



LEGRAND IN
2009

 **legrand**[®]

A FULL LINE-UP OF BUIL

SHOPPING CENTERS

Products and systems to optimize costs and customer environments



RESIDENTIAL BUILDINGS

Products and systems for quality living



HOTELS

Products and systems for hotel service at its best



ENERGY SAVINGS



Reducing electricity consumption

Lighting management systems, presence and motion detectors, dimmers, light-sensitive switches, etc.



Reducing consumption for heating

Heating management systems, programmable thermostats, etc.



Cutting power loss

Reduced-loss transformers, etc.

COMMUNICATIONS SECURITY



Maintaining reliability of digital networks

Cable management, connectors, etc.



Maintaining access to digital networks

Wi-Fi hubs, RJ45 sockets, cable trunking and trays, etc.



Powering portable devices

Multi-outlet extensions, outlet columns, etc.



Distributing power

Distribution panels (enclosures, cabinets), cabling and distribution blocks, circuit breakers, floor boxes, power connectors, current-separating transformers, etc.



Facilitating circuit reconfiguration

Wire cable trays, flexible ducts, busbar systems, etc.

[®]
legrand

ELECTRICAL AND DIGITAL INFRASTRUCTURES

HOSPITALS AND HEALTHCARE CENTERS

Products and systems for patient comfort and safety



OFFICES

Products and systems for effective communications



INDUSTRIAL SITES

Product and systems for consistently high productivity



Assuring safe production and service

Power circuit breakers, supply inverters, anti-harmonic reactors, lightning conductors, etc.



Protecting property

Anti-intrusion systems, video surveillance cameras, presence detectors, etc.



Promoting personal safety

Emergency lighting, obstacle lighting and warning lights, audio and video door-entry systems, circuit breaker, smoke, gas and flood detectors, etc.

COMFORT



Monitoring electrical and digital network control

Centralized and remote control systems, programmable switches to define distinct scenarios, control screens for lighting, heating, access, home entertainment systems, etc.



Equipping medical environments

Antibacterial plugs and switches, staff alert switches, signal lighting, trunking for medical equipment, etc.



Personalized wall switches

Decorative switches featuring a choice of designs and materials (wood, leather, porcelain, metal, colored plastic, etc.), switches for users with visual or motor disabilities, etc.



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PROFILE

Legrand is the global specialist in electrical and digital building infrastructures. Our comprehensive offering of devices for commercial, industrial and residential markets makes us a benchmark for customers in nearly 180 countries.

We offer users a vast array of products for control and command, cable management, energy distribution and data distribution—solutions that manage lighting, heating, power, networks and building access, and more.

At Legrand, we make innovation a key lever for growth in a world caught up in sweeping change. In practical terms, this means optimizing deployment, control and functionalities for greater comfort and improved energy efficiency around the globe.

We hold number-one positions in at least one of our businesses in a large number of markets, including France, Italy, the United States, China, Russia, Turkey and Latin America.



aced with an exceptional crisis, Legrand has demonstrated resilience that is no less exceptional.

Over years of strong growth, our group showed a remarkable capacity to adapt to change. And today that capacity—part of our genetic makeup—is enabling us to stand up to testing conditions better than others and preserve our profitability, holding maintainable adjusted operating margin at 17.6%. Rapid adaptation of our cost structure to new market conditions has naturally contributed. But we have also rethought our processes and the way we go about our work, to increase efficiency and responsiveness. As a result, we are set to come through the downturn stronger than before.

We can thus look to the year ahead with confidence.

Our many innovations have been very well received. I am thinking, for example, of our Arteor range with its elegant design and outstanding technology that lets users control all their home equipment with a simple movement of the hand. Or our easy-to-install LCS² range of connectors and sockets, with technical features that ensure enhanced performance for IT networks. New products like these buoy demand, particularly on emerging markets. And Legrand has scored good results on some of these markets, returning to growth at the end of 2009. We also maintained and

even grew our free cash flow to a healthy €655 million, thus securing the resources we need to fuel business development and seize acquisition opportunities.

Attuned to global trends, Legrand has built strategic positions at the very heart of the markets of the future.

Nearly 30% of our sales are on emerging markets, and that proportion will rise as local economies gain momentum. At the same time, we are full partners in today's digital economy through our commitment to wireless communications and interconnective technologies. Similarly, we offer solutions to reduce energy consumption and integrate renewable sources of energy. And as life expectancy rises, our home automation solutions offer new responses to the needs of people who require assistance to remain independent. All these areas offer huge and exciting perspectives.

As we look back over the past year, I would like to express my warmest thanks to all Legrand employees for their commitment and responsiveness.

Our teams have enabled us to face up to difficulties and take necessary action without losing sight of our longer term goals. In so doing, they give me good reason to feel confident in the future.



➤ **GILLES SCHNEPP**
Chairman and CEO

Legrand has emerged stronger than before from the crisis that has swept all the world's economies, and we are looking to the future with confidence. Working closely with our markets, we are committed to innovation that combines esthetic appeal, technology, ergonomics and energy efficiency to match customer expectations. Our group is well placed to benefit from the recovery already taking shape on emerging markets: we have the resources needed to fuel business development and are stepping up the pace of new product launches.

The world is on the move...

The world is caught up in rapid, far-reaching change, with new trends setting a course for the decades to come. Emerging economies are shifting the foundations of global economic balances, while demographic growth and aging populations are creating new challenges in most parts of the globe. And while the people of the 21st century have access to increasingly intelligent, interactive technologies, they are also increasingly drawn to low-energy solutions to limit their environmental impact.

At Legrand, the directions we have taken in recent years—in terms of both business activities and strategy—place us at the heart of these changes that are shaping the world ahead.

... and Legrand is at the heart of its future

➤ A NEW INTERNATIONAL BALANCE TAKES SHAPE—P. 10



Emerging economies—starting with Brazil, Russia, India and China—are moving to the fore. Creating a new environment that our group has anticipated with the success of targeted geographical diversification, starting with Brazil in 1977.

➤ THE TECHNOLOGY REVOLUTION—P. 16



Today electronics and digital networks are part of daily life, with increasingly mobile technologies now linked together. Legrand's innovations place buildings at the heart of new lifestyles, renewing electrical and digital infrastructure.

➤ WORKING TOGETHER FOR THE ENVIRONMENT—P. 22



Human activity is having an unprecedented impact on our planet and its resources—and everyone knows it. Legrand offers concrete solutions to improve the energy efficiency of new and renovated buildings, reduce energy consumption, and promote the use of renewable energies.

➤ CHANGING DEMOGRAPHICS—P. 28



In 2050, Earth will be home to 9 billion people. Life expectancy is rising everywhere. Legrand products help seniors stay in their own homes longer, preserving their comfort and leading independent lives.

