

# Legrand - 2009 First-Quarter Results

May 6, 2009



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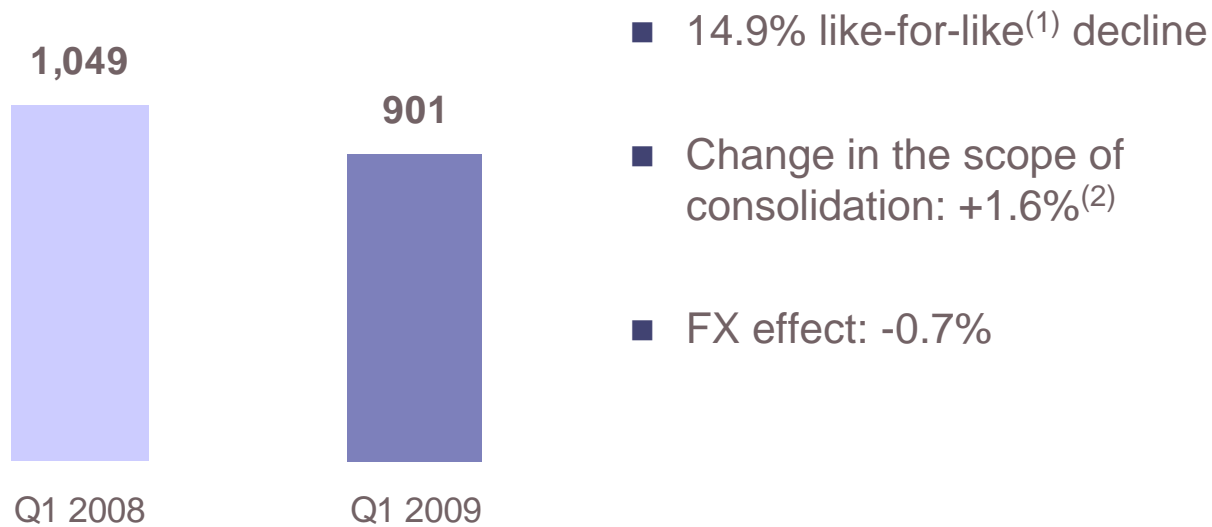
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# 2009 First-quarter Highlights

- Legrand on track for targets
  - Systematic adaptation of costs to all market and country conditions
  - Q1 results fully in line with margin guidance
  
- Favorable top line basics confirmed
  - Ability to control prices
  - Continued end-user appetite for higher-end products

# Change in Net Sales

Net sales (€millions)



1. Like-for-like: at constant scope of consolidation and exchange rates

2. To date, the consolidation of acquisitions should contribute approximately +0.4% to full-year sales growth in 2009

# Change in Net Sales

## Group total €901m in Q1 2009

- -14.1% reported
- -14.9% LFL<sup>(1)</sup>

### France: €236m

- -6.6% LFL<sup>(1)</sup>
  - Progress in commercial applications and Voice-Data-Image
  - Continued benefits from trading up
  - General market slowdown

### USA & Canada: €131m

- -16.1% LFL<sup>(1)</sup>
  - Rise in sales for Watt Stopper
  - Decline in commercial market and confirmed downward trend in residential segment

### Rest of Europe: €183m

- -18.3% LFL<sup>(1)</sup>
  - General slowdown except in the Netherlands and Slovakia

### Rest of the World: €189m

- -9.6% LFL<sup>(1)</sup>
  - General slowdown except in Australia, Colombia, Morocco, Peru and Venezuela

