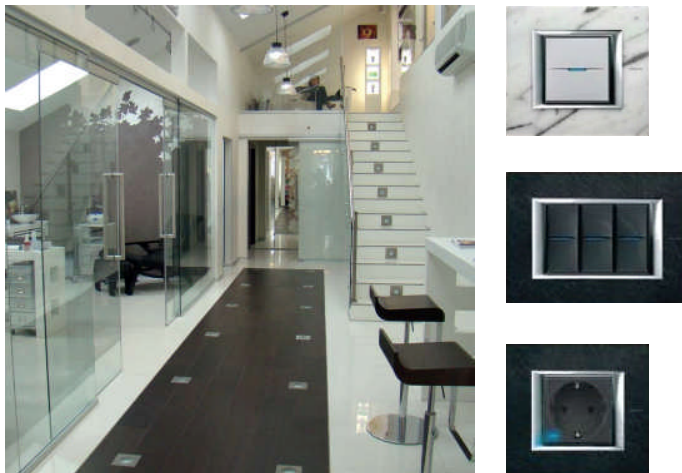
# Robust Growth Drivers 1/2

- Emerging Countries **+17%** reported

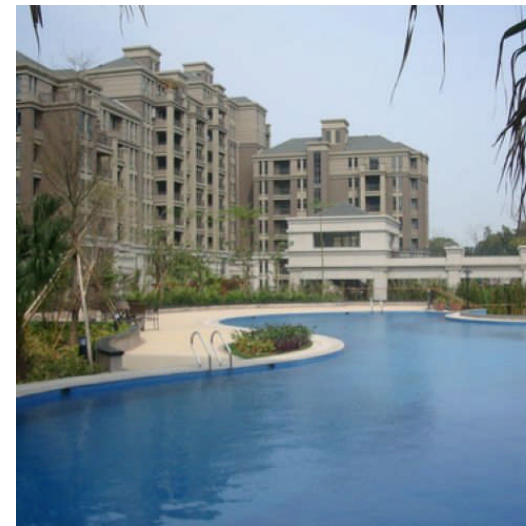


French Pavilion equipped with Arteor at Expo 2010 in Shanghai

Eastern Golf Mansion (China) equipped with Legrand video door-entry system



Irene beauty shop (Russia) equipped with Axolute wiring devices



# Robust Growth Drivers 2/2

- Energy efficiency **+8%** reported<sup>(1)</sup>



Picard frozen-food stores in France equipped with Alpes Technologies capacitor banks



Climateworks Foundation headquarters (US) equipped with Watt Stopper Digital Lighting Management



Oxygene Tower in Lyon, France equipped with ECO<sup>2</sup> ultrasonic detectors

A Business with Two Growth Drivers

<sup>(1)</sup> Mainly energy-efficient lighting control, heating control, shutter management, consumption monitoring, solar-cell management etc.

# Organic Growth

## Innovation

- 4 to 5% of sales invested in R&D
- About 1800 employees dedicated to R&D
- 67% of capex spent on new products
- New product launches



