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Limoges, November 4, 2011

2011 nine-month and third-quarter results in line with group targets

2011 targets confirmed

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

"<u>*Sales*</u>

In the first nine months of 2011, Legrand sales rose by a total of nearly 10%, backed by:

- ***robust organic growth[1] (+7.0%)** driven by a strong rise in revenues in new economies (nearly 15% organic growth[1]), numerous successful new-product launches, and continued expansion in new business segments[2] (more than 15% organic growth[1]),*
- *continued self-financed and targeted acquisitions of small and mid-size companies offering high growth potential and strong market positions, as illustrated by **the recent operation with Megapower**, leader for plastic cable management in Malaysia. Since the beginning of 2011, five front-runner companies representing combined annual revenues of over €200 million have joined Legrand.*

In the third quarter alone, sales rose by a total 8.0% with organic growth[1] of 5.3%.

<u>*Results*</u>

*In this context, Legrand reported **adjusted operating margin of 20.9% of sales (21.3% excluding acquisitions)** in the first nine months of 2011, reflecting our capacity to control costs and to take account of the rising cost of raw materials and components consumed in sales prices.*

Net income totaled €389 million.

<u>*Confirmation of 2011 targets*</u>

Nine-month results are in line with our targets, allowing us to confirm our 2011 targets:

- *5% organic sales growth[1], rounded out by acquisitions[3],*
- *adjusted operating margin equaling or exceeding 20%, including the impact of acquisitions[3]."*

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[1] Organic growth: at constant scope of consolidation and exchange rates

[2] Digital infrastructures, energy-performance solutions, residential systems and cable management

[3] Small and medium-size bolt-on acquisitions

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Key figures

Consolidated data (€ millions)	9 months 2009	9 months 2010	9 months 2011	% change 2011/2010
Sales	2,673.9	2,873.6	3,148.3	+9.6%
Adjusted operating income(1)	440.7	613.0	656.5	+7.1%
As % of sales	*16.5%*	*21.3%*	*20.9%*	
Operating income	389.9	583.4	632.0	
As % of sales	*14.6%*	*20.3%*	*20.1%*	
Net income excluding minorities	199.2	319.2	388.9	+21.8%
As % of sales	*7.4%*	*11.1%*	*12.4%*	
Free cash flow(2)	465.1	477.2	382.4	
As % of sales	*17.4%*	*16.6%(3)*	*12.1%(3)*	
Net financial debt at September 30	1,523	1,306	1,335	

(1) Operating income adjusted for amortization of the revaluation of intangible assets and for costs, both relating to acquisitions (respectively in the first nine months of 2009, 2010, 2011: €34.6 million, €29.6 million and €24.5 million) and, if applicable, for impairment of goodwill (€16.2 million in the first nine months of 2009, €0 in the first nine months of 2010 and 2011).

(2) 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.

(3) Based on a constant ratio of working capital requirements to revenues, free cash flow stood at about 13% of sales before acquisitions for the first nine months of both 2011 and 2010.

Results to September 30, 2011

Consolidated sales

Reported figures show a 9.6% year-on-year rise to €3,148.3 million, while the rise at constant scope of consolidation and exchange rates was 7.0%. Changes in the scope of consolidation made a 4.2% growth contribution, while exchange rates had a negative impact of 1.8%.

Favorable base for comparison

As announced when first-quarter and first-half results were published, trends in sales at constant scope of consolidation and exchange rates for the first six months of the year benefited from a favorable base for comparison, estimated at about two points. This positive effect is reversing in the second half of 2011 to become negative; its impact on consolidated growth is expected to be minus two points on average over the second half of the year. These effects relate mainly to Europe, particularly Italy, and to a lesser extent France.

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

	9 months 2011 / 9 months 2010	3rd quarter 2011 / 3rd quarter 2010
France	+6.6%	+3.5%
Italy	+6.1%	+0.6%
Rest of Europe	+6.8%	+9.5%
United States/Canada	+4.0%	+3.7%
Rest of the World	+9.9%	+7.2%
Total	**+7.0%**	**+5.3%**

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- **France**: Sales rose 6.6%, driven by a very robust performance in wiring devices and residential systems, as well as strong showings in digital infrastructure solutions, cable management, and industrial applications. Major new-product launches including the Niloé range of wiring devices and Puissance[3] energy distribution systems, both well received, also contributed to growth.

- **Italy**: Driven by robust revenues from cable management and industrial applications, plus the successful launch of new Living&Light ranges of wiring devices, sales increased 6.1% in the first nine months of the year. Note that growth benefited from a particularly favorable base for comparison in the first half. This was partially offset at the end of the third quarter and will be fully offset by the end of the fourth quarter.