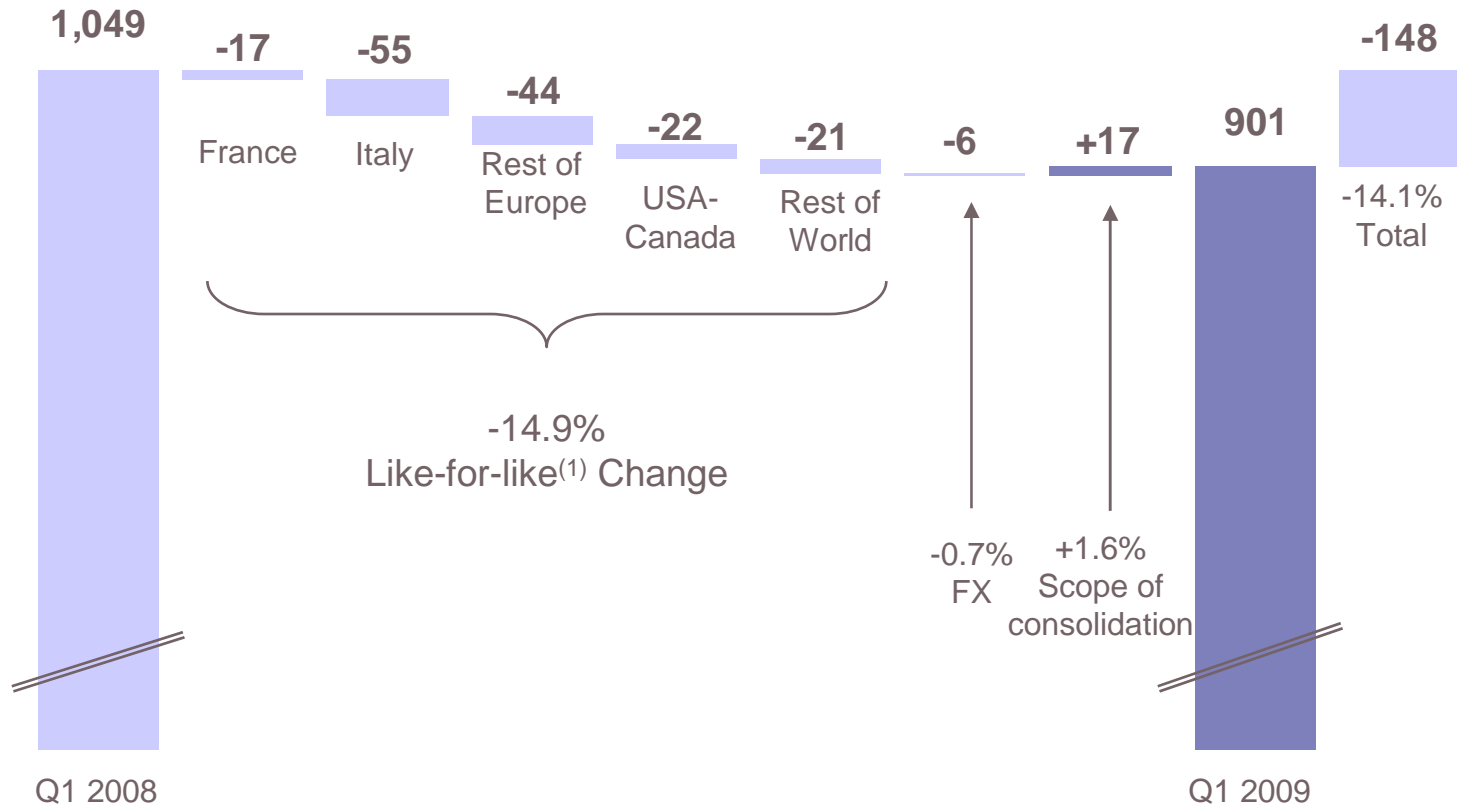
### Italy: €162m

- -25.3% LFL<sup>(1)</sup>
  - Contraction in all market segments
  - Distributors sell-out down -13%
  - Continued benefits from trading up

1. Like-for-like: at constant scope of consolidation and exchange rates

# Change in Net Sales

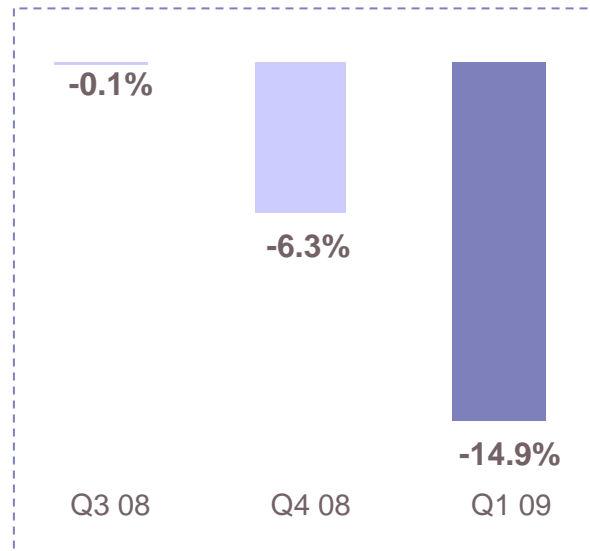
Breakdown of change in 2009 first-quarter net sales (€millions)



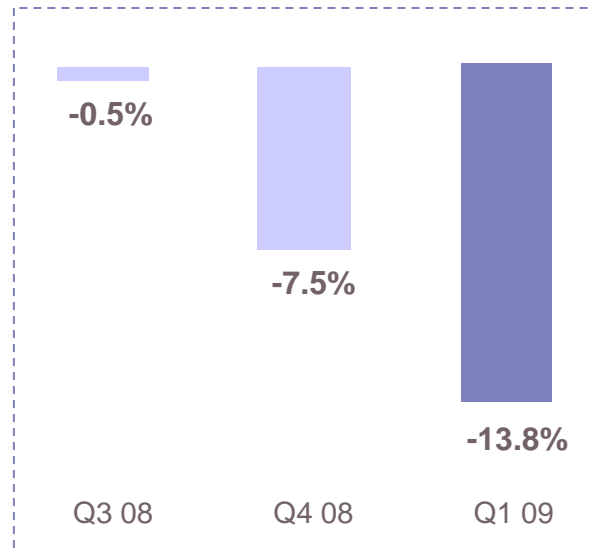
1. At constant scope of consolidation and exchange rates