A NEW INTERNATIONAL BALANCE TAKES SHAPE





Emerging economies already account for half of real world output*, and the center of gravity in the global economy is shifting little by little from North America to Asia. Today Brazil, Russia, India and China—the so-called BRIC economies—are setting the pace for world growth. Emerging economies play a growing role in international trade, with markets that offer immense promise for the future.

* 50% of world GDP at purchasing power parities.
Source: DataStream, Natixis.

➤ Shanghai airport takes to the air



Legrand fitted out the T2 terminal at Shanghai's Pudong Airport, inaugurated in 2009. Offering travelers 480,000 sq.m of floor space—twice the area of Terminal 1—this spacious, modern structure features architecture, facilities and standards of service that place it among the world's top airports. Its data center is entirely equipped with wire-mesh cable trays from Cablofil—a Legrand brand.

25%

OF THE WORLD'S POPULATION
STILL LACKS ACCESS
TO ELECTRICITY (Source: UN)

Brazil, Russia, India and China together account for around 40% of the world's population, but only 15% of GDP in 2009 according to the International Monetary Fund. Which means their markets offer enormous potential—all the more given the emergence of new middle classes aspiring to higher standards of living. Emerging economies have also generally proved more resilient in the global slump, and display growth rates well above those in the developed world.

Legrand confirms its global presence



Leadership in many markets

Present in over 70 countries, Legrand has leadership positions including the number-one place for wiring devices and cable management worldwide, as well as number-one rankings on many key national markets. We are market leader in France, Italy and the US, and are at the front of the field in at least one of our business segments in nearly all Latin American countries, China, Russia and India. In Brazil, we rank first for wiring devices, audio and video door-entry systems and modular circuit breakers; we are the leaders in wiring devices and audio and video door-entry systems in China, and in wiring devices and cable management in Russia.

Emerging markets to the fore

Emerging markets make a growing contribution to our group's growth. Today they account for 30% of sales—a proportion that has risen close to two percentage points a year since 2003.

A steady flow of targeted, acquisition-driven growth

Legrand has always focused its acquisition strategy on local leaders in countries or market segments with high growth potential. Since 2005, 19 companies have joined our group, nearly half operating on emerging markets. Examples include HDL and Cemar in Brazil, Estap in Turkey, and TCL Wuxi and Shidean in China. Most are frontrunners on their markets, extending our existing strengths.



3 - The Concept Store in Sao Paulo (Brazil) showcases the latest integrated systems and switches from BTicino

1 - INNOVATION WINS RECOGNITION IN CHINA

TCL-Legrand is leveraging innovation to expand our offer on the Chinese market. “Jing, our new connector, marks another step forward for digital infrastructure and VDI transmission. And it’s not just the product itself—the whole system is a breakthrough. In addition to its functional capacities, Jing offers transparent design, which is perceived as reassuring in China and has the added advantage of reducing the risk of counterfeit copies. With Jing, TCL-Legrand has improved its positioning on a fast-expanding market.”

Jean-Luc LUBIN, Country Manager for Legrand in China

2 - LEGRAND ON SHOW IN SHANGHAI

Legrand has been selected to supply a wide range of equipment used in many infrastructure solutions at Shanghai’s Expo 2010, a unique international showcase for its brands and latest solutions. The French pavilion will be fitted with our new Arteor range of switches and sockets, while digital solutions provided by TCL-Legrand and Ortronic will be featured in the Chinese pavilion. Cablofil wire-mesh cable trays will equip the Spanish pavilion.

3 - CATCHING THE EYE IN BRAZIL

“We have a significant presence in Brazil, with three subsidiaries in particular holding top market positions: Legrand Pial is the leader for wiring devices with the Pial and BTicino brands, and for circuit breakers with the Legrand and Lorenzetti brands; Cemar leads in industrial enclosures; and HDL is first in audio and video door-entry systems. We are working to enhance the visibility of our offering through new showrooms, training centers and concept stores. For example, in 2008 we opened a BTicino concept store in a neighborhood of Sao Paulo known for its home decoration outlets. Apart from that, Watt Stopper presence detectors and My Home home-automation systems equipped the Aqua house specially built to showcase sustainable technologies at the FEICOM 2009 fair, Brazil’s biggest building industry event.”

André VIDAL, Country Manager for Legrand in Brazil

➤ Key figures

30% of sales now come from emerging economies



4 - Legrand rolled out the top-end Arteor line in 2009 to strengthen its position in the Indian market for switches and sockets

4 - PROMISING PROSPECTS IN INDIA

“Legrand has been averaging annual growth in double digits for the past 12 years. We’re the country’s number-one provider of modular circuit breakers and are doing all we can to take the top place in the field of power protection. We also plan to become serious challengers in wiring devices and cable management. The new ranges we brought out in 2009 have done very well here, following their success in other countries. These include DMX3 modular circuit breakers, the Arteor wiring-device program, and the updated Mallia range of sockets and switches, sold as Major in China, which make for bright prospects in the future.”

Yves MARTINEZ, Country Manager for Legrand in India

5 - MALLIA/MAJOR: A SOPHISTICATED RANGE DEDICATED TO EMERGING MARKETS

This new range, made to British standards, is distributed in the Middle East and Asia. Offering 272 decorative finishes and plates that can be customized with a wide variety of colors, materials and value-added functions, Mallia/Major is a perfect match for demand from the new middle classes in emerging-economy countries.

It offers esthetic appeal combined with technical capabilities that include centralization of controls, dimming and programming functions. Building on an effective strategy for product mix, the offer will be phased in from 2009 to 2011, and clearly holds promise for the future.



5 - Mallia switches offer a wide range of shapes, materials, colors and finishings that let users personalize their living space



Opened in 2009, Legrand's logistics hub in Budapest serves markets in central and eastern Europe

6 - PUTTING ELECTRICITY WITHIN REACH

Working in association with the UK's Helen Hamlyn Centre, an institution dedicated to people-centered design, Legrand surveyed Indians' access to electricity and related needs in 2009. The study was based on field research and was designed to help develop solutions matching local conditions. Examples include affordable sockets offering safe, efficient access to power and lighting, or more complex systems to manage problems caused by power shortages, particularly in rural communities. These solutions should reach market in the near future, enhancing quality of life for India's least favored groups.

➤ Legrand at work...

Logistic hubs speed international deliveries

Legrand is setting up new logistic hubs, each serving a broad region, to speed the flow of goods and integrate local subsidiaries into an overall strategy to deploy group products. Pooled transport resources make for lower costs and quicker customer deliveries, but also ensure greater security of supplies and a broader range of services for international customers.

