

**2010 first-quarter results:
Gains in emerging countries
Success of new products**

2010 target for adjusted operating margin raised to over 18%

Gilles Schnepf, Chairman and Chief Executive Officer of Legrand, comments:

"In the first quarter of 2010, Legrand's sales rose 0.5% at constant scope of consolidation and exchange rates and adjusted operating income was up 38%.

Trends in the first quarter of 2010 reflect the combined impact of:

- *a strong 13.4% rise in organic growth in emerging countries, with growth now back to a level comparable to that before the downturn, especially in Asia, Latin America and Africa/Middle East,*
- *the success of our new products, in particular LCS², Arteor and Céliane,*
- *improved trends in residential construction in most of the mature economies, especially for renovation businesses.*

The steep rise in adjusted operating margin, which stood at 20.5% of sales in the first quarter, resulted notably from:

- *the full impact of reorganization already deployed, and ongoing efforts in countries where business continues to ease,*
- *a swift return to growth for emerging markets and resulting leverage on their profitability,*
- *the fact that rising raw material and component prices will only impact input costs in the months ahead.*

On this basis and taking into account the unfavorable impact of seasonal trends in margins in the fourth quarter, plus the fact that the slowing trend in mature economies is taking time to taper off, Legrand has set its 2010 target for adjusted operating margin at over 18%.

In the medium term, Legrand sees scope for an acceleration in profitable growth in two of its fundamental strengths:

- *as the global specialist in electrical and digital building infrastructures, Legrand operates at the very heart of the major changes affecting the buildings of tomorrow, all of which are very strong business drivers: optimization of energy management, increased use of renewable energy sources, rising demand for digital communication and connections, and new needs linked to the ageing of the world's population.*
- *a strong presence in all major emerging countries: Legrand has uncontested number one positions in many markets, including Brazil, Mexico, China, India, Russia and Turkey. It has successfully replicated its value-creating business model, developing recurrent activities linked to markets characterized by regular order flows rather than large-scale projects, as well as solid market shares that underpin good profitability.*

These are the very healthy bases on which Legrand plans to accelerate its growth, building on its capacity to innovate and its proven expertise in making targeted acquisitions."

PRESS RELEASE

Key figures

Consolidated data (€ millions)	1 st Quarter 2009	1 st Quarter 2010	% change 2010/2009
Sales	901.4	911.7	+1.1%
Maintainable ⁽¹⁾ adjusted operating income ⁽²⁾	143.2	196.2	
<i>As % of sales</i>	15.9%	21.5%	
Adjusted operating income ⁽²⁾	135.2	187.0	+38%
<i>As % of sales</i>	15.0%	20.5%	
Operating income	125.5	180.5	
<i>As % of sales</i>	13.9%	19.8%	
Net income excluding minorities	56.5	90.3	
<i>As % of sales</i>	6.3%	9.9%	
Free cash flow ⁽³⁾	1.0	94.1	
<i>As % of sales</i>	0.1%	10.3%	
Net financial debt at March 31	1840	1260	

(1) Refers to adjusted operating income excluding restructuring charges, amounting to €9.2 million in 2010 and €8.0 million in 2009. See (2) for definition of adjusted operating income.

(2) Figures restated for accounting entries relating to the acquisition of Legrand France in 2002 with no cash impact, which consisted of additional depreciation of revalued assets (€6.5 million in 2010 and €9.7 million in 2009).

(3) Free cash flow is defined as the sum of net cash provided by operating activities and net proceeds of sales of fixed assets less capital expenditure and capitalized development costs.

Results to March 31, 2010

Sales

Published data set sales for the quarter at €912 million, up 1.1% from the first quarter of 2009, and a rise of 0.5% at constant scope of consolidation and exchange rates. Change in the scope of consolidation added 0.2% and variations in exchange rates increased the total by 0.4%.

Sales growth at constant scope of consolidation and exchange rates broke down as follows by geographical region:

	1 st Quarter 2010/1 st Quarter 2009
France	-3.9%
Italy	-0.9%
Rest of Europe	-8.8%
United States/Canada	+1.4%
Rest of the World	+15.7%
Total	+0.5%

- **France:** Sales declined 3.9% in the first quarter. Factors including sustained growth in sales of wiring devices, in particular Céliane, and the success of new LCS² communications and digital connection solutions, partly offset a worsening in non-residential markets, as did the resilience of sales in renovation.

- **Italy:** Thanks to a vigorous rise in wiring devices and home systems, sales eased only 0.9% in market conditions that are still difficult, notably in the non-residential segment.

- **Rest of Europe:** Business remained difficult on the whole in the first quarter, in all countries in the Rest of Europe zone. The only exceptions were Turkey, where demand continued to rise, and Russia, where conditions showed early signs of improvement. Altogether sales fell back 8.8%.

- **United States/Canada:** The strong performance of wiring device specialist Pass & Seymour, operations in Canada, and Ortronics, specialized in digital infrastructures, combined to raise sales by 1.4% in an overall market where the commercial segment worsened and the residential market gradually stabilized.

- **Rest of the World:** The return to strong growth—comparable to trends seen before the downturn—in most emerging countries, notably China, India, Brazil, Mexico, Egypt and Chile, confirmed the soundness and effectiveness of Legrand's growth strategy in these promising markets. All told, sales rose 15.7% in the first quarter.

Continued investment in innovation

Legrand is actively pursuing roll-outs of new products backed by major investments in innovation, with R&D representing nearly 5% of sales in the first quarter and new products accounting for almost 72% of investments. The group launched many new lines in the first quarter and plans to round out its existing offering between now and the end of the year with, notably:

- wiring device offerings in Russia, Brazil and China
- a new line of door-entry systems for the Chinese market,
- solar-cell equipment protection devices, with partners in the electricity sector, to accelerate the use of renewable energies,
- Watt Stopper's Digital Lighting Management range, which uses buildings' digital networks for more efficient lighting system management that consume less energy,
- a video-surveillance offering in Italy.

Legrand has developed a simple, innovative label called Eco-tag that informs customers of the savings in euros and in CO₂ emissions achieved with Legrand products. This displays information quickly and clearly, and will benefit property investors and their prime contractors.

High cash generation and lower net debt

Free cash flow totaled €94 million in the first three months of the year, or 10.3% of sales, fueled by:

- good operating performance
- low working capital requirement, although this has risen gradually and which the group aims to limit to 11% of sales.

Net debt was €80 million lower than at December 31, 2009, giving the group the resources it needs to finance its growth.

Consolidated financial statements, a presentation of first-quarter results, and the related teleconference (live and replay) are available at www.legrandgroup.com.

Key dates

- Annual General Meeting of Shareholders: **May 27, 2010**
- 2010 first-half results: **July 29, 2010**
- 2010 nine-month results: **November 4, 2010**

ABOUT LEGRAND

Legrand is the global specialist in electrical and digital building infrastructures. Its comprehensive offering of solutions for use in commercial, industrial and residential markets makes it a benchmark for suppliers worldwide. Innovation for a steady flow of new products with high added value is a prime vector for growth. Legrand reported sales of €3.6 billion in 2009. The company is listed on Euronext and is a component stock of indexes including the SBF120. FTSE4Good, MSCI World and ASPI (ISIN code FR0010307819). www.legrandgroup.com

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