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Limoges, February 11, 2010

2009 full-year results:

Margins steady

Net debt reduced by over €500m

High level of investment in innovation

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

"With 2009 sales down a steep 13.9% at constant scope of consolidation and exchange rates, our maintainable adjusted operating income fell 15.6% to €629.5 million, which corresponds to a near steady margin of 17.6% of sales, compared with 17.7% in 2008.

This sound performance results from:

- *the full and continuing adaptation of Group expenditure to sales trends thanks to our teams' intense mobilization from 2008 on;*
- *effective price management in sales and purchasing, plus the impact of our product mix, which remained positive - two features of Legrand's business model.*

Legrand has chosen to pursue innovation to meet rising demand for products addressing three fundamental needs in new and existing buildings to:

- *reduce energy consumption and increase use of renewable energy sources*
- *meet universal demand for communication and interconnectivity*
- *address the inescapable aging of the world's population.*

Together these trends have led to profound changes in both habits and needs, with major implications for electrical and digital infrastructure wherever people live and work. Legrand is able to meet their needs by offering innovative solutions for managing power, developing communication capacity in buildings, and adapting wiring systems in residential environments to favor assisted living for the elderly and allow them to stay in their own homes both safely and comfortably.

Legrand also plans to benefit from its strong position in emerging economies, which this year will account for nearly 30% of Group sales at profitability comparable to the Group average. Our company is a leader in these markets, with positions strengthened by its recent acquisitions in China, Brazil, Russia and Turkey.

Besides, Legrand strengthened in 2009 its financial structure with a €522 million reduction in net debt and has the resources to finance the continuation of its acquisition policy, an essential aspect of its business model.

In 2010, Legrand anticipates a further easing at the beginning of the year, with a return to sales growth in subsequent months, buoyed in particular by the recovery in emerging economies. Against this backdrop, the Group sees the adjusted operating margin recorded in 2009 as a new baseline and one noticeably higher than that observed in previous business cycles.

In view of these prospects, the Board of Directors will propose a dividend of €0.7 per share - identical to that paid the previous year - at the Annual General Meeting of shareholders on May 27, 2010."

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Key figures

Consolidated data (€ millions)	2008	2009	% change 2009/2008
Sales	4 202.4	3 577.5	-14.9%
Maintainable adjusted operating income(1)	745.5	629.5	-15.6%
As % of sales	*17.7%*	*17.6%*	
Adjusted operating income(2)	697.9	578.8	-17.1%
As % of sales	*16.6%*	*16.2%*	
Operating income	642.8	524.1	-18.5%
As % of sales	*15.3%*	*14.6%*	
Net income (excluding minorities) (2)	349.9	289.8	-17.2%
As % of sales	*8.3%*	*8.1%*	
Free cash flow(3)	429.6	654.5	
As % of sales	*10.2%*	*18.3%*	
Net financial debt at December 31	1 862	1 340	

(1) Refers to adjusted operating income excluding restructuring charges, amounting to €50.7 million in 2009 and €47.6 million in 2008. 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 (€38.1 million in 2009 and €55.1 million in 2008), and impairment of goodwill in an amount of €16.6 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 December 31, 2009

Sales

Published data set sales at €3,578 million for the year, down 14.9% from 2008, for a decline of 13.9% at constant scope of consolidation and exchange rates. Consolidation of acquisitions contributed +0.4% and variations in exchange rates reduced the total by 1.6%.
Sales growth at constant scope of consolidation and exchange rates broke down as follows by geographical region:

	2009 / 2008	Q4 2009 / Q4 2008
France	-8.3%	-3.6%
Italy	-20.0%	-11.8%
Rest of Europe	-20.9%	-14.2%
United States/Canada	-15.5%	-9.9%
Rest of the World	-7.1%	-3.8%
Total	**-13.9%**	**-8.1%**

- **France**: Full-year sales fell 8.3%, hit by the weakness of the residential market and deterioration on the non-residential market. Thanks to the effective segmentation of ranges, the impact of our product mix remained positive throughout the year. The closing quarter was buoyed by one extra working day, as well as rising sales of wiring device ranges, in particular *Céliane*; the popularity of *LCS2's* Voice-Date-Image systems; and interest in Alpes Technologies' solutions for measuring energy and improving the quality of electrical current.

