

Results for the first nine months of 2012:**Total growth in net sales: +5.9%****Adjusted operating margin: 20.3%****Rise in free cash flow: +16.7%****Gilles Schnepf, Chairman and CEO of Legrand, comments:**“Solid performances

In the first nine months of 2012, Legrand reported total growth in net sales of nearly +6%, underpinned by acquisitions (+5.4%) and a favorable exchange-rate effect (+2.1%), while the organic⁽¹⁾ change in sales was -1.6%.

Over the same period, adjusted operating margin stood at 20.3% of sales (20.6% excluding acquisitions) and free cash flow rose nearly +17% to represent 13.4% of sales, enabling the group to fully self-finance its development.

These solid performances illustrate the quality of Legrand’s commercial positions and its ability to keep pricing management under control, as well as the results of its policy of ongoing improvement in productivity, its capacity to adapt and its teams’ responsiveness.

Ongoing self-financed development

Since the beginning of the year, Legrand has continued to strengthen its positions with active development into the most buoyant markets and business segments:

- *New economies, where sales should account for around 38% of the group’s total sales in 2012,*
- *New business segments⁽²⁾ which account for over 25% of group sales.*

Legrand is also pursuing its innovation policy, spending close to 5% of sales on R&D and dedicating over half of its investments to new products. This has led to the launch of numerous new products since the beginning of the year, including the Adorne line of wiring devices in the United States and New Sfera door-entry systems on the international market.

In addition, since January Legrand has announced the acquisition of three companies, each a leader in its markets: Numeric UPS in India, Aegide in the Netherlands, and Daneva⁽³⁾ in Brazil. In 2012, the change in the scope of consolidation should boost group sales by around +4.5%.

2012 targets

Given less buoyant macroeconomic conditions, Legrand is aiming for organic⁽¹⁾ change in sales of between -1% and -2% in 2012, close to its initial annual target.

However, backed by its solid business model, Legrand has adapted its 2012 target for profitability from an adjusted operating margin equaling or exceeding 19% of sales⁽⁴⁾, to an adjusted operating margin of around 19.5% of sales⁽⁴⁾.”

⁽¹⁾ Organic: at constant scope of consolidation and exchange rates

⁽²⁾ Digital infrastructures, energy performance, home systems and wire-mesh cable management

⁽³⁾ A joint venture agreement has been signed and is subject to the approval of Brazil’s competition authorities

⁽⁴⁾ Including small and mid-size bolt-on acquisitions

Key figures

Consolidated data (€ millions)	9 months 2011	9 months 2012	% change 2012/2011
Sales	3,148.3	3,334.8	+5.9%
Adjusted operating income ⁽¹⁾	656.5	675.3	+2.9%
<i>As % of sales</i>	20.9%	20.3% ⁽²⁾	
Operating income	632.0	655.0	+3.6%
<i>As % of sales</i>	20.1%	19.6%	
Net income excluding minorities	388.9	390.4	+0.4% ⁽³⁾
<i>As % of sales</i>	12.4%	11.7%	
Free cash flow ⁽⁴⁾	382.4	446.4	+16.7%
<i>As % of sales</i>	12.1%	13.4%	
Net financial debt at June 30	1,335	1,265	-5.2%

(1) Operating income adjusted for amortization of the revaluation of intangible assets and for expense/income, relating both to acquisitions (€24.5 million in the first nine months of 2011 and €20.3 million in the first nine months of 2012) and, if applicable, for impairment of goodwill (€0 in the first nine months of 2011 and 2012).

(2) 20.6% excluding acquisitions (at 2011 scope of consolidation).

(3) Excluding exchange gains and losses net of tax impact, net income excluding minorities rose +5.6%.

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

Results to September 30, 2012

Consolidated sales

Reported figures set sales for the first nine months at €3,334.8 million, a year-on-year rise of +5.9%. At constant scope of consolidation and exchange rates, the change in sales was -1.6%, impacted by a less buoyant economic environment and a negative calendar effect in the third quarter. The impact of changes in the scope of consolidation was +5.4% and exchange rates had a positive effect of +2.1%.

Changes in sales by destination at constant scope of consolidation and exchange rates broke down as follows by geographical region:

	9 months 2012 / 9 months 2011	3 rd quarter 2012 / 3 rd quarter 2011
France	-3.0%	-3.1%
Italy	-12.6%	-12.0%
Rest of Europe	-2.2%	-6.6%
United States/Canada	+3.7%	+5.0%
Rest of the World	+2.6%	+1.7%
Total	-1.6%	-2.2%

- **France:** Sales were down -3.0%. Against this backdrop, it must be noted that sales proved more resilient in business segments where Legrand holds strong market positions, such as wiring devices and emergency lighting.