Our Singapore hub, in operation since 2001, today serves the whole of the Asia-Pacific area and neighboring regions including India, Thailand, Indonesia, South Korea, China, Vietnam, Cambodia, Taiwan and Saudi Arabia. Our more recent Budapest hub, inaugurated in 2009 and now being deployed, will serve central and eastern Europe. Countries currently within its reach are Bulgaria, Bosnia, Albania, Macedonia, Montenegro, Croatia and Serbia, soon to be joined by Slovenia, the Czech Republic, Slovakia and Romania.

THE TECHNOLOGY REVOLUTION





Electronic and digital technologies are bringing a sea change to our everyday environments. Today telephones, TVs, computers, lighting, sound systems and other devices are increasingly interconnected, combining mobility and interactive, intuitive user interfaces. Which in turn opens new prospects for quality of life, with practically unlimited scope for personalized interiors that are easy to control and enhance at will.

➤ John stays connected worldwide



With Arteor fittings from Legrand in his hotel, John can log onto the internet whenever he needs by simply plugging his computer into the electronic sockets from any room in his suite—bedroom, living room or reception area. He can also use Arteor touch screens to adjust the room temperature, turn the light up or down, switch on the radio and more.

60%

OF HOUSEHOLDS IN
THE EUROPEAN UNION
HAVE INTERNET ACCESS
(Source: Eurostat 2008)

The electrical systems in today's homes supply power, but also route data from one appliance to another. In offices, IT and telephony networks increasingly converge with building management systems to coordinate lighting, heating and security. A common language enables them to send and receive messages at a distance, making electric control systems and commands—now more than ever—a factor contributing to more comfortable living.

Legrand electric installations—building intelligence into the homes of the future



Technological progress and the development of new applications offer a steady stream of new opportunities for Legrand, which derives 43% of its sales from fittings that control and command electrical installations and devices in buildings.

Technological innovation: a key to business development

In recent years, Legrand has made its mark with an impressive line-up of innovations, including the universal media socket, a wiring device range that includes a wifi wall outlet, circuit breaker with an automatic reset function, and, more recently, RJ45 high-performance, easy-to-install sockets. Our priorities are intelligent building management, extended functionalities in electrical installations, ergonomic quality and user comfort.

We have close to 4,600 patents to our name and in 2009 invested the equivalent of 4.8% of sales in R&D, up from 4.4% in 2008. At Legrand, we take a proactive approach to innovation and launch a large number of new products.

Converging networks

In building, components such as elevators, internet connections, air-conditioning units and video monitors all increasingly use IP-based solutions (internet protocol) for data transmission and reception. This common architecture has the dual advantage of simplifying building operation and reducing costs. Legrand is anticipating this trend by developing such solutions, and now has a competitive offering with ranges that share the same technical standard.



1 - Arteor's Touch Screen 3.5 lets users download music and launch playlists

1 - THE MULTIMEDIA HOME AT YOUR FINGERTIPS

Legrand's Arteor range gives you full control of your home environment: you can adjust the lighting, turn on some music or start a film. To take just one example, once you have plugged a hard disk into an Arteor socket, the contents can be displayed on a computer, on your home cinema unit, or on any device plugged into the system or connected by radio link. Users enjoy centralized, programmable control of all aspects of their environment, from lighting and heating to air conditioning, security systems and home entertainment—with no special technical constraints and no visible wires. All combined with appealing design.

2 - OPTIMIZED MAINTENANCE AND SECURITY IN COMMERCIAL BUILDINGS

Easy installation and maintenance are top priorities for Legrand's new product development, especially since 75% of the cost of a building is related to operation. Our SécuritéM service offered in association with IT provider Cesitel is an example. This allows real-time maintenance of emergency lighting in commercial buildings and full

traceability of related events. The system sends information on defects and malfunctions by SMS or e-mail to the maintenance provider for fast on-site repairs.



2 - SécuritéM, made by Legrand and Cesitel, makes it easy to maintain emergency lighting

➤ Key figures

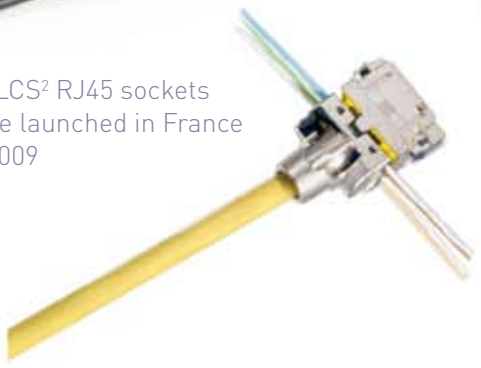
Close to **4,600** active patents
 Over **1,800** R&D staff
4.8% of 2009 sales invested in R&D.



4 - Axiophone's customizable website interface lets users run home electronics from afar using a laptop



5 - LCS² RJ45 sockets were launched in France in 2009



3 - REMOTE CONTROL VIA CELL PHONE

Today your cell phone lets you do much more than talk and listen. You can use it to control household equipment and appliances—monitor interiors via video camera, roll shutters up and down, or start the watering system in the garden. With a Legrand IP Axiophone combined with In One by Legrand solutions, you can program 10 different scenarios for your home or building and keep track of events there wherever you are.

4 - ERGONOMIC, CUSTOMIZABLE SCREENS

It is increasingly easy to control home equipment with a Smartphone, computer or TV, using an interface that can be personalized to match individual needs, tastes and life styles. Legrand offers a variety of solutions compatible with home automation and multimedia systems, among them an interface linked to TV, an intelligent remote control with customizable icons,

and a multimedia screen with intuitive icons. In 2009, My Home brought out iMy-Home and MyHomeDroid applications specifically designed for installation on Apple's iPhone and on Smart phones equipped with Android.

5 - HIGH-PERFORMANCE DATA NETWORKS WITH LCS²

Our new LCS² RJ45 sockets offer advantages of three kinds for digital networks in commercial buildings, confirmed in an independent appraisal by 3 P Third Party Testing. First of all, it's easy to install—login for a perfect connection takes only seconds. Secondly, it offers fully secure transmission with optimum capacity—up to 10 GBPS. Last but not least, Legrand provides a 20-year performance guarantee, ensuring long life.



iPhone is an Apple Inc. brand.

3 - Using iPhone's iMyHome application, users can turn on their garden sprinkler, home lighting or video-surveillance system.



6 - Legrand BTicino's outstanding technology is harnessed 5,050 meters up at the Pyramid Observation Lab on the slopes of Mt. Everest

6 - PYRAMID LAB AND OBSERVATORY— A PROJECT AT THE TOP OF THE WORLD

Legrand BTicino is a proud supplier to the Pyramid Laboratory Observatory on the Nepalese side of Mount Everest. Dedicated to scientific research at high altitudes, teams at the site study environmental change, geology and seismological phenomena. They are housed in a pyramid made of glass, steel and aluminum, with state-of-the-art technical features including energy self-sufficiency and My Home building automation. The building includes a management system for its electrical installation. The unit's low-consumption electrical system can be controlled from an IT center in Bergamo in Italy to optimize use of energy produced on site from solar cells, batteries and other sources.