Arteor



Digital lighting controls



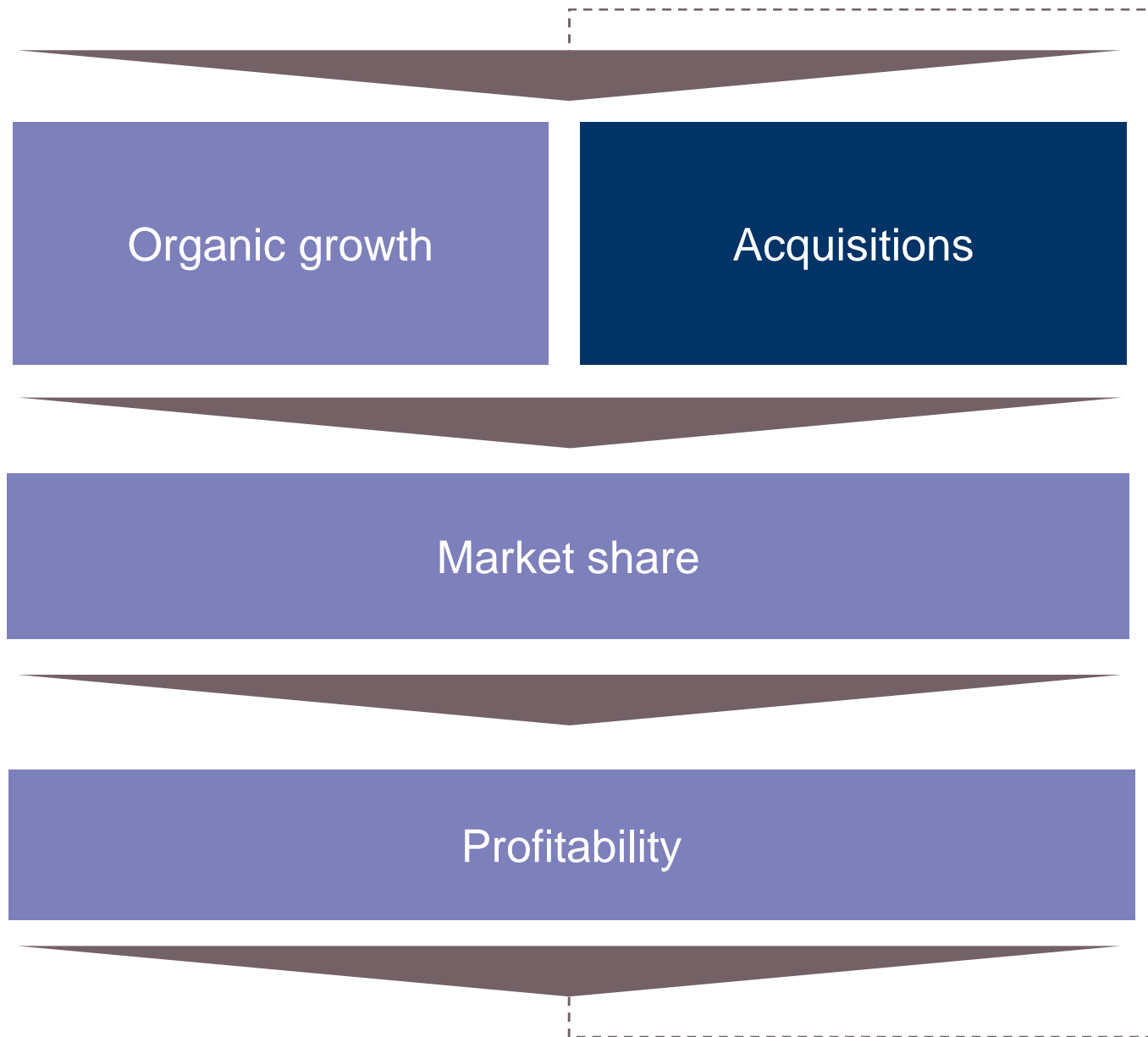
LCS<sup>2</sup>



DMX<sup>3</sup>