# Continuous Adaptation of Costs to Changes in Business Trends

LFL<sup>(1)</sup> sales change



LFL<sup>(1)</sup> change in production and SG&A expense (excluding R&D)

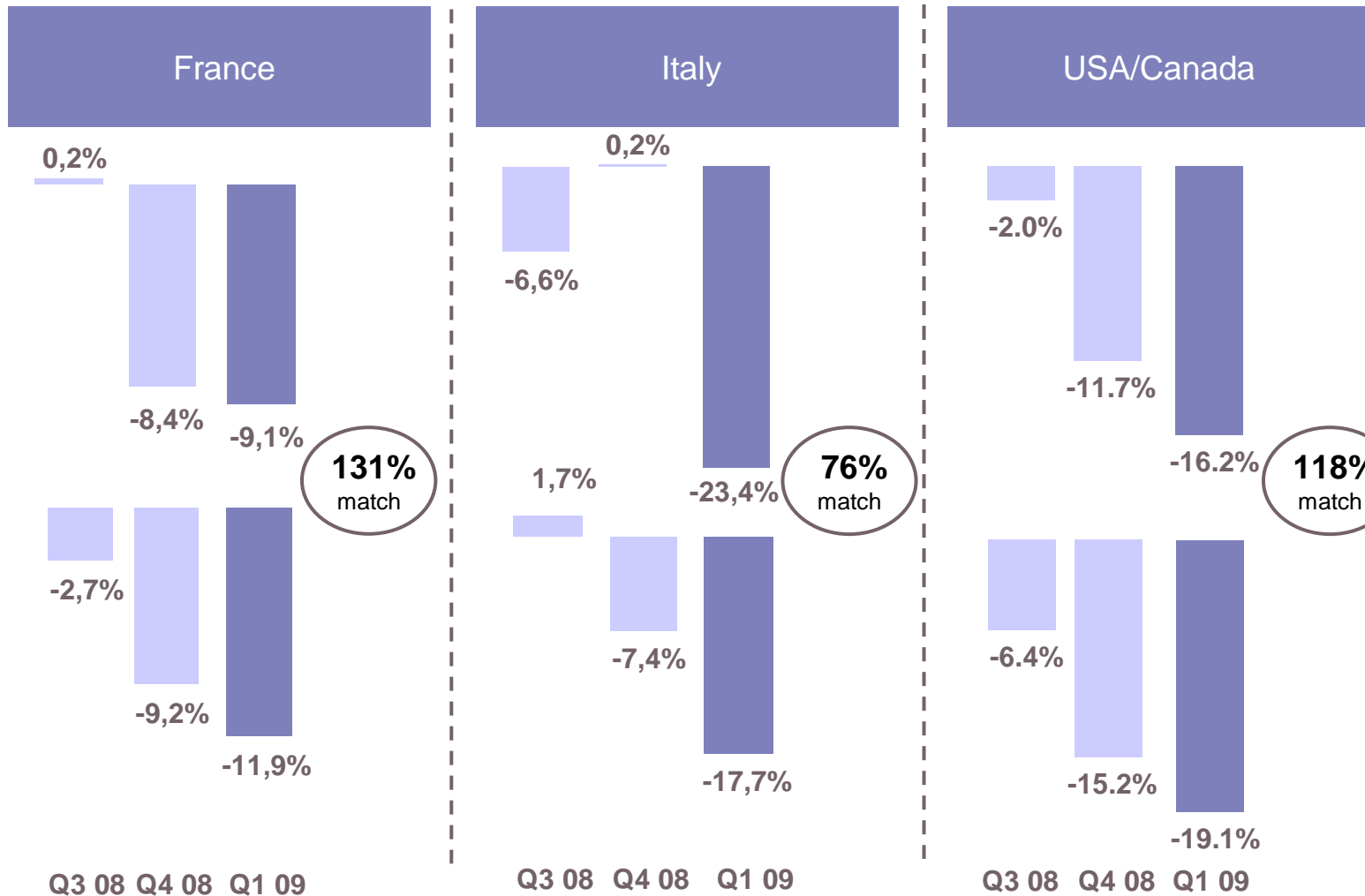


**93%**  
match

1. Like-for-like: at constant scope of consolidation and exchange rates

# Continuous Adaptation of Costs to Changes in Business Trends: Geographical Breakdown

LFL<sup>(1)</sup> change in sales by origin (top) and LFL change in production and SG&A expense (bottom)

