PRESS RELEASE

Limoges, May 10, 2017

Sustained, profitable growth in the first quarter of 2017

Organic growth in sales: +4.6%

Rise in adjusted operating profit: +14.5%

Increase in net income excluding minority interests: +17.0%

Ongoing active external growth

2017 targets confirmed

Gilles Schnepp, Chairman and CEO of Legrand, commented:

"<u>Sustained, profitable growth in the first quarter of 2017</u>

The growth momentum observed in 2016 continued in the first quarter of 2017, with sustained organic growth in sales of +4.6%, driven by all geographic regions but also benefiting from a positive calendar effect and orders placed in advance by some distributors.

The impact of the broader scope of consolidation on sales stood at +3.9% and the exchange-rate effect was favorable at +2.0%. Total Group sales rose by nearly +11%.

Adjusted operating profit came to €259.5 million, up €32.8 million or +14.5% from the first quarter of 2016, reflecting Legrand's capacity to create value through profitable growth. Adjusted operating margin before acquisitions (at 2016 scope of consolidation) stood at 19.8% of sales (19.7% including acquisitions), compared with 19.1% in the first quarter of 2016.

Net result excluding minority interests is up +17.0% compared with the first quarter of 2016.

<u>Ongoing active external growth</u>

As in 2016, Legrand is active in acquisitions and has already announced the acquisitions of OCL, specialized in architectural lighting solutions for commercial and high-end residential buildings in the United States.

Legrand is pursuing this strategy of bolt-on[1] acquisitions and today announced the acquisition of Finelite[2], an acknowledged American player in specification-grade linear lighting fixtures for non-residential buildings. With annual sales of approximately $200 million and around 465 employees, this targeted acquisition rounds out the Group's presence in lighting control in North America.

Legrand also announced the acquisition of AFCO Systems Group, a US provider of Voice-Data-Image (VDI) cabinets for datacenters as well as the signature of a joint venture agreement to purchase Borri[3], an Italian UPS[4] specialist.

These acquisitions allow Legrand to further consolidate its product offering in growing markets underpinned in particular by societal evolutions."

2017 targets confirmed

Based on Legrand's strong showings in the first quarter of 2017, but taking into account unfavorable effects on sales growth in coming quarters (the counterpart of orders placed in advance by some distributors in the first quarter and, as announced, (i) high basis for comparison in Italy and the United States and (ii) calendar effects), Legrand confirms its two targets[5] for 2017.
Reminder: these two targets are organic growth in sales of between 0% and +3% and adjusted operating margin before acquisitions (at 2016 scope of consolidation) of between 19.3% and 20.1% of sales.
Legrand will also pursue its strategy of value-creating acquisitions.

[1] Small- to mid-size acquisitions that complement Legrand's activities.
[2] Subject to standard conditions precedent.
[3] As Legrand holds 49% of equity, Borri will be consolidated on the equity method.
[4] Uninterruptible Power Supply.
[5] Readers are invited to refer to the press release announcing full-year 2016 results for the complete presentation of Legrand's 2017 targets.

Key figures

Consolidated data (€ millions)[(1)]	1st quarter 2016	1st quarter 2017	Change
Sales	1,189.6	1,318.8	+10.9%
Adjusted operating profit	226.7	259.5	+14.5%
As % of sales	*19.1%*	*19.7%*	
		19.8% before acquisitions[(2)]	
Operating profit	216.0	246.9	+14.3%
As % of sales	*18.2%*	*18.7%*	
Net income excluding minority interests	127.4	149.0	+17.0%
As % of sales	*10.7%*	*11.3%*	
Normalized free cash flow	155.5	180.8	+16.3%
As % of sales	*13.1%*	*13.7%*	
Free cash flow	37.4	83.1	+122.2%
As % of sales	*3.1%*	*6.3%*	
Net financial debt at March 31	790.9	894.9	+13.1%

(1) See appendices to this press release for definitions and reconciliation tables of indicators
(2) At 2016 scope of consolidation

Financial performance at March 31, 2017

Consolidated sales

First-quarter 2017 sales stood at €1,318.8 million, up nearly +11% from the first quarter of 2016. This healthy rise was generated as follows:

- +4.6% in organic growth driven by all geographic regions, but also benefiting on the one hand from a favorable calendar effect of around one day (contributing +1.6 points to the quarter's growth) and on the other hand from orders placed in advance by distributors in some countries following the announcement by the Group of a rise in sales prices in the second quarter related to the increase in raw material prices observed at the beginning of the year. The effect of orders placed in advance by distributors should reverse in the second quarter.
  Reminder: for the rest of the year (i) the second and third quarters of 2016 represent a high basis for comparison in the United States and Italy, and (ii) the calendar effect should be unfavorable (and more marked in the second quarter in particular);
- +3.9% growth in scope of consolidation due to acquisitions; and
- +2.0%[1] favorable exchange-rate effect.