➤ Legrand at work...

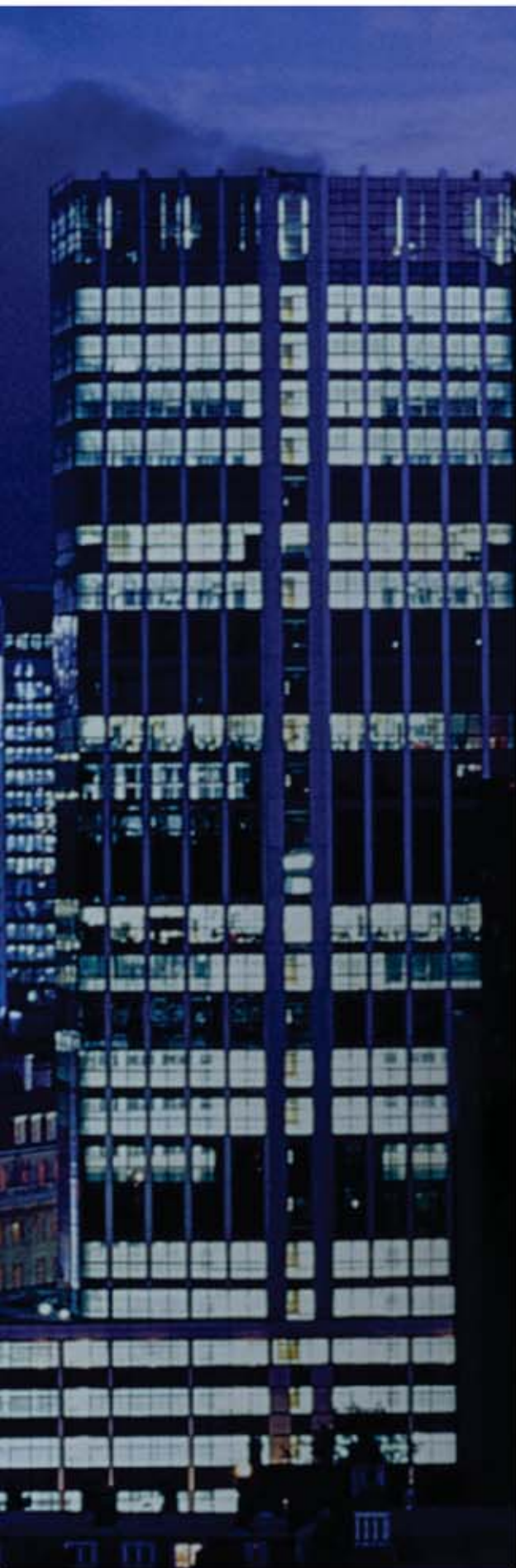
Staff at the cutting edge of technology

The geographical dispersion of staff teams has led Legrand to set up what amounts to a full-fledged TV studio at corporate headquarters in Limoges. Economical and eco-friendly—limiting as it does the need for travel—such new technologies are now an important part of the way we operate. In 2009, Legrand organized 26 webcasts for a total audience of some 3,000 staff members. Operating like TV broadcasts, sessions circulate information about new products and services or organizational changes, and can be used to set up training webinars for Legrand teams from around the world.

Legrand is thus branching out in new directions, harnessing technology to create virtual classrooms and using these to train and update sales teams and customers. Combining video, file sharing and chat mode, sessions allow more direct participation, and make meetings more interactive.

WORKING TOGETHER FOR THE ENVIRONMENT





Buildings account for 40% of total energy consumption in both Europe and the US. They are the biggest single users of natural resources, and produce 40% of CO₂ emissions. And lighting, heating, information systems and electrical appliances make up a substantial share of the power bills of businesses and households. The financial and environmental implications are far-reaching, and both authorities and individuals have many good reasons to act. Public awareness of the challenge is growing, creating pressing demands for reduced consumption and new approaches to energy production.

Source: ADEME, France's agency for energy management and the environment

➤ Mark's business saves power—and controls costs



At Mark's company, no one forgets to turn off the office lights any more. As the sun goes down and natural light fades, they are activated—and then go out automatically when the room is empty, thanks to Legrand's motion detectors. This practical solution can generate big savings, cutting power bills for an office building by as much as 55%.

40%

BUILDINGS ALONE ACCOUNT
FOR 40% OF ALL ENERGY USED
IN EUROPE AND THE UNITED STATES

The Kyoto Protocol of 1997 and the Copenhagen Climate Change Summit in 2009 illustrate international concern over global warming and the growing demands for action. In France, the Grenelle Environment process led to ambitious targets that include a 38% reduction in the energy consumption of existing buildings by 2020. Green building initiatives such as France's industry association HQE (for *Haute Qualité Environnementale* or high environmental quality) are steadily gaining momentum, as are alternative energy supplies including solar cells. Buildings not only offer the greatest scope for energy savings in business, but also real potential for renewable energy production

Legrand solutions for the environment

Sustainable solutions

Innovative equipment and sustainable solutions from Legrand reduce buildings' environmental impact by avoiding power wastage, improving power quality and enhancing the efficiency of electrical installations.

In commercial buildings, our capacitor banks increase yields and our circuit analyzers monitor power consumption and quality, while our lighting control systems limit wastage. In the residential sector, Legrand solutions range from presence detectors to full home automation systems, with functions that include the control and programming of lighting, heating and other installations—all designed to optimize both use and costs. In 2010 we will extend our reach further with a new offering that secures solar cell units in commercial and residential buildings.

Energy savings are a key challenge for shopping centers and other commercial buildings





1 - This US design agency is equipped with control panels and motion detectors from Watt Stopper

Specialized brands and subsidiaries

Specialized subsidiaries serving the commercial sector include Watt Stopper in the US, the market leader for lighting solutions to reduce energy wastage, and Alpes Technologies in France, with its expertise in measuring and regulating energy quality. In Italy, Zucchini offers a full line-up of dry transformers allowing significant energy savings.

Environmental commitment

At Legrand, we make an effort to build environmental responsibility into products from the design stage. This eco-design approach is deployed at our R&D units in all parts of the world. By the end of 2009, 70% had adopted its principles and 84% of our sites were certified under ISO 14001 standards, a proportion that rises to 96% for our European sites. Legrand also leads campaigns to raise environmental awareness at all levels, targeting the public at large as well as electricians and other professionals in the electricity sector. This is naturally backed up by environmental-impact information for our own products.