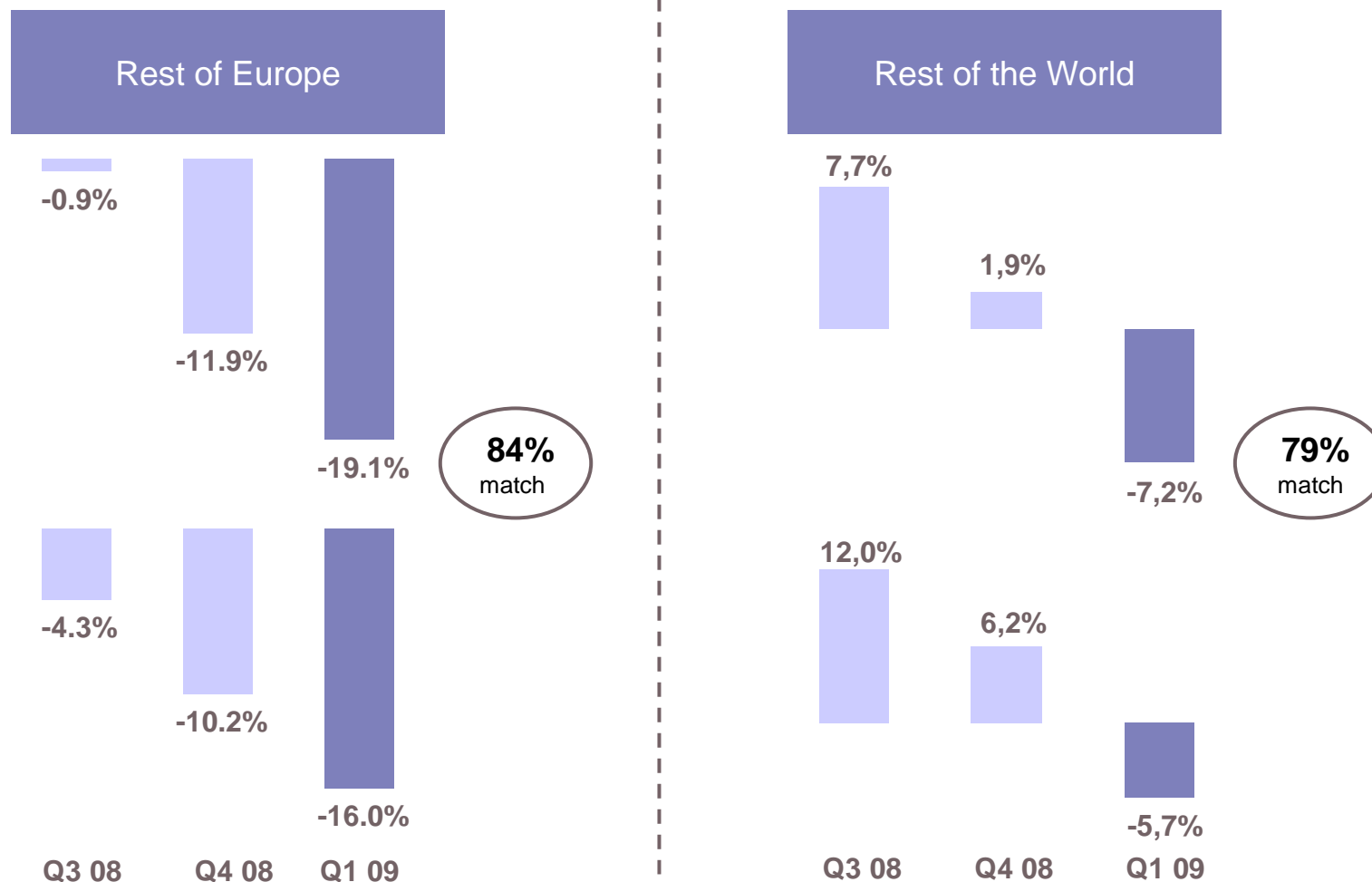


1. Like-for-like: at constant scope of consolidation and exchange rates



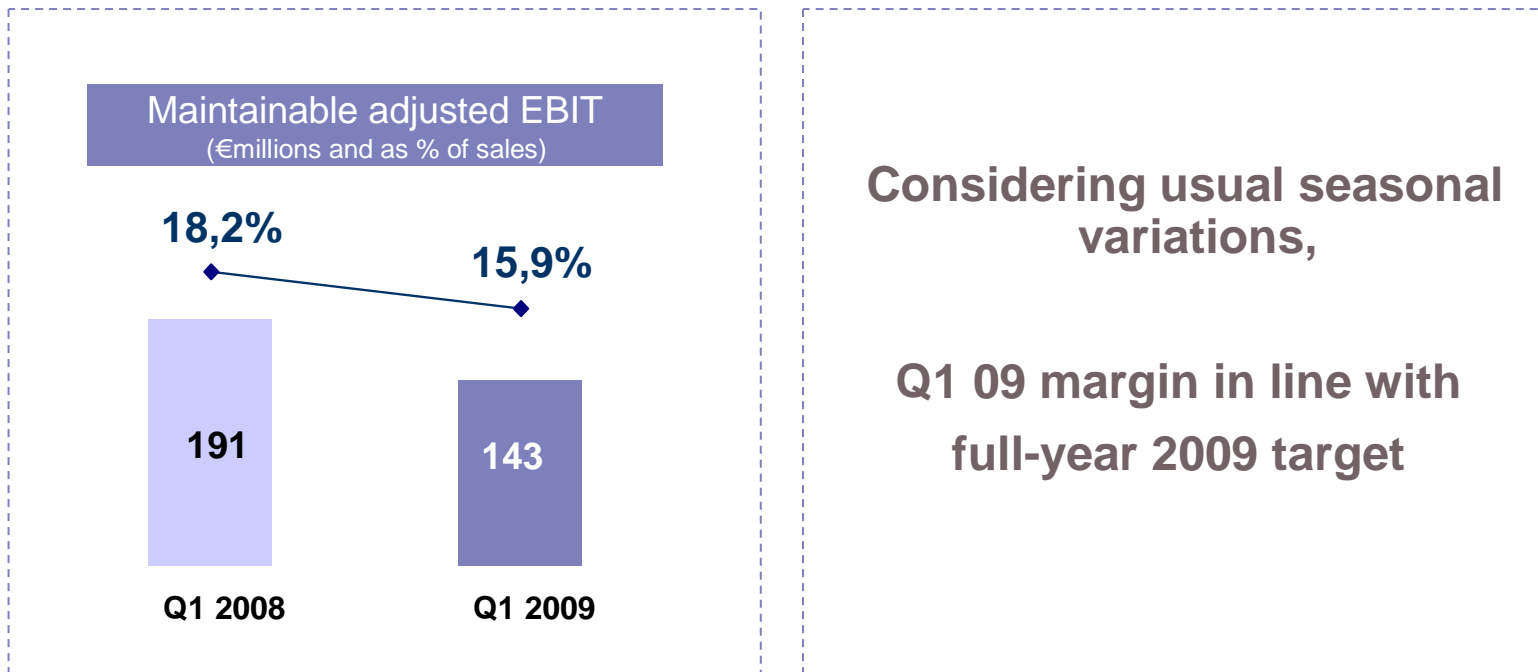
# Continuous Adaptation of Costs to Changes in Business Trends: Geographical Breakdown

LFL<sup>(1)</sup> change in sales by origin (top) and  
LFL change in production and SG&A expense (bottom)



1. Like-for-like: at constant scope of consolidation and exchange rates

# Healthy Resilience in Maintainable Adjusted Operating Margin



**Full-year margin target confirmed**

# Cash Generation

- Usual seasonal variations in first-quarter free cash-flow
- Adaptation of WCR<sup>(2)</sup> and CAPEX<sup>(2)</sup> : less cash outflow from change in WCR and CAPEX compared with 2008 first quarter

In € millions	Q1 2008	Q1 2009	% change
<b>Cash-flow from operations</b> <sup>(1)</sup>	<b>149.8</b>	<b>103.3</b>	<b>-31.0%</b>
<i>As % of sales</i>	14.3%	<b>11.5%</b>	
Change in working capital requirement	(112.8)	<b>(82.6)</b>	-26.8%
Net cash provided by operating activities	37.0	<b>20.7</b>	-44.1%