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

	1st quarter 2017 / 1st quarter 2016
France	+4.1%
Italy	+1.9%
Rest of Europe	+8.8%
North and Central America	+4.0%
Rest of the World	+4.0%
Total	**+4.6%**

[1] When average April exchange rates are applied to the last eight months of the year, the annual exchange-rate effect for 2017 is +1.8%.

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

- **France** (17.0% of Group sales): organic growth in sales in France came to +4.1% in the first quarter of 2017, benefiting from a one-day favorable calendar effect. Reminder: an unfavorable calendar effect should impact sales evolution for the rest of the year. This will be particularly marked in the second quarter, with an estimated impact of -2 days.

As anticipated, new construction activity - which accounts for around 40% of sales in France - is increasing, while renovation business remains almost flat.

- **Italy** (10.8% of Group sales): sales rose +1.9% at constant scope of consolidation and exchange rates in Italy, with particularly good showings in home systems, energy distribution and cable management. Reminder: the second and third quarters of 2016 represent a demanding basis for comparison.

- **Rest of Europe** (18.1% of Group sales): sales rose +8.8% from the first quarter of 2016 at constant scope of consolidation and exchange rates. This good performance was driven by the region's mature countries recording double-digit organic growth as a whole, with strong sales increases in Spain and the United Kingdom in particular. New economies also reported a strong rise in sales, as in Russia, which recorded a solid performance over the period. In Turkey, sales were nearly stable in the first quarter.

- **North and Central America** (29.4% of Group sales): sales rose +4.0% in the first quarter of 2017 at constant scope of consolidation and exchange rates.
Organic growth in the United States alone stood at +3.5%. Reminder: (i) the calendar effect should be unfavorable for the rest of the year and (ii) in the second quarter and - even more - in the third quarter of 2016, organic growth in sales had benefited from favorable one-offs representing a demanding basis for comparison for 2017.
Moreover, Mexico recorded double-digit growth in sales.

- **Rest of the World** (24.7% of Group sales): organic growth was +4.0% in the first quarter of 2017. As in 2016, trends varied significantly from one country to the next. India and China recorded, for instance, a good start to the year. These good performances helped more than compensate for the retreat in activity in Australia and Malaysia. Business in the Middle East recorded a slight decrease over the period.

Adjusted operating profit and margin

A good operating performance against a backdrop of rising sales set adjusted operating margin before acquisitions[1] at 19.8% of sales in the first quarter of 2017, up 0.7 points from the first quarter of 2016. Including acquisitions, adjusted operating margin stood at 19.7% of sales.

As a result, adjusted operating profit came to €259.5 million, up +14.5%, or an increase of €32.8 million, reflecting the Group's capacity to create value through profitable growth.

More specifically, by reacting quickly to adjust sales prices at the beginning of the year, Legrand was able in the first quarter to offset in absolute value the impact of a marked rise in raw material prices.

Further sales price increases are scheduled for the second quarter to take into account the ongoing rise in raw material prices.

Net income excluding minority interests

Legrand's net income excluding minority interests for the first quarter of 2017 stood at €149.0 million, up +17.0% from the first quarter of 2016. This reflects:

- a good operating performance, with a €30.9 million improvement in operating profit;
- a €1.8 million decline in net financial expense and a €1.7 million favorable change in the foreign-exchange result;

partially offset by:

- a €12.0 million rise in income tax expense (the tax rate stood at 33.0%, almost stable compared with the one recorded for the full-year 2016); and
- the result of equity-accounted entities (-€0.8 million).

[1] At 2016 scope of consolidation.

Cash generation

Cash flow from operations rose by over 20% in the first quarter of 2017 to stand at €217.3 million, representing 16.5% of sales.

Working capital requirement was under control and came to 8.0% of sales for the last twelve months.

Industrial investments stood at €32.6 million - over €9 million more than in the first quarter of 2016 - with nearly 58% dedicated to new products reflecting the pace of innovation fueling current and future Group growth.

Free cash flow was thus €83.1 million, representing an increase of €45.7 million compared with the first quarter of 2016, including:

- a good operating performance with EBITDA, up €33.8 million;
- a favorable trend in realized foreign-exchange gains, which totaled €8.0 million;
- an €11.4 million decrease in working capital requirement excluding tax items;
- a €3.0 million improvement in other cash items;

partially offset by:

- an €8.2 million rise in investments net of sales;
- a €1.4 million rise in interest paid; and
- a €0.9 million rise in tax paid.

