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Limoges, May 7, 2013

2013 first-quarter results in keeping with Legrand's development plan
2013 targets confirmed

First-quarter achievements:

- Total growth in sales excluding exchange-rate effects: +2%, of which -0.6% organic[1] growth
- Adjusted operating margin excluding acquisitions: 20.2% of sales (19.8% including acquisitions)
- Based on these achievements, Legrand confirms its 2013 targets

Group's profitable growth profile strengthened:

- Commercial positions improved further, particularly in growing markets (United States plus new economies)
- Continued productivity initiatives

Gilles Schnepp, Chairman and CEO of Legrand, comments:

"Group sales for the first quarter of 2013 showed a total rise of 0.6%, or 2.0% excluding exchange-rate effects, underpinned by a broader scope of consolidation linked to acquisitions that contributed 2.7% of the total. At the same time, organic[1] growth in sales was -0.6% in a market environment with highly differentiated business trends from one country to the other.

In particular, Legrand continued to expand its positions in the fastest growing markets, notably new economies such as China, Russia and Saudi Arabia, as well as the United States, where teams deployed dynamic commercial initiatives to make the most of the recovery in the residential market.

Adjusted operating income came to €216 million, or 20.2% of sales excluding acquisitions (19.8% including acquisitions), reflecting ongoing:

- *sales initiatives in expanding markets*
- *measures to protect margins in countries marked by unfavorable economic conditions, and*
- *control of pricing management, plus continuous productivity initiatives.*

These achievements are in keeping with Legrand's development plan and reflect Legrand's capacity to pursue, country by country, active and differentiated management of its business in line with its strategy of value-creating profitable growth.

Based on first-quarter achievements and in an industry structured with no order book, Legrand confirms its 2013 targets for:

- *organic[1] growth in sales at between -2% and +2% and*
- *adjusted operating margin before acquisitions at between 19% and 20% of sales."*

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

Key figures

Consolidated data (€ millions)	1st quarter 2012	1st quarter 2013
Sales	1,086.2	1,092.9
Adjusted operating income(1)	221.9	216.1
As % of sales	*20.4%*	*19.8%(2)*
Operating income	215.9	208.6
As % of sales	*19.9%*	*19.1%*
Net income excluding minorities	123.3	124.5
As % of sales	*11.4%*	*11.4%*
Free cash flow(3)	80.8	22.0
As % of sales	*7.4%*	*2.0%*
Normalized free cash flow(4)	157.0	149.2
As % of sales	*14.5%*	*13.7%*
Net financial debt at March 31	1,214	1,176

(1) Operating income adjusted for amortization of revaluation of intangible assets at the time of acquisitions and for expense/income relating to acquisitions (€6.0 million in Q1 2012 and €7.5 million in Q1 2013) and, where applicable, for impairment of goodwill (€0 in Q1 2012 and Q1 2013).
(2) 20.2% excluding acquisitions (at 2012 scope of consolidation)
(3) 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.
(4) Based on a constant 10% ratio of working capital requirement to sales at constant scope of consolidation and exchange rates.

Results to March 31, 2013

Consolidated sales

Reported figures set sales for the first quarter at €1,092.9 million, a year-on-year rise of 0.6%.

Sales at constant scope of consolidation and exchange rates declined 0.6%, impacted, as expected, by a mechanical unfavorable calendar effect in many countries, and reflect business trends that varied from market to market.

Changes in the scope of consolidation made a 2.7% contribution to growth, while exchange rates had a negative impact of 1.4%.

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

	1st quarter 2013 / 1st quarter 2012
France	-4.3%
Italy	-8.0%
Rest of Europe	-5.1%
United States/Canada	+6.7%
Rest of the World	+4.5%
Total	**-0.6%**

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- **France:** Sales were down 4.3% impacted in particular by an unfavorable calendar effect of about 3 points. Against this backdrop, Legrand turned in good performances in energy distribution, notably thanks to the successful launch of Drivia, the new range of residential cabinets, and in door-entry and home systems.

- **Italy:** Sales to distributors (sell-in) were down 8.0%, but downstream sell-out of Legrand products by distributors (sell-out) remained higher than sell-in by 2 points and thus stood at around -6%.
In economic conditions that remain unfavorable, the group continued to benefit from its robust leadership positions, especially in wiring devices but also in door-entry and home systems.