<i>As % of sales</i>	3.5%	<b>2.3%</b>	
Capital expenditures (including capitalized R&D)	(30.6)	<b>(26.9)</b>	
Net proceeds of sales of fixed assets	2.6	<b>7.2</b>	
Capital expenditures net of proceeds of sales of fixed assets	(28.0)	<b>(19.7)</b>	-29.6%
<b>Free cash-flow</b>	<b>9.0</b>	<b>1.0</b>	
<i>As % of sales</i>	0.9%	<b>0.1%</b>	

1. Cash flow from operations is defined as the sum of net cash provided by operating activities and change in working capital requirement

2. WCR: Working Capital Requirement ; CAPEX : Capital expenditures net of proceeds of sales of fixed assets

# WCR<sup>(1)</sup>: Adaptation to Current Trends

## WCR<sup>(1)</sup> as % of sales in line with trend for the previous year

	Q4 07	Q1 08	Δ Q1 08 / Q4 07	Q4 08	Q1 09	Δ Q1 09 / Q4 08
➤ Operating WCR <sup>(2)</sup>	19.3% <sup>(2)</sup>	22.6% <sup>(4)</sup>	+3.3 pts	19.4% <sup>(2)</sup>	22.0% <sup>(4)</sup>	+2.6 pts
➤ Non-operating WCR <sup>(3)</sup>	-8.2% <sup>(2)</sup>	-8.7% <sup>(4)</sup>	-0.5 pts	-7.3% <sup>(2)</sup>	-7.4% <sup>(4)</sup>	-0.1 pts