1 - EFFECTIVE LIGHTING MANAGEMENT-CUTTING BILLS IN HALF

Lighting controls and motion detectors such as those on offer from our subsidiary Watt Stopper—number one for energy efficiency in the US—can reduce consumption for lighting in commercial buildings by as much as 55%. Our French subsidiary Sarlam, specialized in architectural lighting, complements these products with its own targeted offering. This store of expertise enables Legrand to provide full lighting management solutions for all market segments. Based on the use of presence detectors, these are compatible with

energy-efficient light bulbs and require only limited installation work. The energy savings that result ensure a quick return on investment.

➤ Key figures

64% rise in sales of products dedicated to improving energy performance since 2002

19% reduction in CO₂ emissions on Legrand's site since 2006



2 - Legrand's programmable thermostats for different scenarios optimize comfort and energy consumption

4 - The Alptec 2333 analyzer tracks basic features of electrical systems

2 - HEATING MANAGEMENT: THE KEY TO HOUSEHOLD SAVINGS

Heating is generally the largest item on home energy bills, and the cost can be cut by 12% with more accurate, automated temperature controls. In addition to programmable thermostats, Legrand's Fil Pilote 3 Zones control system defines three separate areas in the home, cutting back loads in non-priority sections to make efficient use of incoming power. More broadly, efficient automation applied to heating, hot water supply, lighting, appliances on standby and other home management issues can reduce total energy consumption by up to 10%.

3 - INNOVATIVE TRANSFORMERS REDUCE WASTE

Legrand and its Italian brand Zucchini in particular offer a line-up of dry transformers that reduce wastage and, by the same token, environmental impact and costs. Compared to traditional transformers, these cut electricity consumption for the off-hours operation of a building by up to 20%, i.e., reducing annual carbon emissions by 408 kgs for a 1250 kVA transformer.

4 - MEASURING ENERGY CONSUMPTION: THE KEY TO EFFICIENCY

Analyzing, measuring and monitoring electric systems is critical to reducing consumption. And Alptec analyzers from Legrand subsidiary Alpes Technologies make a very effective contribution by examining failures, surges and other incidents affecting electric circuits in commercial and industrial buildings, pinpointing problems and correcting them. In the residential sector, our Arteor range centralizes control of all equipment to allow comprehensive measurement of consumption in the home. In 2009, US subsidiary Watt Stopper brought out its Energy Calculator, a free online tool enabling households to accurately assess potential for energy saving.



3 - Zucchini's dry transformers are made primarily of recycled materials



5 - Legrand makes renewable energy part of its offer for service-sector and residential buildings

5 - NEW OFFERINGS IN SOLAR CELLS

Following the lead of Spain, in 2008 France and Italy stepped up the use of solar power in buildings, reflecting momentum from public incentives and new participants as well as significant progress in both the efficiency of equipment and the ease of installation. Legrand has a strong presence in both countries and in 2010 we will be launching a range of power protection cabinets specifically designed for continuous current from solar panels. We are working in partnership with key contenders in solar power and electrical installers to back up their efforts in promoting this new technology.

6 - ELECTRICITY QUALITY: WHERE EFFICIENCY STARTS

Alpes Technologies, a member of the Legrand group since 2008, is a pace-setter in its field, rounding out our presence in power protection and electricity quality with a comprehensive range of analyzers, together with a full-service offering

and products to enhance energy quality and reduce environmental impact. A main focus is compensation for reactive energy and harmonic filtering. In 2009, Alpes Technologies sales grew 16.3%.

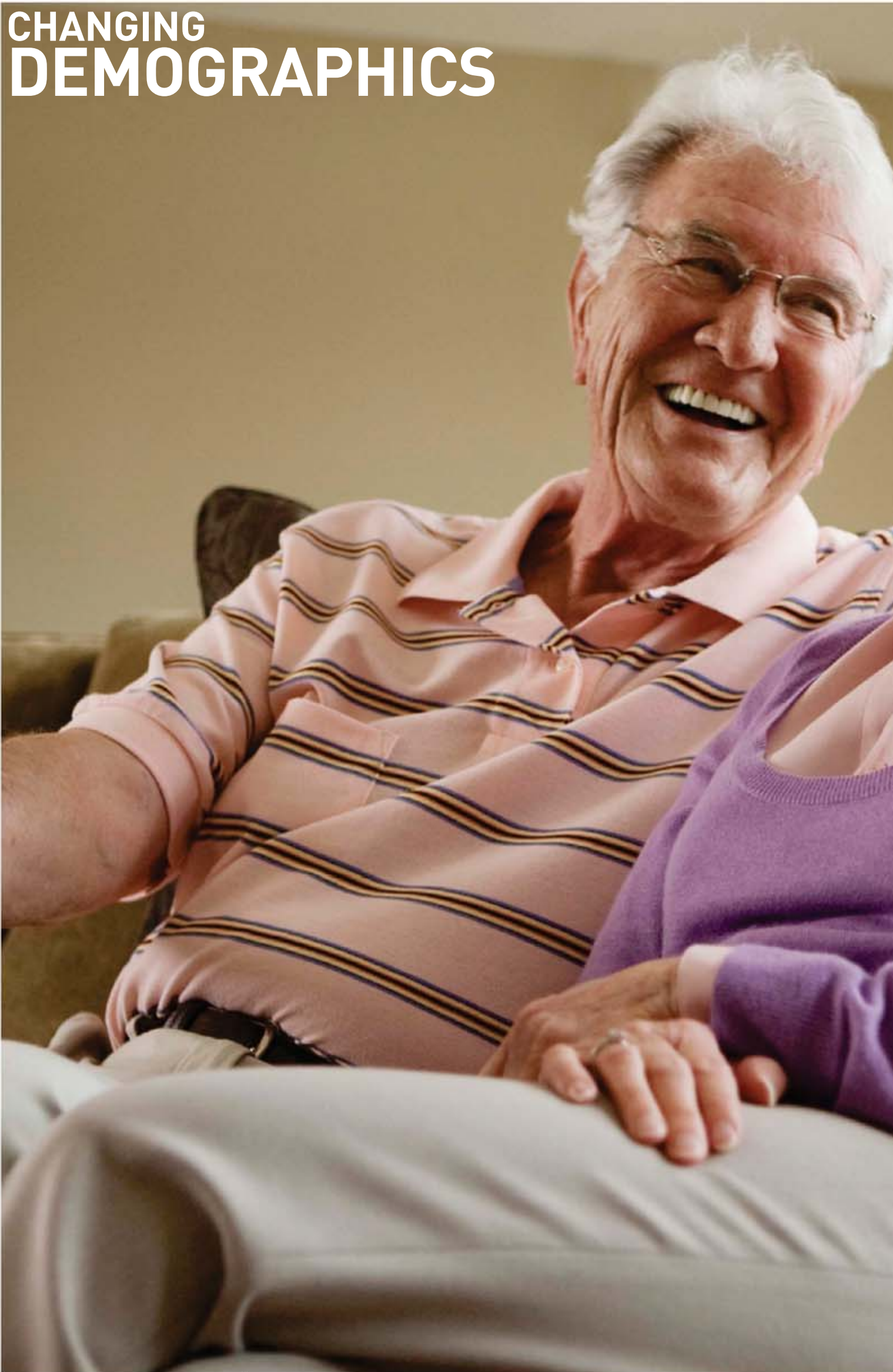
➤ Legrand at work...