Normalized free cash flow came to €180.8 million over the period.

Active ongoing external growth

As in 2016, Legrand is active in acquisitions and has already announced the acquisition of OCL, specialized in architectural lighting solutions for commercial and high-end residential buildings in the United States. OCL has annual sales of around $15 million and some 60 employees. Legrand is actively pursuing this strategy of bolt-on[1] acquisitions and today announced three new transactions:

- the acquisition of Finelite[2], an acknowledged US player in specification-grade linear lighting fixtures for non-residential buildings (including offices, hospitals, schools, government buildings and retail outlets). Backed by manufacturing facilities and a broad commercial network in the United States, Finelite offers innovative, high added-value solutions and premium customer service.
  In a market underpinned by rising demand for energy-saving solutions, this targeted acquisition rounds out Legrand's presence in lighting control in North America, including wall-mounted controls (Pass & Seymour), control panels (WattStopper), architectural lighting solutions (Pinnacle and OCL) and management systems for light intensity and chromatic quality[3].
  Based in Union City (California), Finelite has around 465 employees and annual sales of approximately $200 million, primarily in North America;
- the purchase of AFCO Systems Group, specialized in Voice-Data-Image (VDI) cabinets used by datacenters in the United States, which strengthens Legrand's positions in the buoyant digital infrastructure market. AFCO Systems Group has annual sales of around $23 million and approximately 110 employees; and
- the signature of a joint venture agreement to purchase Borri[4], an Italian three-phase UPS[5] producer known for its customized solutions. Borri has annual sales of around €60 million and around 200 employees; it is based in Bibbiena in Italy.

Altogether, based on acquisitions announced and their likely date of consolidation, changes in scope of consolidation should boost Group sales by more than +3.5% in 2017 as a whole, and dilute adjusted operating margin by around -0.2 points for the same period.

[1] Small- to mid-size acquisitions that complement Legrand's activities.
[2] Subject to standard conditions precedent.
[3] Through partnerships with Lumenetix and Bios Lighting, two US lighting startups respectively specialized in color management and biological cycles.
[4] As Legrand holds 49% of equity, Borri will be consolidated on the equity method.
[5] Uninterruptible Power Supply.

Dividend

As announced on February 9, 2017 and in keeping with its balance sheet structure and solid achievements in 2016, Legrand will ask the General Meeting of Shareholders to be held on May 31, 2017 to approve the payment of a €1.19 per-share dividend in respect of 2016, representing a payout[1] of 56% (equivalent to the 2015 figure). The ex-dividend date will be on June 2, 2017 and the dividend will be paid on June 6, 2017.

Dividend distribution paid in respect of 2016 will be effected under the same conditions as that in respect of the two previous years. That is to say, based on the number of shares in circulation at April 30, 2017, by deduction from:

- Distributable[1] income in an amount of €0.79[2] per share on the one hand; and
- the "issue premium" account in an amount of €0.40[2] per share on the other.

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[1] Based on adjusted net income excluding minority interests. Adjusted net income excluding minority interests does not take into account the favorable non-recurring accounting impact of a tax income generated by the mechanical revaluation of deferred tax liabilities on trademarks that resulted from the announcement of reductions in the corporate income tax rate, mainly in France. This €61.2m tax income is adjusted as it has no cash impact, and bears no relationship to the Group's performance.

[2] Indicative figure only; may be modified depending on changes in the number of shares entitling owners to distribution between now and the payment date.

PRESS RELEASE

The Board adopted consolidated financial statements for first-quarter 2017 at its meeting on May 9, 2017. These consolidated financial statements, a presentation of 2017 first-quarter results and the related teleconference (live and replay) are available at www.legrand.com.

Key financial dates:

- General Meeting of Shareholders: **May 31, 2017**
- Ex-dividend date: **June 2, 2017**
- Dividend payment: **June 6, 2017**
- 2017 first-half results: **July 31, 2017**
  "Quiet period[1]" starts July 3, 2017
- 2017 nine-month results: **November 7, 2017**
  "Quiet period[1]" starts October 7, 2017

Latest publications:

- Registration Document filed with AMF and second integrated report published: **March 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 an approach that involves all teams and stakeholders, Legrand is pursuing its strategy of profitable and sustainable growth driven by acquisitions and innovation, with a steady flow of new offerings—including Eliot connected products with enhanced value in use. Legrand reported sales of more than €5 billion in 2016. The company is listed on Euronext Paris and is a component stock of indexes including the CAC 40, FTSE4Good, MSCI World, Corporate Oekom Rating, DJSI World, Vigeo Euronext Eurozone 120, Europe 120-France 20 and World 120, and Ethibel Sustainability Index Excellence.*
(code ISIN 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

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[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.