## Operating WCR<sup>(2)</sup> details

- Effective adaptation of inventories: down from 15.8%<sup>(4)</sup> in Q1 08 to 14.5%<sup>(4)</sup> in Q1 09
- Usual seasonal increase in trade receivables from Q4
- Temporary impact of new French legislation on trade payables (LME law)

1. WCR: Working Capital Requirement
2. Operating WCR is defined as the sum of inventories and trade receivables less trade payables
3. Non-operating WCR is defined as the sum of income tax receivables, short term deferred tax assets and other current assets less income tax payables, short term deferred tax liabilities and other short term provisions and other liabilities
4. As % of last 12-month sales

# Robust Financial Structure

Significant headroom for covenant  
Net debt / maintainable EBITDA <sup>(1)</sup>

As of December 31, 2008	Threshold
----------------------------	-----------

$$2.0 < 3.5$$

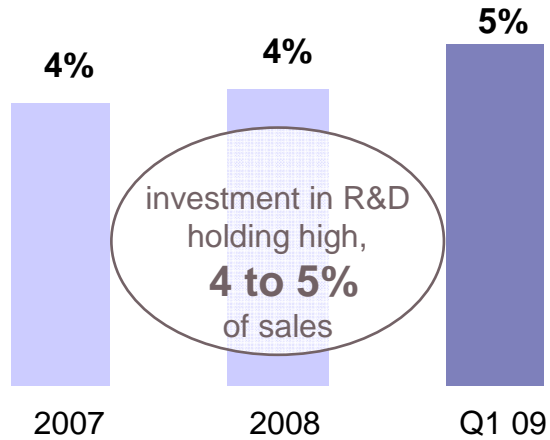
Financing resources over the long-term

**100%**  
of net debt backed by credit lines  
running through to 2013 at the earliest and 2025 at the latest

1. Defined as per the 2006 credit agreement and bank loan contract; no other financial covenant.

# Ongoing Investment in Innovation

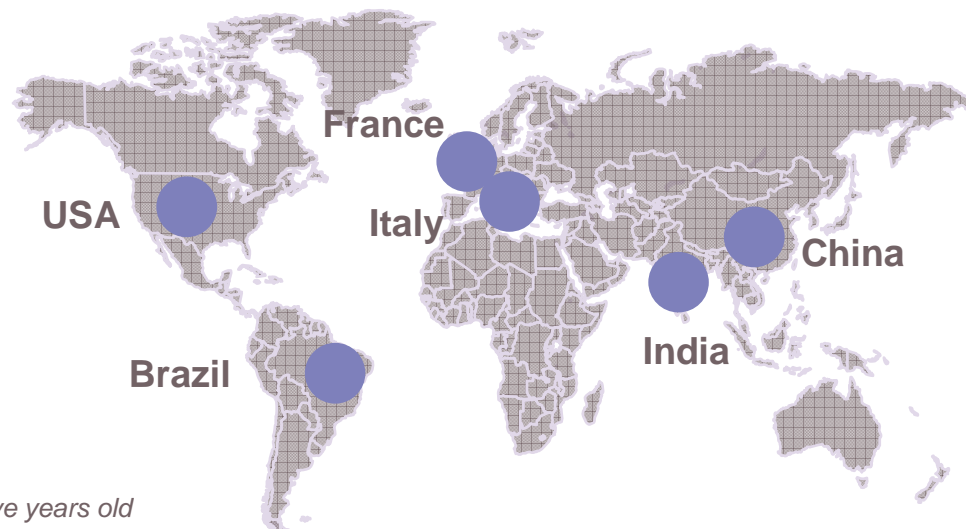
Cash outlays on R&D  
as % of sales



Significant contribution of new products to total sales

Close to  
**40%**  
of sales from new products<sup>(1)</sup>  
in 2008, 2007 and 2006

6 major R&D centers



1. New product: less than five years old

# Ongoing Investment in Innovation – Main New Products Launched in 2009 First Quarter

**Arteor:** a new wiring device range for international markets



**LCS 2:** new Voice-Data-Image solution for commercial applications



**Logix:** new cable management/wiring device system



**DMX<sup>3</sup>:** new power circuit breakers for emerging markets



Plus: **Soliroc** (vandal-proof wiring devices), **Viking 3** (terminal blocks), **Kristall** (Voice-Data-Image solution)