Capping emissions with Legrand Climact

Launched in 2007, Legrand Climact is an in-house program aimed at controlling CO₂ emissions. It targets a reduction in greenhouse gases produced by our business activities, and operates at three levels: controlling energy use at our sites, transport, and eco-design for products.

In 2009 efforts continued with a particular focus on eco-design: great care was taken in selecting materials, components and processes to ensure that products sold produce less CO₂ than previous ranges—not just at the start, but throughout their entire life cycle. Pursuing initiatives undertaken internally, Legrand has reiterated its commitment to combating global warming, and has signed the press release issued by the Copenhagen Climate summit.

CHANGING DEMOGRAPHICS





Projections call for the world population to increase from seven to nine billion between 2010 and 2050. Life expectancy is on the rise everywhere and the elderly make up a growing share of the total: 30 years from now, there will be 1.3 billion people aged over 65, compared with 500 million in 2008. This structural change means immense challenges in the fields of care and dependency.

Source: US Census Bureau

➤ Michel and Jeanne have a life of their own



These French seniors look after themselves—thanks in good part to their home, which is equipped to help them remain independent. Video and voice links from their apartment to neighbors and their children downstairs are supplied by a Polyx Video interphone from BTicino. A specially designed induction loop links their hearing aids directly to the entry phone for optimum sound.

1 EUROPEAN
OUT OF 4

WILL BE
OVER 65 IN 2030

Source: Eurostat, Europop, 2008

In the countries most affected by aging, new needs are emerging. Safety and the prevention of accidents in the home are becoming major issues, with seniors particularly prone to falls and other hazards as they grow older. Neuro-degenerative disorders, too, mean a growing risk of dependency: in France, statistics from INSERM show that 12% of people aged over 70 are affected. Meeting these new requirements is a challenge compounded by a shortage of suitable institutional housing, the need to preserve social ties and people's wish to stay in their own homes, along with costs for the community. Finding solutions that help older people retain their independence is clearly critical to the future.

Support for independent living: How Legrand can help



Easy-fit socket, easy to unplug

A full range of support solutions

Home automation is an invaluable plus for seniors as they become less able to look after themselves. Home automation can make it safer for them to move around, easing or doing away with daily chores and facilitating communications with the world at large. Legrand systems such as centralized control of home functions, guided floor lighting and specially designed fittings can help make up for motor, cognitive and sensory deficiencies. Our constant priority is to make homes and specialized facilities safer, and improve accessibility with a comprehensive range of practical, user-friendly products.

Many partners for progress

At Legrand, we have been developing solutions to support independence and home living for a number of years through a multi-disciplinary approach that involves partnerships with users, families, healthcare professionals, community workers and research institutes. We are a founding member of Autom'lab, a research and innovation lab in France's Limousine region that develops new solutions for seniors with a user-driven approach modeled after Europe's Living Labs⁽¹⁾. Legrand is also a member of France's Home Health and Independent Living program, jointly initiated by the Minister of Health and the Minister of Industry in 2009. In a related area, we have organized over 100 training programs to help electricians meet the needs of the disabled.

(1) A European Union program launched by the Finnish EU Presidency in 2007 with the aim of testing new services, tools and practices in a genuine social environment



1 - Celiane baseboard lights make it safer to go up and down stairs at night

1 - GUIDE LIGHTS: SAFETY FIRST

Legrand home solutions include floor lights that turn on automatically on the paths most commonly taken in the home, locating doors and stairways, and showing the way. By making obstacles more visible and providing a sense of direction, these lights help limit the risk of a fall. Our secure power-supply systems ensure that lighting never falls dangerously low, even in the event of a power failure, enabling occupants to move around safely.

2 - CENTRALIZED CONTROLS FOR LESS MOVEMENT AND MORE COMFORT AND SAFETY

Our home-automation solutions *In One by Legrand* and *My Home* feature remote and centralized command systems that reduces risk by reducing the need to move around the house. Similarly, our Celiane range and BTicino door-entry systems let users define complete home scenarios from a single access point, with heating, lighting, external access and other variables tuned to meet individual requirements.

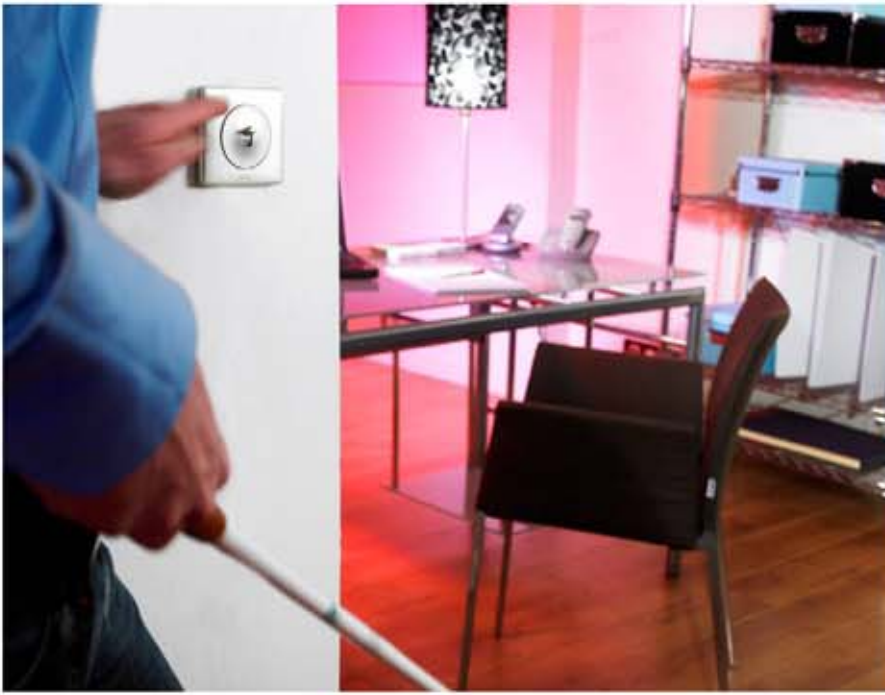
These are often installed along with suitable wiring devices such as easy-fit sockets and touch switches. The Celiane range can also be installed with a remote control for a home environment adapted to specific motor or sensory deficiencies.