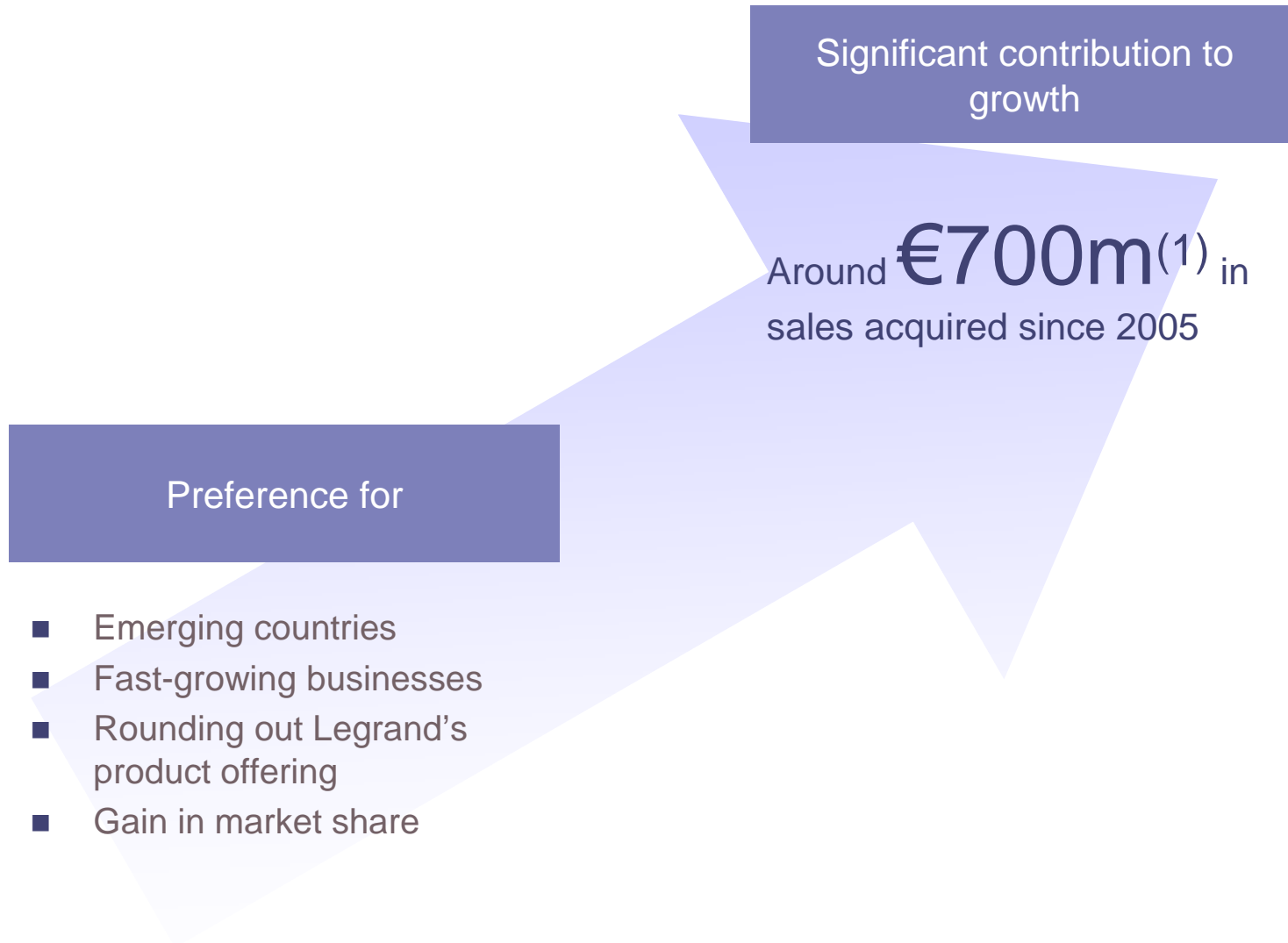
- Return to global market expansion
- Market share gains in particular in India, Turkey, Egypt, Russia, USA, etc.

