

2005 first half results:
Strong 6.9% rise in sales at constant scope of consolidation
and exchange rates
Improvement in operating income

- Robust growth in sales across all geographical zones with a rise of nearly 18% over two years at constant scope of consolidation and exchange rates
- Continued investment in sales and new product launches
- Negative impact of raw material cost increase
- Improvement in operating income.

Gilles Schnepf, Vice Chairman and Chief Executive Officer comments: *"In a context of persistently favorable markets, on-going investment in sales and marketing combined with product launches in the first half of 2005 enabled Legrand to report a strong rise in sales at constant scope of consolidation and exchange rates.*

Operating income has continued to rise. This came despite levels achieved in the first half of 2004 providing a strong basis for comparison, higher investment in sales and R&D expense aimed at fueling growth and a strong increase in raw material cost.

Assuming no change in market conditions, Legrand should maintain vigorous growth in sales and results."

Consolidated data (€millions, US GAAP)	1 st Half 2005	1 st Half 2004	% change 2005/2004	FY 2004
Sales	1,582.6	1,486.2	+ 6.5%	2,926.3
Operating income before goodwill, purchase accounting and restructuring (1)	268.7	255.8	+ 5.0%	478.5
<i>as % of sales</i>	<i>17.0%</i>	<i>17.2%</i>		<i>16.4%</i>
Operating income	202.7	191.6	+ 5.8%	331.2
<i>as % of sales</i>	<i>12.8%</i>	<i>12.9%</i>		<i>11.3%</i>
Net income	52.9	33.6	+ 57.4%	15.8
Net financial debt (2)	1,939	2,086	- 7.0%	1,851

(1) Figures adjusted for restructuring charges amounting to €14.5 million for the first half of 2005, €4.0 million for the first half of 2004 and €22.4 million for the full year 2004, and restated for purchase accounting entries with no cash impact which are made up of additional depreciation of revalued assets (€51.5 million, €60.2 million and €124.9 million in the first half of 2005, the first half of 2004 and the full year 2004 respectively).

(2) As of June 30, 2005, net financial debt before taking into account the impact of 2005 currency translation and the recent acquisitions amounts to €1,780 million.

Business and earnings

Sales: Legrand's net sales for the first half of 2005 came to €1,582.6 million, **showing a 6.9% rise at constant scope of consolidation and exchange rates**. Sales growth on a reported basis was 6.5%, after a negative exchange-rate impact of 0.7% over the period.

At constant scope of consolidation and exchange rates, sales growth by geographical region broke down as follows:

	1st Half 2005	Cumulated growth over two years
France	+ 5.6%	+ 13%
Italy	+ 3.4%	+ 10%
Rest of Europe	+ 7.8%	+ 21%
USA/Canada	+ 10.2%	+ 27%
Rest of the World	+ 9.9%	+ 24%
Total	+ 6.9%	+ 18%

Sales growth in the US and Canada remained very strong at 10.2%, reflecting the commitment of our sales teams and a host of sales and marketing investments in recent months.

In the Rest of the World area, sales rose a steep 9.9% with good showings in Asia and Africa/Middle East.

Sales were also up in the Rest of Europe area, showing an overall rise of 7.8%, with particularly good performances in Eastern Europe and in the more mature markets of Northern Europe.

In France, business continued robust, with sales up 5.6%, while in Italy sales increased 3.4% in unfavorable conditions.

Earnings: Operating income rose 5.8% from the first half of 2004 to represent 12.8% of sales. Before goodwill, purchase accounting entries and restructuring, operating income increased by 5.0% to represent 17.0% of sales.

Growth and innovation

Legrand has pursued initiatives to fuel growth:

- Product launches, in particular Wifi access points integrated into Sagane wiring devices sold in France; the new Starsys home protection range in South America; the Miro home automation line in the US; the new Axolute premium range of wiring devices and the new Interlink Office floor boxes in Italy. These follow a string of other new product roll-outs in recent months, most notably the In One By Legrand, XL³, Synergie and Mylink lines.
- Expanded sales and marketing teams, with staff up nearly 4% from June 2004 to over 4,000 at present. Sales forces have grown in particular in the USA/Canada and the Rest of the World, where markets offer particularly attractive potential.

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Consolidated financial statements for the first six months of 2005 can be accessed on the Legrand financial information web site at www.finance.legrandelectric.com.

ABOUT LEGRAND

Legrand is the world specialist in products and systems for electrical installations and information networks, offering solutions for use in residential, commercial and industrial buildings. Operating in over 60 countries with sales of €2.9 billion, it employs 26,000 people and its catalogues list over 130,000 products. Innovation drives growth — with nearly 5% of sales invested in R&D every year, Legrand brings out a steady stream of new, high added-value products.

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