➤ Key figures

Over **100** product lines specially adapted or adaptable to seniors



2 - Céliane's Interscenario uses In One by Legrand technology and lets households program up to four scenarios



3 - Switches activated by touch or levers are adapted to visual and motor deficiencies

3 - SWITCHES FOR USERS WITH IMPAIRED VISION

Aim: enable vision-impaired users to move around by detecting objects and obstacles. An easy-to-use lever shows whether lights are on or off. Switches fitted with an illuminated circle are easy to locate in the dark or in shadows, and facilitate access to control points.

4 - DETECTING EMERGENCIES AND CALLING IN HELP

Detecting the absence of motion or a fall to alert others and—if need be—call in emergency services is the key function performed by Actimètre motion sensors, a technology incorporated in Legrand systems. We also offer gas, smoke

and flood detectors to sound the alarm. Combined with an IP Axiophone, these can send a remote alert to the family or emergency services automatically.



4 - Water detector identifies leaks and limits damage



5 - The Geropass project in Couzeix: ten housing units are now being built to enable senior citizens to remain in a home environment

5 - PILOT PROJECTS IN FRANCE

The Geropass initiative headed by a group of geriatricians aims to set up automated housing units for the aged as part of a real-estate development project. A building with 28 apartments, ten automated, will be opened in 2011 in Couzeix in central France.

Legrand participated in project design alongside the architects, helping define architectural solutions and equipment to offset residents' disabilities and deficiencies. Color schemes, scale and layout were all chosen to enhance comfort and safety, and backed up by home automation. This equipment provides for a

variety of functions that include defining home environment scenarios together with related commands, assistance for plugging in and unplugging appliances, floor lighting, communications networks, sound systems and more. In 2008, Legrand had already participated in the renovation of the Guéret hospital center for the aged in central France.

➤ Legrand at work...

Disabilities on the job: taking the initiative

Legrand actively seeks to prevent disabilities and has a policy of integrating disabled workers. Concretely, we have signed agreements in France and set up workshops to assimilate employees suffering from physical restrictions and psychological disorders in Italy.

In addition to special training, it is important to make other employees aware of the challenge faced by their disabled co-workers. In 2009, we distributed a brochure to our entire French workforce underscoring our commitment to maintaining and developing work for people with disabilities, promoting customized work stations, access to training and a smooth transition to the working world. Legrand has already defined priorities for the years ahead: boosting management capacity to integrate people with disabilities, and providing career management and job paths adapted to each case.



In 2009 Legrand produced and distributed a brochure to raise employee awareness

Corporate and financial data

“With 2009 sales down sharply, our maintainable adjusted operating margin was nearly steady at 17.6% of sales. This sound performance results from the full and continuing adaptation of Group expenditure thanks to our teams’ intense mobilization from 2008 on. But it also reflects effective price

Financial indicators

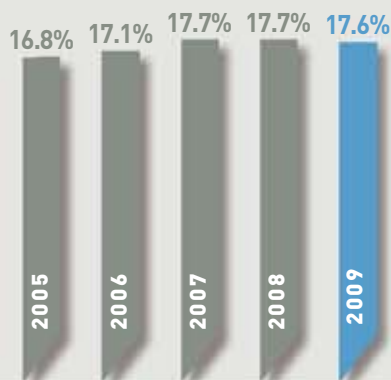
SALES

€ millions



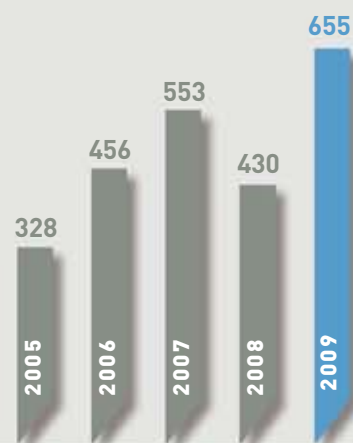
MAINTAINABLE ADJUSTED OPERATING MARGIN

% of sales



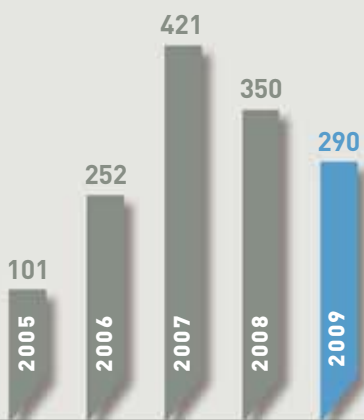
FREE CASH FLOW

€ millions



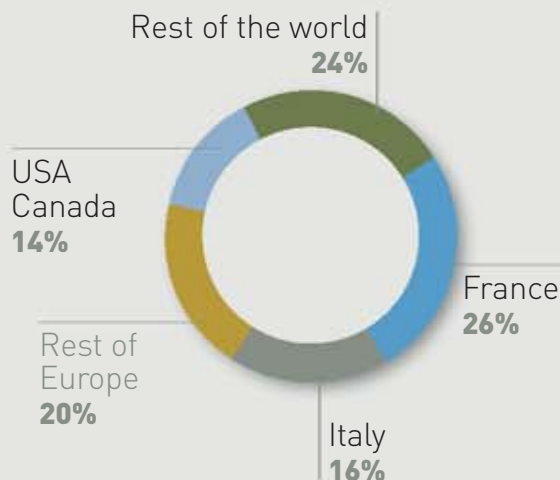
NET INCOME EXCLUDING MINORITIES

€ millions



NET SALES BY REGION

in %



management in sales and purchasing, plus the impact of our product mix, which remained positive—two features of Legrand’s business model.”
Gilles Schnepf

Stock market indicators

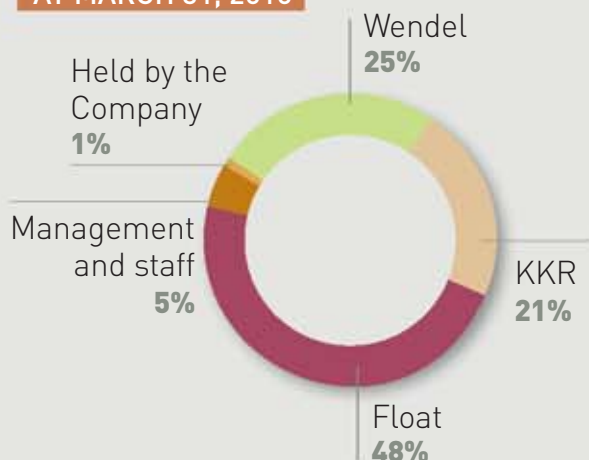
LEGRAND SHARES AND THE CAC 40 INDEX SINCE JANUARY 2009