# A Business with Two Growth Drivers



**A Business  
with  
Two Growth  
Drivers**

# Legrand's Acquisition Strategy

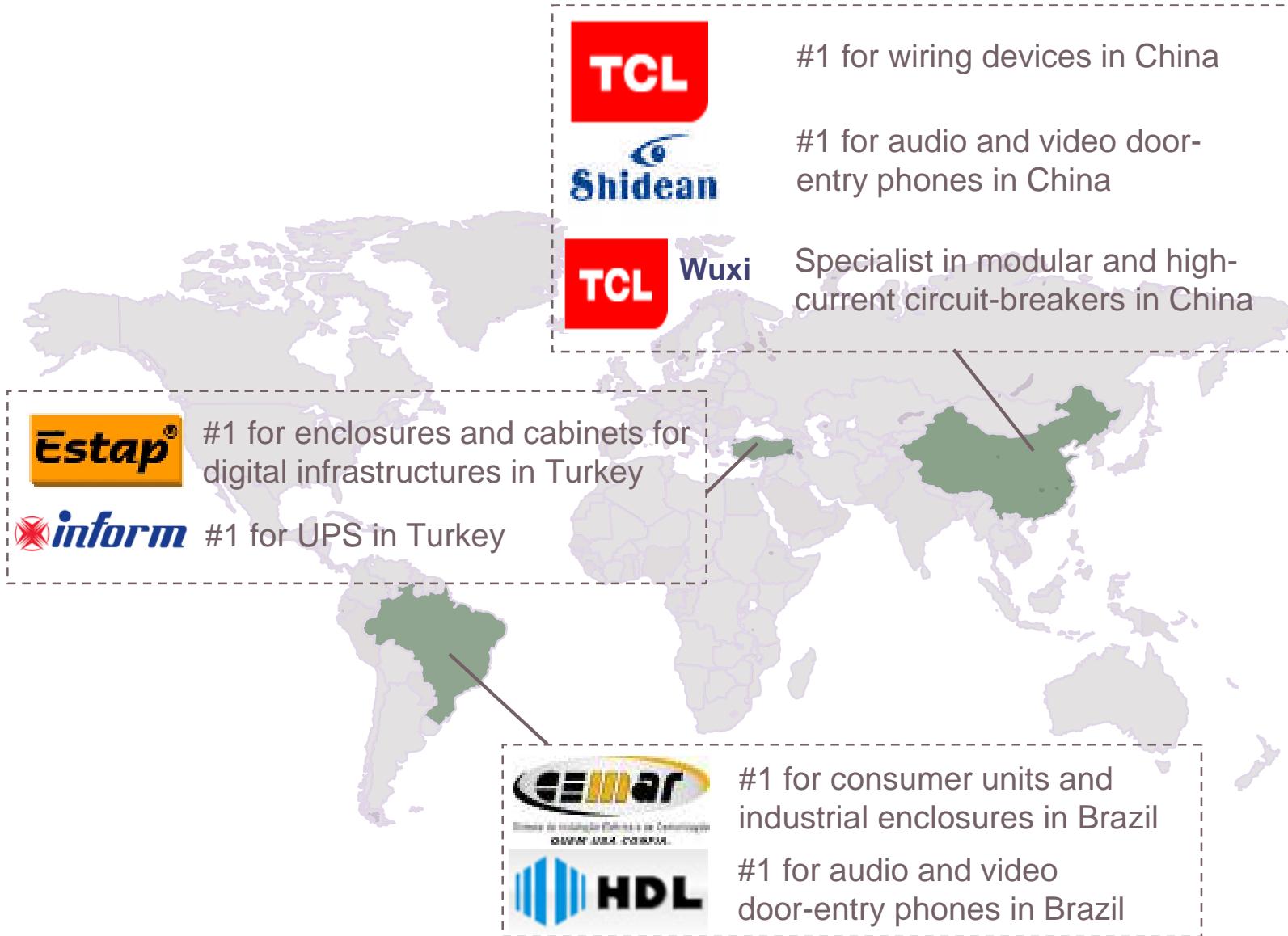


**A Business with Two Growth Drivers**

*1 Including pending acquisitions of Inform and Indo Asian Switchgear*



# Examples – Emerging Countries



A Business with Two Growth Drivers

# Examples – Complement to Legrand's Product Offering



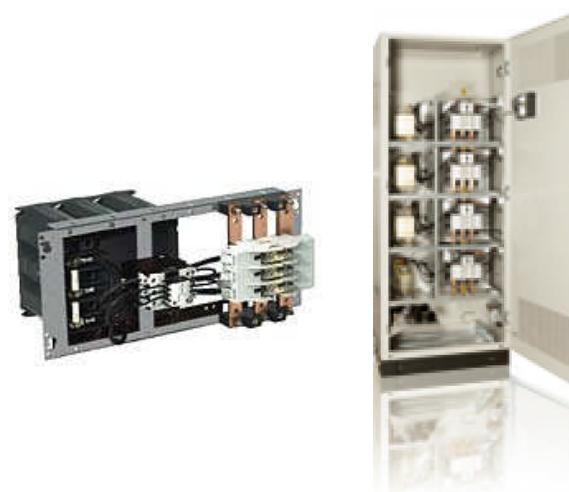
#1 for busbars in Italy and specialist in low-consumption transformers



#1 for wire mesh cable management worldwide



A leader for the optimization and measurement of electricity quality in France





- #1 for UPS in Turkey
- Double-digit EBIT margin
- \$70m of sales in 2009
- 360 employees



UPS Systems



Automatic Voltage Regulators



Inverter Systems



Rectifier Systems

- Rounding out Legrand's leading position in Turkey:

#2 for miniature circuit breakers  
#1 for enclosures for digital infrastructures  
#1 for plastic cable management  
#2 for wiring devices

- Accelerating global expansion in the energy efficiency business



- Key player for protection devices in the Indian retail market
- €35m expected sales for 2010 with an operating margin in double digits
- 12,000 retail outlets sales network
- approximately 2,000 employees at 3 sites



Miniature Circuit Breakers



Residual Current Circuit Breakers



Distribution Panels

- Strengthening Legrand's position in India
- Accelerating global expansion in emerging markets (an average organic growth of 26% a year in India for the past 6 years)

(1) Subject to corporate approval



## Appendices

# 2010 Half-Year – Net Sales by Destination (1)

(€M)	H1 2009	H1 2010	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
France	476.0	475.5	-0.1%	0.0%	-0.1%	0.0%
Italy	308.7	315.6	2.2%	0.0%	2.2%	0.0%
Rest of Europe	355.2	352.9	-0.6%	0.7% <sup>(2)</sup>	-4.3%	3.1%
USA/Canada	259.1	275.4	6.3%	0.0%	5.7%	0.6%
Rest of the World	413.1	490.7	18.8%	0.2%	12.0%	5.8%
<b>Total</b>	<b>1,812.1</b>	<b>1,910.1</b>	<b>5.4%</b>	<b>0.2%</b>	<b>3.1%</b>	<b>2.1%</b>