# Favorable top-line basics confirmed – 1/2

Positive trend in product mix despite unfavorable market trends

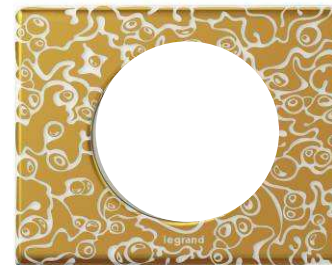
- Impact of trading up in France and Italy<sup>(1)</sup> : **> +1%**

Significant long-term leverage

- High-end Céliane plates

represent **7%** of total volumes for plates

but **40%** of sales revenue<sup>(1)</sup> for plates in France



- Aesthetic wiring-device range Axolute

represents **9%** of total volumes for wiring devices

but **18%** of sales revenue<sup>(1)</sup> for wiring devices in Italy



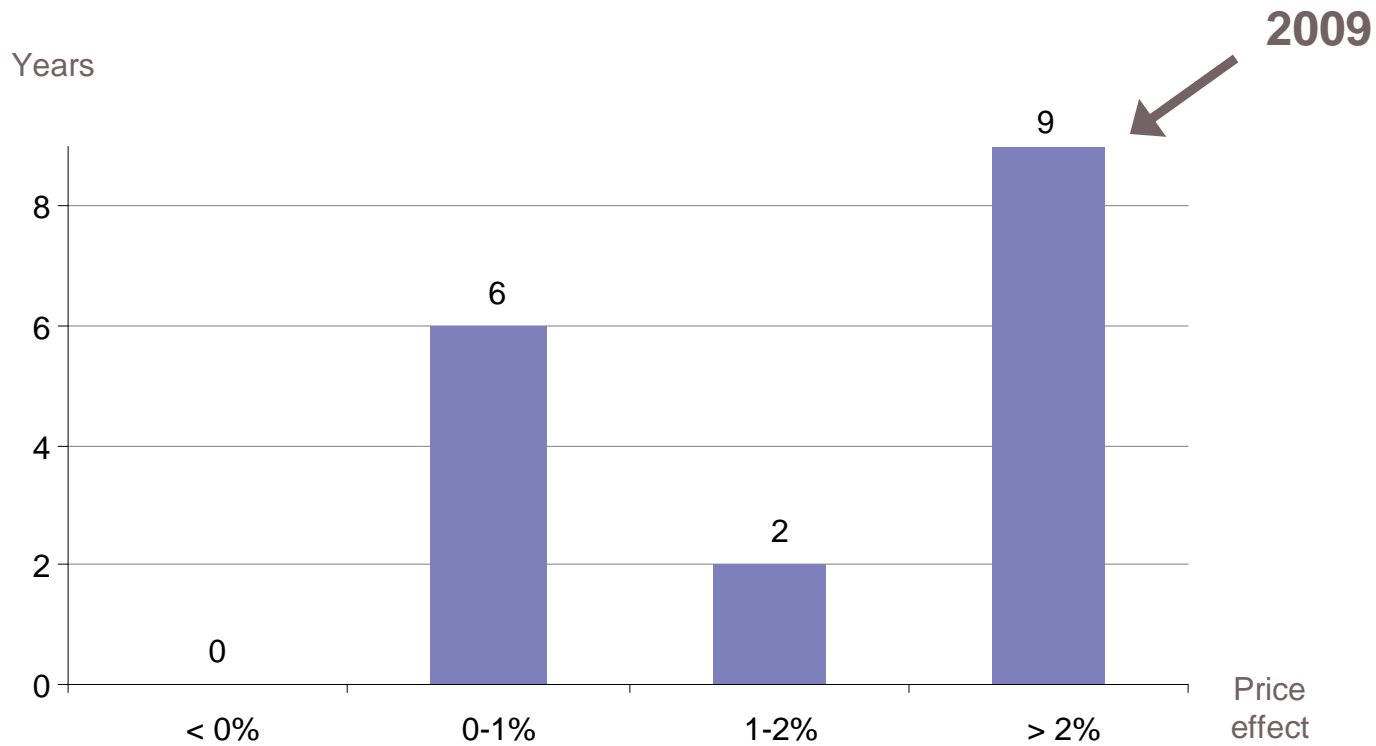
1. In Q1 09



# Favorable top-line basics confirmed – 2/2

## Positive price effect

Annual price-effect ranges over the past 17 years by number of years of occurrence



**+2%**  
average annual price effect over the past 17 years without a single decrease

# Agenda & Contacts

## Agenda

- May 26, 2009: Annual General Meeting of Shareholders
- July 29, 2009:  
2009 first-half results
- November 5, 2009:  
2009 nine-month results