CSR

Corporate Social responsibility.

Payout

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

Calculation of working capital requirement

In € millions	Q1 2016	Q1 2017
Trade receivables	595.6	652.9
Inventories	684.7	712.2
Other current assets	160.9	167.5
Income tax receivables	26.3	32.6
Short-term deferred taxes assets/(liabilities)	91.0	91.1
Trade payables	(507.8)	(583.5)
Other current liabilities	(470.4)	(523.1)
Income tax payables	(59.7)	(52.7)
Short-term provisions	(89.0)	(85.2)
Working capital requirement	**431.6**	**411.8**

Calculation of net financial debt

In € millions	Q1 2016	Q1 2017
Short-term borrowings	373.9	450.8
Long-term borrowings	1,509.0	1,146.9
Cash and cash equivalents	(1,092.0)	(702.8)
Net financial debt	**790.9**	**894.9**

Reconciliation of adjusted operating profit with profit for the period

In € millions	Q1 2016	Q1 2017
Profit for the period	**128.2**	**149.8**
Share of profits (losses) of equity-accounted entities	0.0	0.8
Income tax expense	62.1	74.1
Exchange (gains) / losses	3.7	2.0
Financial income	(2.4)	(2.9)
Financial expense	24.4	23.1
Operating profit	**216.0**	**246.9**
Amortization of revaluation of intangible assets at the time of acquisitions and expense/income relating to acquisitions	10.7	12.6
Impairment of goodwill	0.0	0.0
Adjusted operating profit	**226.7**	**259.5**

Reconciliation of EBITDA with profit for the period

In € millions	Q1 2016	Q1 2017
Profit for the period	**128.2**	**149.8**
Share of profits (losses) of equity-accounted entities	0.0	0.8
Income tax expense	62.1	74.1
Exchange (gains) / losses	3.7	2.0
Financial income	(2.4)	(2.9)
Financial expense	24.4	23.1
Operating profit	**216.0**	**246.9**
Depreciation and impairment of tangible assets	23.1	23.5
Amortization and impairment of intangible assets (including capitalized development costs) and impairment of goodwill	16.7	19.2
EBITDA	**255.8**	**289.6**

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

In € millions	Q1 2016	Q1 2017
Profit for the period	**128.2**	**149.8**
Adjustments for non-cash movements in assets and liabilities:		
Depreciation, amortization and impairment	40.4	43.1
Changes in other non-current assets and liabilities and long-term deferred Taxes	11.6	17.6
Unrealized exchange (gains)/losses	0.3	6.6
(Gains)/losses on sales of assets, net	0.2	(0.5)
Other adjustments	0.1	0.7
Cash flow from operations	**180.8**	**217.3**
Decrease (Increase) in working capital requirement	(120.3)	(103.6)
Net cash provided from operating activities	**60.5**	**113.7**
Capital expenditure (including capitalized development costs)	(23.3)	(32.6)
Net proceeds from sales of fixed and financial assets	0.2	2.0
Free cash flow	**37.4**	**83.1**
Increase (Decrease) in working capital requirement	120.3	103.6
(Increase) Decrease in normalized working capital requirement	(2.2)	(5.9)
Normalized free cash flow	**155.5**	**180.8**

Scope of consolidation

2016	Q1	H1	9M	Full year
Full consolidation method				
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

2017	Q1	H1	9M	Full year
Full consolidation method				
Fluxpower	3 months	6 months	9 months	12 months
Primetech	3 months	6 months	9 months	12 months
Pinnacle Architectural Lighting	3 months	6 months	9 months	12 months
Luxul Wireless	3 months	6 months	9 months	12 months
Jontek	3 months	6 months	9 months	12 months
Trias	3 months	6 months	9 months	12 months
CP Electronics	3 months	6 months	9 months	12 months
Solarfective	3 months	6 months	9 months	12 months
OCL	Balance sheet only	5 months	8 months	11 months
AFCO Systems Group		To be determined	To be determined	To be determined
Finelite		To be determined	To be determined	To be determined
Equity method				
TBS[1]	3 months	6 months	9 months	12 months
Borri		To be determined	To be determined	To be determined

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

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).

No forward-looking statement contained in this press release is or should be construed as a promise or a guarantee of actual results, which are liable to differ significantly. Therefore, such statements should be used with caution, taking into account their inherent uncertainty.

Subject to applicable regulations, Legrand does not undertake to update these statements to reflect events or circumstances occurring after the date of publication of this release.

This press release does not constitute an offer to sell, or a solicitation of an offer to buy Legrand shares in any jurisdiction.