- **Italy**: Business shows no clear sign of improvement, particularly in non-residential markets. For the year as a whole, retailers' sell-out declined 13%, while our sales to distributors fell 20% as distribution outlets reduced their stocks significantly.

- **Rest of Europe**: Business conditions remained testing throughout the year in both Western and Eastern Europe, and led to a 20.9% decline in sales. In the fourth quarter, a more moderate decline in sales reflected a more favorable basis of comparison for countries such as Spain, but also a return to growth for others such as Turkey.

- **United States/Canada**: Sales fell back 15.5% full year, hit by weak residential markets and deterioration in the commercial segment. The slower fall observed in the fourth quarter reflects signs of improved conditions on the residential market, which now appears to have bottomed out, and growth in sales of our Voice-Data-Image systems.

- **Rest of the World**: After a poor start, the year ended with sales down only 7.1%. This gradual improvement in business was confirmed in the fourth quarter with growth in Asia-Pacific and a steadying in Latin America.

Limited decline in maintainable adjusted operation margin

Maintainable adjusted operating income declined 15.6% to €629.5 million or 17.6% of sales. This is nearly unchanged compared with 2008, and reflects the full and continuing adaptation of Group expenditure to trends in our sales. The cost base, defined as the total of production costs and administrative and sales expense, was cut 15.3% at constant scope of consolidation and exchange rates. Restructuring expense totaled €51 million in 2009.
Net income came to €290 million for the year, equal to 8.1% of sales.

Continued investment in innovation

In 2009 Legrand once again rolled out a steady stream of new products, with major investments in innovation reflected in both a rise in R&D as a percentage of sales - from 4.4% in 2008 to 4.8% - and a rise in industrial investment in new products.

Legrand thus launched a host of new ranges during the year, and plans further additions to its offering to:

- meet growing demand for energy savings and new energy performance standards, through a complete range of lighting-control devices in Western Europe, power measurement and improved current quality solutions from Alpes Technologies, and new ultra-efficient lighting-control detectors from WattStopper in the United States;
- accelerate use of renewable energy sources through a solar cell equipment protection device, as well as partnering with businesses in this field;
- accompany rising connection rates available to users and simplify installation of new types of network through the deployment of *LCS2* offerings, fiber-optic connectors, new user interfaces from *MyHome* and a virtual configuration system for *MyHome* devices.
- strengthen its positions in emerging countries with the *Arteor* wiring device line, designed for residential and commercial markets in China, India and the Middle East in particular, and *DMX3* circuit breakers.

Robust free cash flow generation and significant reduction in net borrowing

Free cash flow came to €655 million in 2009 or 18.3% of sales, an exceptional level attributable to:

- healthy margins
- a steep reduction in working capital requirement (WCR), reflecting an exceptional inflow of around €135 million. Restated for this non-recurrent item, WCR is nearly 11% of sales, reflecting improved management of source and application of funds.
- good control of net industrial investment reflecting the proceeds of divestments that generated a particularly high €44 million in 2009.

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The board meeting which adopted the audited consolidated financial statements for the year ended December 31, 2009 was held on February 10, 2010. Consolidated financial statements, a presentation of 2009 annual results and the related teleconference (live and replay) are available at www.legrandelectric.com.

Agenda financier

- 2010 first-quarter results: **May 6, 2010**
- Annual General Meeting of shareholders: **May 27, 2010**

ABOUT LEGRAND

Legrand is the global specialist in products and systems for electrical installations and information networks where people live and work. 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.legrandelectric.com

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