SHARE PROFILE

- ISIN Code: FR0010307819
- Mnemonic code: LR
- Listed on: Euronext Paris
- Market: Euronext Paris – Eurolist
Compartment A (Blue Chips)
- PEA: eligible
- SRD: eligible

SHARE OWNERSHIP AT MARCH 31, 2010



DIVIDEND PER SHARE

in euros



* Subject to the approval of the General Meeting of shareholders on May 27, 2010

MARKET CAPITALIZATION AT DECEMBER 31, 2009

€5.2 billion

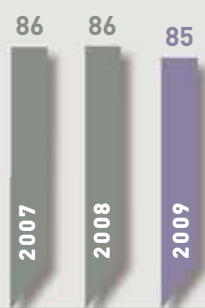
TOLL-FREE NUMBER FOR CALLS IN FRANCE
+33 800 41 42 43

Employment and environmental indicators

Employment indicators

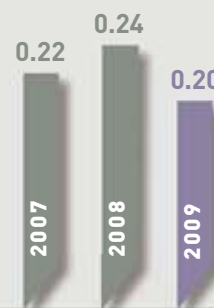
HEALTH AND SAFETY COMMITTEES (HSC)

% of staff members represented by an HSC



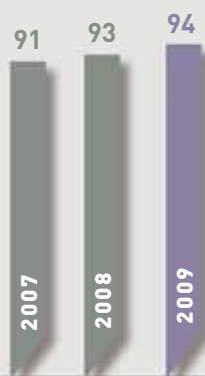
SEVERITY OF ACCIDENTS

Number of days lost x 1,000/man-hours worked



RISK CONTROL

Percentage of group employees included in consolidated risk data



RISK ASSESSMENT

Percentage of group employees covered by formal risk assessment



BREAKDOWN OF WORKFORCE

Age	Women	Men
< 26	7%	6%
≥ 26-35	12%	17%
≥ 36-45	10%	20%
≥ 46-55	9%	13%
≥ 56	3%	4%

30,000

EMPLOYEES
WORLDWIDE

Environmental indicators

ISO 14001 CERTIFIED SITES

in %



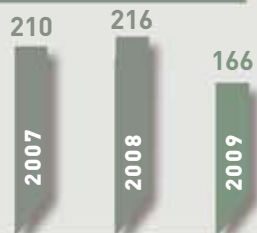
% OF R&D UNITS DEPLOYING AN ECO-DESIGN APPROACH

in %



CO₂ EMISSIONS LINKED TO ENERGY CONSUMPTION

in thousand T.eq. CO₂



WASTE RECYCLED

in %



CLIMACT INDICATORS IN 2009

The Climact project was launched in 2007. Its aim is to reduce carbon dioxide emissions throughout the group. Above and beyond specific initiatives, the economic context that had an impact in 2009 reduced site emissions.

Area	Action	Results in 2009 - teq CO ₂
Transport of finished goods	Production and storage sites close to end markets; selection of transport and logistics scheduling	- 3,700 teq CO ₂ equal to a reduction of around 5% from 2008 at constant sales
Launch of eco-design	Eco-design of product offerings	- 6,300 teq CO ₂ in 2009
	New packaging	- 60 teq CO ₂ in 2009
Energy savings at plants	Reduced direct consumption (gas, heating oil, etc.) at constant scope	- 17,000 teq CO ₂ since 2006, equal to a reduction of 20%
	Reduced indirect consumption (electricity) at constant scope	- 22,000 teq CO ₂ since 2006, equal to a reduction of 18%

* Energy savings relating to the transport of finished goods and expressed in metric tons of CO₂ equivalent are calculated on the basis of the Bilan Carbone methods developed by France's national energy agency ADEME. Savings resulting from eco-design and reduction of on-site consumption, again expressed in metric tons of CO₂ equivalent, are calculated using the EIME (Environmental Improvement Made Easy) software package.

** Between 2006 and 2009, the Climact project has thus resulted in total savings of close to 39,000 metric tons of CO₂ equivalent, measured at constant scope at our plants. This represents a reduction of 19%.

Corporate governance

Legrand's commitment to the principles of good corporate governance is reflected in an efficient structure organized around the Executive Committee and the Board of Directors, assisted by three specialized committees: the Strategy Committee, the Audit Committee and the

Executive Committee

THE COMMITTEE COUNTS NINE MEMBERS

1 - Gilles SCHNEPP

Chairman & CEO

2 - Olivier BAZIL

Vice Chairman & COO

3 - Xavier de FROMENT

Group VP, France

4 - Jean-Paul LEDUC

Group VP, Export Sales

5 - Paolo PERINO

Managing Director & CEO,
BTicino

6 - John SELLDORFF

President & CEO, Legrand
North America

7 - Éric SEURIN

Groupe VP, Purchasing
and Logistics

8 - Patrice SOUDAN

Deputy Chief Operating
Officer & Group VP, Wiring
Devices and Home
Systems Division

9 - Philippe WEBER

Deputy Chief Operating
Officer & Group VP, Energy
Distribution and Industrial
Applications Division



Nominating and Compensation Committee. Internal regulations, rounded out by a Directors' Charter, define the makeup, organization and operation of the Board, and the rights and duties of its members.

Board of Directors

Chaired by Gilles Schnepf, the Legrand Board of Directors counts eleven members, including two independent directors, appointed for renewable terms of six years. In 2009, the Board was regularly consulted on accounts, strategy and managers' compensation.

In response to Directors' wishes, operating managers made presentations to the Board on operational and

cross-functional subjects such as group organization in Brazil, risk mapping, and the impact of various government stimulus packages on group business.

At the end of 2009, as is the case every year, a questionnaire was sent to Directors for the purposes of assessing the operation of the Board and its committees in the 2009 financial year and identifying Directors' wishes regarding training. The Board

reviewed these subjects and the responses received at the beginning of 2010. The Board met seven times in 2009 and the attendance rate was 86%. Representatives of the group's central works committee attend meetings of the Board.

MEMBERS OF THE BOARD OF DIRECTORS

Olivier Bazil, Vice Chairman of the Board - Mattia Caprioli, Director - Thierry de la Tour d'Artaise, independent Director⁽¹⁾ - Arnaud Fayet, Director⁽²⁾ - Jacques Garaialde, Director - Edward A. Gilhuly, Director - François Grappotte, Director and Honorary Chairman - Gérard Lamarche, independent Director⁽¹⁾ - Frédéric Lemoine, Director - Gilles Schnepf, Chairman of the Board - Ernest-Antoine Seillière, Director.

(1) An independent Director is defined as a director who is not affiliated in any way with the company or its management, and has no links that may compromise his or her freedom of judgment.

(2) Arnaud Fayet resigned on February 10, 2010 and was replaced by Patrick Tanguy, whose cooptation will be submitted to shareholders at the Combined General Meeting on May 27, 2010.



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