1. Market where sales are recorded

2. Due to first consolidation of entities

## 2010 Half-Year – Net Sales by Origin <sup>(1)</sup>

(€M)	H1 2009	H1 2010	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
France	525.1	536.4	2.2%	0.5%	1.7%	0.0%
Italy	332.5	332.1	-0.1%	-0.2%	0.1%	0.0%
Rest of Europe	332.4	340.1	2.3%	2.2% <sup>(2)</sup>	-3.1%	3.3%
USA/Canada	262.1	281.9	7.6%	0.0%	6.9%	0.6%
Rest of the World	360.0	419.6	16.6%	-1.6% <sup>(3)</sup>	10.9%	6.8%
<b>Total</b>	<b>1,812.1</b>	<b>1,910.1</b>	<b>5.4%</b>	<b>0.2%</b>	<b>3.1%</b>	<b>2.1%</b>

1. Zone of origin of the product sold

2. Due to first consolidation of entities

3. Due to change in billing zone for export sales to certain countries

## 2010 Second Quarter – Net Sales by Destination (1)

(€M)	Q2 2009	Q2 2010	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
France	240.1	249.0	3.7%	-0.1%	3.8%	0.0%
Italy	147.1	155.4	5.6%	0.0%	5.6%	0.0%
Rest of Europe	171.6	180.4	5.1%	0.6% <sup>(2)</sup>	0.5%	4.0%
USA/Canada	128.3	150.3	17.1%	0.0%	10.0%	6.4%
Rest of the World	223.6	263.3	17.8%	0.3%	8.8%	8.0%
<b>Total</b>	<b>910.7</b>	<b>998.4</b>	<b>9.6%</b>	<b>0.2%</b>	<b>5.6%</b>	<b>3.7%</b>

1. Market where sales are recorded

2. Due to first consolidation of entities



## 2010 Second Quarter – Net Sales by Origin <sup>(1)</sup>

(€M)	Q2 2009	Q2 2010	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
France	265.1	282.7	6.6%	0.5%	6.1%	0.0%
Italy	159.1	163.4	2.7%	-0.2%	2.9%	0.0%
Rest of Europe	162.0	174.0	7.4%	2.0% <sup>(2)</sup>	1.1%	4.2%
USA/Canada	129.6	153.5	18.4%	0.0%	11.3%	6.4%
Rest of the World	194.9	224.8	15.3%	-1.4% <sup>(3)</sup>	7.0%	9.3%
<b>Total</b>	<b>910.7</b>	<b>998.4</b>	<b>9.6%</b>	<b>0.2%</b>	<b>5.6%</b>	<b>3.7%</b>

1. Zone of origin of the product sold

2. Due to first consolidation of entities

3. Due to change in billing zone for export sales to certain countries

## 2010 First Quarter – Net Sales by Destination (1)

(€M)	Q1 2009	Q1 2010	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
France	235.9	226.5	-4.0%	-0.1%	-3.9%	0.0%
Italy	161.6	160.2	-0.9%	0.0%	-0.9%	0.0%
Rest of Europe	183.6	172.5	-6.0%	0.7% <sup>(2)</sup>	-8.8%	2.3%
USA/Canada	130.8	125.1	-4.4%	-0.1%	1.4%	-5.6%
Rest of the World	189.5	227.4	20.0%	0.3%	15.7%	3.4%
Total	901.4	911.7	1.1%	0.2%	0.5%	0.4%

1. Market where sales are recorded

2. Due to first consolidation of entities

## 2010 First Quarter – Net Sales by Origin (1)

(€M)	Q1 2009	Q1 2010	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
France	260.0	253.7	-2.4%	0.4%	-2.8%	0.0%
Italy	173.4	168.7	-2.7%	-0.2%	-2.5%	0.0%
Rest of Europe	170.4	166.1	-2.5%	2.4% <sup>(2)</sup>	-7.0%	2.4%
USA/Canada	132.5	128.4	-3.1%	0.1%	2.7%	-5.7%
Rest of the World	165.1	194.8	18.0%	-1.8% <sup>(3)</sup>	15.4%	4.1%
<b>Total</b>	<b>901.4</b>	<b>911.7</b>	<b>1.1%</b>	<b>0.2%</b>	<b>0.5%</b>	<b>0.4%</b>

1. Zone of origin of the product sold

2. Due to first consolidation of entities

3. Due to change in billing zone for export sales to certain countries

# Scope of Consolidation

2010	Q1	H1	9M	FY
Inform			Balance sheet only	6 months
Indo Asian Switchgear <sup>(1)</sup>			To be determined	To be determined

2011	Q1	H1	9M	FY
Inform	3 months	6 months	9 months	12 months
Indo Asian Switchgear <sup>(1)</sup>	To be determined	To be determined	To be determined	To be determined

<sup>(1)</sup> The offer made by Legrand to buy The Indo Asian Switchgear division of Indo Asian Fusegear Limited requires corporate approval

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