- **Rest of Europe**: Sales rose 6.8% for the region as a whole, reflecting very good performances in Russia, Turkey, Eastern Europe, as well as the UK and Germany. These more than offset persistent difficulties in Southern Europe. In the third quarter alone, Russia, Turkey and Eastern Europe all reported very strong growth.
More generally, new economies account for nearly half of business in this region.

- **United States/Canada**: With strong showings on the whole, sales rose 4.0% underpinned by renovation business against the backdrop of a new-construction market that is still convalescent.

- **Rest of the World**: Sales rose 9.9% for the region as a whole, buoyed by continued robust trends in new economies, particularly in Asia, Latin America and the Middle East.

Strong growth in new economies: The good trend observed in the first half is continuing. Sales in new economies rose almost 19% altogether for the first nine months, or nearly 15% at constant scope of consolidation and exchange rates, with very strong performances in Brazil, Russia, India, and China, but also in countries including Turkey, Poland, Chile, Peru, Saudi Arabia, the United Arab Emirates.
In 2011 as a whole, these promising markets should account for around 35% of Legrand sales, distributed among more than 120 new economies, with Brazil representing around 6% of the consolidated total and the other main countries (of which Russia, China, and India) less than 4% each.

Mature economies: Residential renovation markets are doing reasonably well, but in most countries new construction in residential and commercial markets has not rebounded despite strong growth in digital infrastructures and energy performance.
As noted in July this year, sales volumes in construction markets in mature economies are still around 20% below pre-crisis levels[1] on average.

Vigorous expansion on new business segments: Backed by far-reaching technological and societal changes, digital infrastructures, energy-performance solutions, residential systems and wire-mesh cable management are expanding vigorously. In the first nine months of the year, sales in these new segments rose almost 32%, or more than 15% at constant scope of consolidation and exchange rates, to represent nearly 21% of total revenues.

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[1] Source: Global Insight

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Innovation and new product launches

With nearly 5% of sales invested in R&D over the first nine months of 2011 and over half of investment dedicated to new products, Legrand is actively pursuing its strategy for innovation. It has thus launched a large number of new products, including:

- major new wiring-device ranges for the international market: Living&Light, Niloé and Matix
- dedicated wiring-device ranges: Yi Pin and K2 in China, Myrius in India, Titanium in the US, Newden in South Korea, Zuli in Brazil and Excel Life in Australia
- the first iPad applications designed to control My Home residential systems
- the Puissance[3] energy distribution offering in France, soon to be deployed on international markets, including DPX[3] protection systems for commercial buildings; these integrate in particular the measurement of energy consumption, the new DX[3] modular program, and XL[3] 125 cabinets
- new LCS[2] and Ortronics enclosures for digital infrastructures
- new cable management lines for low-end market segments in Turkey and Russia
- Watt Stopper's Digital Lighting Management energy-efficient solutions in the US.

Continued external growth and recent signature of a joint venture agreement with Megapower in Malaysia

In pursuing its strategy based on self-financed and targeted acquisitions of small and mid-size companies offering high growth potential and strong market positions, Legrand has made five acquisitions representing total annual sales of over €200 million since January.
These are positioned in fast-growing markets such as new economies (48% of sales) or new business segments (84% of sales), and in the first nine months of the year, they reported double-digit growth in sales at constant scope of consolidation and exchange rates.

Based on the dates of their integration into group accounts, consolidation of all acquisitions made since July 2010 should contribute 4.5% to growth in consolidated sales in 2011.

The latest transaction is the signature of a joint-venture agreement[1] with Megapower, leader for plastic cable management in Malaysia. The move gives Legrand access to front-running positions in Malaysia, where the group will be able to build on Megapower's sales network to deploy its overall offering to distributors and to 500 local electrical retailers. Based near Kuala Lumpur, Megapower has 160 employees and in 2010 reported sales of more than €20 million and a double-digit operating margin.

Strong cash generation, a sound balance sheet structure and renewed financing

Thanks to a sound operational performance and good control of capital employed, free cash flow totaled €382million in the first nine months of the year, or 12.1% of sales, allowing the group to self-finance internal and external growth.
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 for maturities of February 2017 and March 2018, respectively, it has just renewed the revolving facility of its syndicated loan for a total amount of €900 million extending its initial maturity by a maximum of six years.

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[1] Legrand's equity interest totals 49%; the group will acquire a controlling majority stake over the next two and a half years, rounded out by an option to buy out minority interests in the medium term.

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

Key financial dates

- 2011 annual results: **February 9, 2012**
- 2012 first-quarter results**: May 4, 2012**
- General Meeting of Shareholders: **May 25, 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 €3.9 billion in 2010. The company is listed on NYSE Euronext and is a component stock of indexes including the CAC Large 60, SBF120, FTSE4Good, MSCI World, ASPI and DJSI (ISIN code FR0010307819). ***www.legrand.com***

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