- **Rest of Europe:** Overall sales for the region were down 5.1%, impacted by an unfavorable calendar effect in many countries. Good performances in Russia, Romania and Hungary partially offset the continued decline in mature economies.

- **United States/Canada:** Sales rose 6.7% driven by the dynamic commercial initiatives of US teams and business development with new retailers. Particularly noteworthy were strong showings in wiring devices, home systems and cable management. The residential market continues to recover, and while the non-residential market remains flat on the whole, Legrand has nonetheless recorded some encouraging results here.

- **Rest of the World:** Sales continued to rise, with good performances in new economies in Africa/Middle East and Asia. These more than offset lower sales in mature countries (Australia and South Korea). Sales rose 4.5% for the region as a whole.

Cash generation

Cash flow from operations is solid at €170.8 million or 15.6% of sales.
Operating working capital requirement (inventories + trade receivables – trade payables) on March 31, 2013—which compared with the very low level reported on December 31, 2012—remains under control and is improving over one year when expressed as a percentage of sales, standing at 16.6% on March 31, 2013 compared with 17.5% on March 31, 2012.
Investments are also under control and stand at 2.3% of sales.
Normalized[(1)] free cash flow came to 13.7% of sales. Full year, normalized[(1)] free cash flow should reach between 12 and 13% of sales.

Growth initiatives

New product launches and commercial initiatives

Legrand actively pursued its innovation effort—one of its growth engines—spending close to 5% of sales on R&D and dedicating over half of its total investment to new products.
Since January, the group has successfully rolled out many new products including Drivia, the new residential cabinet range in France, particularly well received by installers, TX3 circuit breakers in China, and Linkeo Voice-Data-Image enclosures on international markets.

Legrand has also worked actively to strengthen its commercial presence:

- with new customers, for example in the United States, where it has scored numerous successes with retail distribution, and
- by launching product families with high potential in countries such as Malaysia, where it is currently expanding in wiring devices using the sales network of Megapower, the country's leader in plastic cable management, which joined Legrand in November 2011.

Expansion of commercial positions and vigorous growth in new economies

Legrand's sales in new economies are rising by nearly 5% at constant scope of consolidation and exchange rates. In particular, growth initiatives to expand group positions raised sales in Brazil, Russia, India and China which altogether were up more than 7% at constant scope of consolidation and exchange rates.

[(1)] Based on a constant 10% ratio of working capital requirement to sales at constant scope of consolidation and exchange rates

The same determination to strengthen group positions drives teams in Romania, Malaysia and Saudi Arabia, where sales show double-digit growth at constant scope of consolidation and exchange rates in each country.
Sales growth at constant scope of consolidation and exchange rates in new economies is more than eight points higher than in mature markets.
More generally, new economies accounted for close to 37% of group sales in the first quarter of 2013, up 2 points compared to the same period of 2012.

Development of the group's positions through acquisitions

In the first quarter of 2013, Legrand announced the acquisition of Seico, the Saudi leader in industrial metal cable trays, and a top contender in this segment in Gulf Cooperation Council member countries[1].
The move accelerates Legrand's inroads into the Saudi market in recent years—a fast-growing market where Legrand ranks first in wiring devices, and where annual growth over the past five years averaged 20% at constant scope of consolidation and exchange rates. Seico's strong ties to key players in the oil and gas vertical in the Gulf region strengthen Legrand's positions in this high-growth market segment. Legrand's annual sales in Saudi Arabia, including Seico, stand at nearly €60 million.

Pursuing this momentum in the highest-growth businesses, Legrand today announced the acquisition of S2S Onduleurs, a French specialist in uninterruptible power supplies (UPS). The move strengthens group positions in the promising UPS market, building on S2S Onduleurs's solid sales and service network; the company employs nearly 50 people and reported sales totaling over €20 million in 2012.

Based on previously announced acquisitions and their consolidation dates, changes in the scope of consolidation should boost growth in consolidated sales by around 2% in 2013.

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[1] Saudi Arabia, Bahrain, United Arab Emirates, Kuwait, Oman and Qatar

Consolidated financial statements, a presentation of 2013 first-quarter results and the related teleconference (live and replay) are available at www.legrand.com.

Key financial dates

- General Meeting of Shareholders: **May 24, 2013**
- Ex-dividend date: **May 29, 2013**
- Dividend payment date: **June 3, 2013**
- 2013 first-half results: **August 1, 2013**
- 2013 nine-month results: **November 7, 2013**

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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 close to €4.5 billion in 2012. 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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