legrand®

Limoges, May 4, 2012

PRESS RELEASE

2012 first-quarter results:

Sales up 4.8%

Adjusted operating margin at 20.4%

2012 targets confirmed

Gilles Schnepp, Chairman and CEO of Legrand, comments:

"Sales

Group sales for the first quarter of 2012 showed a total rise of 4.8%, driven by an active acquisition policy that contributed 5.0%. Organic[1] change in sales was -0.9% compared with very robust activity in the first quarter of 2011, particularly in France. Together, continued expansion in new economies, where organic[1] growth was nearly 6%, and a rise in sales in the United States offset trends observed in most mature markets in Europe.

Results

Adjusted operating income came to €222 million or 20.4% of sales (20.8% excluding acquisitions) reflecting the group's ability to:

- *take account of the rising cost of raw materials and components consumed in sales price management*
- *keep expenses under control thanks to responsive teams and ongoing productivity initiatives.*

These achievements confirm the soundness of Legrand's business model and its ability to adapt.

Ongoing reinforcement of our business model

Legrand is pursuing its strategy of profitable self-financed and value-creating development driven by innovation and acquisitions. In the first quarter of 2012, this was reflected in numerous new-product launches and continued initiatives to strengthen commercial positions. Legrand also announced the acquisition of two companies, both leaders in their respective markets, in business segments offering strong growth potential: Numeric UPS[2], India's market leader in low- and medium-power UPS, and Aegide, market leader in Voice-Data-Image cabinets for data centers in the Netherlands.

2012 targets confirmed

Based on first-quarter achievements and in the absence of marked worsening in the economic environment, Legrand confirms its targets for 2012:

- *organic[1] growth in sales of about zero*
- *adjusted operating margin equaling or exceeding 19% of sales including acquisitions[3]."*

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[1] Organic: at constant scope of consolidation and exchange rates
[2] Subject to customary closing procedures
[3] Small and mid-size bolt-on acquisitions

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Key figures

Consolidated data (€ millions)	1st quarter 2011	1st quarter 2012
Sales	1,036.4	1,086.2
Adjusted operating income[1]	218.2	221.9
As % of sales	*21.1%*	*20.4%*[2]
Operating income	209.8	215.9
As % of sales	*20.2%*	*19.9%*
Net income excluding minorities	127.5	123.3[3]
As % of sales	*12.3%*	*11.4%*
Free cash flow[4]	93.2	80.8
As % of sales	*9.0%*[5]	*7.4%*[5]
Net financial debt at March 31	1,142	1,214

(1) Operating income adjusted for amortization of the revaluation of intangible assets and for expense/income relating to acquisitions (€8.4 million in Q1 2011 and €6.0 million in Q1 2012) and, if applicable, for impairment of goodwill (€0 in Q1 2011 and Q1 2012).
(2) 20.8% excluding acquisitions (at 2011 scope of consolidation)
(3) i.e. a decline of 3.3%. Excluding exchange gains and losses net of tax impact, net income excluding minorities rose 2.4%.
(4) Free cash flow is defined as the sum of net cash of operating activities and net proceeds of sales of fixed assets, less capital expenditure and capitalized development costs.

(5) Based on a constant ratio of working capital requirement to revenues, free cash flow stood at more than 13% of sales in Q1 2012 as in Q1 2011.

Results to March 31, 2012

Consolidated sales

Reported figures set sales for the quarter at €1,086.2 million, a year-on-year rise of 4.8%.
The change in sales at constant scope of consolidation and exchange rates was -0.9%, impacted by a particularly demanding basis for comparison, notably in France. Over the past two years, sales growth at constant scope of consolidation and exchange rates stands at +8.0%.
The impact of changes in scope of consolidation in the first quarter of 2012 was +5.0% and exchange rates had a positive effect of 0.7%.

Changes in sales at constant scope of consolidation and exchange rates by geographical region

	1st quarter 2012 / 1st quarter 2011
France	-2.1%
Italy	-13.6%
Rest of Europe	+2.5%
United States/Canada	+4.1%
Rest of the World	+2.7%
Total	**-0.9%**

- **France**: Sales decreased 2.1%, due in particular to the high basis for comparison in the first quarter of 2011 resulting notably from major new-product launches in wiring devices and energy distribution. Over the past two years, sales have risen 9.7% at constant scope of consolidation and exchange rates. The group has turned in good showings in areas where it holds solid market positions, including wiring devices and the Céliane range in particular. The success of its new Puissance3 range has also helped Legrand continue to reinforce its positions in energy distribution.