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Appendices

## 2009 First Quarter – Net Sales by Destination (1)

(€M)	Q1 2008	Q1 2009	Total Change	Scope of Consolidation	Like-for-like Growth	Currency Effect
France	255.3	235.9	-7.6%	-1.1%	-6.6%	0.0%
Italy	216.3	161.6	-25.3%	0.0%	-25.3%	0.0%
Rest of Europe	233.8	183.6	-21.5%	3.5%	-18.3%	-7.2%
USA/Canada	134.1	130.8	-2.5%	1.4%	-16.1%	14.6%
Rest of the World	209.5	189.5	-9.5%	4.6%	-9.6%	-4.3%
<b>Total</b>	<b>1,049.0</b>	<b>901.4</b>	<b>-14.1%</b>	<b>1.6%</b>	<b>-14.9%</b>	<b>-0.7%</b>

1. Market where sales are recorded

## 2009 First Quarter – Net Sales by Origin <sup>(1)</sup>

(€M)	Q1 2008	Q1 2009	Total Change	Scope of Consolidation	Like-for-like Growth	Currency Effect
France	293.3	260.0	-11.4%	-2.5%	-9.1%	0.0%
Italy	226.5	173.4	-23.4%	0.0%	-23.4%	0.0%
Rest of Europe	218.3	170.4	-21.9%	4.8%	-19.1%	-7.9%
USA/Canada	136.0	132.5	-2.6%	1.3%	-16.2%	14.7%
Rest of the World	174.9	165.1	-5.6%	7.0%	-7.2%	-4.9%
<b>Total</b>	<b>1,049.0</b>	<b>901.4</b>	<b>-14.1%</b>	<b>1.6%</b>	<b>-14.9%</b>	<b>-0.7%</b>

1. Zone of origin of the product sold

# Reconciliation of Cash-Flow From Operations with Net Profit

In € millions	Q1 2008	Q1 2009
<b>Net Profit</b>	<b>114.1</b>	<b>56.7</b>
Depreciation & Amortization	50.4	47.9
Change in other non-current assets and liabilities and deferred tax	(3.2)	(1.0)
Share of loss/(profit) of associates	(0.6)	0.0
Exchange (gains)/losses net	(15.7)	3.3
(Gains)/losses on fixed asset disposals and sales of securities	(0.4)	(3.2)
Other Adjustments	5.2	(0.4)
<b>Cash-Flow From Operations</b>	<b>149.8</b>	<b>103.3</b>

# Healthy Resilience in Maintainable Adjusted Operating Income

In € millions	Q1 2008	Q1 2009	% change
<b>Net sales</b>	<b>1,049.0</b>	<b>901.4</b>	<b>-14.1%</b>
Gross profit	541.4	<b>467.5</b>	-13.6%
<i>As % of sales</i>	51.6%	<b>51.9%</b>	
<b>Maintainable<sup>(1)</sup> adjusted<sup>(2)</sup> operating income</b>	<b>190.7</b>	<b>143.2</b>	
<i>As % of sales</i>	18.2%	<b>15.9%</b>	
Restructuring charges (net of gains/losses on sales of fixed assets)	(3.1)	<b>(8.0)<sup>(3)</sup></b>	
<b>Adjusted<sup>(2)</sup> operating income</b>	<b>187.6</b>	<b>135.2</b>	<b>-27.9%</b>
<i>As % of sales</i>	17.9%	<b>15.0%</b>	
Accounting entries related to the acquisition of Legrand France	(12.6)	<b>(9.7)</b>	
Operating income	175.0	<b>125.5</b>	-28.3%
<i>As % of sales</i>	16.7%	<b>13.9%</b>	
Net financial expense	(29.2)	<b>(30.2)</b>	
Exchange gains & losses	25.5	<b>(11.4)</b>	
Income-tax expense	(57.8)	<b>(27.2)</b>	
<b>Net profit</b>	<b>114.1</b>	<b>56.7</b>	<b>-50.3%</b>
<b>Net profit excluding minorities</b>	<b>113.8</b>	<b>56.5</b>	<b>-50.4%</b>
Add non-recurrent items (after tax):			
Restructuring charges (net of gains/losses on sales of fixed assets)	2.1	<b>5.4<sup>(3)</sup></b>	
Exchange-rate gains/losses	(16.9)	<b>7.7</b>	
<b>Net profit excluding minorities before non-recurrent items</b>	<b>99.0</b>	<b>69.6</b>	<b>-29.7%</b>

1. Excluding restructuring charges

2. Figures restated for accounting entries with no cash impact relating to the acquisition of Legrand France in 2002

3. Made of € 11.2m restructuring charges and €3.2m of gains on sales of fixed assets (before tax)

# Scope of Consolidation

2008	Q1	H1	9M	FY
PW Industries	2 months	5 months	8 months	11 months
Estep		3 months	6 months	9 months
HDL		3 months	6 months	9 months
Electrak		3 months	6 months	9 months

2009	Q1	H1	9M	FY
PW Industries	3 months	6 months	9 months	12 months
Estep	3 months	6 months	9 months	12 months
HDL	3 months	6 months	9 months	12 months
Electrak	3 months	6 months	9 months	12 months



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