- **Italy:** Sales to distributors (sell-in) were down -12.6%, but downstream sell-out of Legrand products by distributors (sell-out) remained higher than sell-in by approximately 4 points and thus stood at around -9%.

In still difficult market conditions, the group continued to benefit from its robust leadership positions, especially in wiring devices.

- **Rest of Europe:** Sales in the region were down -2.2%. Revenues in Eastern Europe continued to rise in the third quarter, without reaching the high growth rates recorded in the first half. This performance partly offsets activities in Southern Europe (Spain, Portugal and Greece) that are still experiencing difficulties.

- **United States/Canada:** Buoyed by good showings in wiring devices and home systems, sales rose +3.7%. Such performances reflect the improvement in the residential market, even though this segment is still well below historic levels. Non-residential activity remained flat.

- **Rest of the World:** Sales for the region as a whole showed a rise of +2.6%, buoyed by good performances in new economies in Asia, Latin America and the Middle East that more than offset a lower activity in mature countries (Australia and South Korea).

More generally, sales in new economies rose by a total of nearly +16% in the first nine months of the year, and by nearly +4% at constant scope of consolidation and exchange rates. Based on these results and taking into account acquisitions announced to date, new economies should account for around 38%⁽¹⁾ of Legrand's total sales in 2012.

Continued expansion in new business segments: digital infrastructures, energy performance, home systems and wire-mesh cable management continued to expand, underpinned by lasting changes in technology and society. At the end of the first nine months, sales in these new business segments account for around 25% of total group sales, a proportion that has more than doubled in the past ten years.

Innovation and new-product launches

Legrand is pursuing its innovation effort, one of its growth engines, spending close to 5% of sales on R&D and dedicating more than half of its investments to new products. This has led to the launch of numerous new products since the beginning of the year, including:

- New wiring-device ranges New Modus in Latin America, Forix in Eastern Europe and Mingzhi in China, along with the premium Adorne range in North America,
- Zigbee's new offering for energy management systems in the Netherlands,
- Home Network's communication systems for home multimedia networks,
- New Sfera video door-entry systems in Italy, soon to be deployed internationally,
- CCTV electronic security systems for international markets,
- Platinum floor sockets for European markets,
- New generation of Practice flush-mounted emergency lighting units in France,
- Linkeo structured cabling systems for Voice-Data-Image networks in Eastern Europe,
- P31 OFT metal cable-tray systems for fiber optic cables used in data centers.

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

⁽¹⁾ At September 30, 2012, new economies accounted for close to 37% of total group sales

Continued external growth

In keeping with its strategy of targeted, self-financed acquisitions of small and mid-size companies offering growth potential and strong market positions, Legrand has announced three acquisitions since the beginning of the year. Representing annual sales of over €140 million, these include:

- Numeric UPS, India's market leader in low- and medium-power UPS⁽¹⁾
- Aegide, market leader in Voice-Data-Image cabinets for data centers in the Netherlands, and a front-running European contender in this market
- Daneva⁽²⁾, Brazil's leader in connection accessories.

These companies have strengthened the group's positions further on promising markets, notably in new economies (75% of acquired sales) and new business segments (81% of acquired sales).

In 2012, the change in the scope of consolidation should boost group sales by around +4.5%.

Strong cash generation and sound balance sheet

Thanks to sound operational performance and control of capital employed, free cash flow totaled €446.4 million in the first nine months of the year, or 13.4% of sales. The rise was +16.7% compared with the same period of 2011. Strong generation of free cash flow by Legrand's business model allows the group to fully self-finance its development.

Legrand also continued to diversify its sources of financing in the first nine months of the year and raised the maturity of its gross debt to around eight years. This, in turn, has strengthened its already very sound balance-sheet structure, whose rating by Standard & Poor's was raised to A- with a stable outlook last February.

⁽¹⁾ UPS: Uninterruptible Power Supply

⁽²⁾ A joint-venture agreement has been signed and is subject to the approval of Brazil's competition authorities

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

- 2012 full-year results: **February 14, 2013**
- 2013 first-quarter results: **May 7, 2013**
- General meeting of shareholders: **May 24, 2013**

PRESS RELEASE

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 acquisitions 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

Investor Relations:

Legrand
Francois Poisson
Tel: +33 (0)1 49 72 53 53
Fax: +33 (0)1 43 60 54 92
francois.poisson@legrand.fr

Press relations:

Publicis Consultants
Antoine Denry
Tel: +33 (0)1 44 82 46 32
Mob: +33 (0)6 70 41 36 65
Antoine.Denry@consultants.publicis.fr