- **Italy**: Sales to distributors (sell-in) were down -13.6% but downstream sell-out of Legrand products by distributors (sell-out) was approximately 4 points higher than sell-in and thus stood at around -10%. It is also worth noting that sales have held up better in activities where the group holds strong sales positions, such as wiring devices.

- **Rest of Europe**: Sales were up 2.5% for the region as a whole despite a continued decline in Southern Europe. The trend was driven by strong performances in Russia and Eastern Europe in general, Turkey, Germany, Austria and the Netherlands.

- **United States/Canada:** Sales rose 4.1%, buoyed by strong showings including in wiring devices, cable management and highly energy-efficient lighting controls. This performance is encouraging in a construction market that is improving but still well below historic levels.

- **Rest of the World**: Sales have continued to rise, with good performances in Asia's new economies (where organic growth is nearly 7%) and in most Latin American countries.
Some African and Middle Eastern countries are still affected by fallout from the Arab Spring. Overall sales in the region are up 2.7%.

More generally, sales in new economies rose in the first quarter by a total of nearly 15% and by nearly 6% at constant scope of consolidation and exchange rates to represent 35% of total group sales (3 points higher than in the first quarter of 2011). The group has scored strong performances in Russia, Poland, Romania, Turkey, India and China, as well as in Saudi Arabia, Algeria, Morocco, Mexico, Chile, Colombia and Costa Rica.

Innovation and new-product launches

Legrand is actively pursuing its strategy for innovation, with R&D spending representing 5% of sales and new products accounting for more than half of its investments. As part of this strategy, the group has launched a large number of new products since the beginning of the year, including:

- Home Network, communication systems for home multimedia networks
- New Sfera door-entry systems in Italy, soon to be deployed internationally
- CCTV electronic security systems for the international market
- Platinum floor sockets for European markets,
- The new generation of Practice flush-mounted emergency lighting units in France.

The group has continued to expand its existing offer by adding new functions, in particular to wiring device ranges that include Céliane, Arteor and Axolute, and energy distribution offers such as Puissance3.

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Continued external growth

Legrand has actively pursued its strategy of targeted, self-financed acquisitions of small and mid-size companies offering growth potential and strong market positions, and since the beginning of 2012 has announced two acquisitions:

- Numeric UPS[1], India's market leader in low- and medium-power UPS
- Aegide, market leader in Voice-Data-Image cabinets for data centers in the Netherlands, and a front-running European contender in this market.

The consolidation of these two new companies and acquisitions made between April and December 2011 should grow the group's annual sales by 4.6%, a contribution in line with Legrand's medium-term targets.

Cash generation, sound balance sheet and renewed financing

Free cash flow totaled €80.8 million in the first quarter. Based on a constant ratio of working capital requirement to sales, generation of free cash flow came to over 13% of sales in the first quarter of 2012, as in 2011.

Legrand is also continuing to diversify its sources of financing and extend the maturity of its debt, thus reinforcing its already strong balance-sheet structure. Following two successful bond issues representing €300 million and €400 million, maturing in February 2017 and March 2018, Legrand renewed the revolving facility of its syndicated loan for a total amount of €900 million in the second half of 2011, extending its initial maturity. In April 2012, the group also made a successful €400 million bond issue maturing in April 2022, with a very competitive 3.38% coupon—one of the lowest on the European market for private-sector bonds in the past ten years. Altogether and taking into account this latest bond issue, the average maturity of gross debt stands at 8 years.

In February, Standard & Poor's raised Legrand's rating to A- with a stable outlook, illustrating the soundness of the group's business model and its balance sheet.

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[1] Subject to customary closing procedures

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

Key financial dates

- General Meeting of Shareholders: **May 25, 2012**
- 2012 first-half results**: July 27, 2012**
- 2012 nine-month results: **November 8, 2012**

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 customers worldwide. Innovation for a steady flow of new products with high added value and acquisition are prime vectors for growth. Legrand reported sales of over €4.2 billion in 2011. The company is listed on NYSE Euronext and is a component stock of indexes including the CAC40, FTSE4Good, MSCI World, ASPI and DJSI (ISIN code FR0010307819). ***www.legrand.com***

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