

2016 Investor Day

Achievements in line with development plan presented in July 2014

Success of Legrand's business model in the USA

Stepping up initiatives linked to new technologies supported by Group fundamentals

Good integrated performance

Long-term value creation

On June 30, 2016 Legrand organized an Investor Day at Legrand North America's head office in the USA. Legrand used the event to review the deployment of its industrial and commercial initiatives, which are aligned with the development plan announced in July 2014, as well as the success of its business model in the United States. The group also noted that it was stepping up initiatives linked to new technologies, particularly the development of connected solutions, supported by the Group's sound fundamentals. Lastly, buoyed by its good integrated performance (both financial and non-financial) since its return to listing, Legrand reported on its capacity to create value on a long-term basis.

Achievements in line with development plan presented in July 2014

As announced, Legrand actively pursued its expansion through complementary channels and business models, by strengthening its positions in IT, datacenters and assisted living. At the same time, the Group stepped up the development of new technologies in its offering, launching its Eliot program in July 2015.

Legrand also continued to deploy its industrial initiatives, in particular:

- gradual roll-out of a multi-polar organization with the creation of centers of expertise as close as possible to local markets, as in India and China
- around 60% of sales at year-end 2015 coming from products designed and developed through product platforms, and
- a reduction of at least 30% in product development cycles since 2008.

In addition and as announced, Legrand introduced the NEPAT¹ indicator for many countries, in addition to economic income², and achievement rates of the CSR³ roadmap over the period 2014-2018 came to 120% in 2015 and 123% in 2014, ahead of targets.

Success of Legrand's business model in the United States

Since 2002, Legrand has focused on developing its business model in North America, relying on a solid US team. This has meant:

- access to new channels in audio/video, IT, datacenters, retail, and more
- strengthened, more comprehensive market positions

thanks to an active, targeted acquisition policy focusing on frontrunners, but also to regular launches of innovative new offerings such as the Adorne user interface range.

¹ Net Economic Profit After Tax: economic income (see note 2 below) after tax

² Economic income: adjusted operating profit less cost of capital employed

³ Corporate Social Responsibility

At the same time:

- dollar-denominated sales in the USA/Canada region more than doubled, and
- adjusted operating margin expressed as a percentage of sales more than doubled to reach nearly 18%.

These very sound achievements illustrate the pertinence of Legrand's business model and the group's ability to deploy its business model efficiently in its different markets.

Stepping up initiatives linked to new technologies supported by Group fundamentals

Over the past few years, SBUs¹ have worked to serve Legrand's development in digital technologies, notably by:

- setting up electronic and software platforms
- developing collaborative innovation and linking up with numerous partners
- deploying concepts linked to the "factory of the future".

Backed by these initiatives, Legrand can develop interoperable offers in its core business that combine design with new technologies and deliver enhanced value in use for installers, facility managers and end users.

As a player in the digital revolution, Legrand will be able to draw on the fundamentals that have made its business model a success to promote its connected offering:

- end markets with local features (standards, installation practices) that vary from country to country
- high-quality professional distributors
- strong brands that are well-known among professionals and end-users
- good market positions country by country and product family by product family, and
- digital tools for communication and customer relationship management that are already in place.

With double-digit total growth in sales of connected products in 2015, Legrand's Eliot program—designed to accelerate deployment of the Internet of Things in its offering—is ahead of schedule in reaching the target.

Good integrated performance and long-term value creation

Building on robust fundamentals, a relevant organization in view of Legrand's markets (worldwide Back Office and local Front Office), proven processes, indicators shared across the organization, and a strong capacity for execution through very skilled teams, Legrand has turned in good showings since its return to listing:

- Return on capital employed: annual growth in earnings per share averaged 8% a year between 2006 and 2015, with capital employed kept well in hand, rising 3% a year on average.
- Non-financial performance: after two initial demanding CSR roadmaps that were successfully implemented², the achievement rate of its new 2014-2018 CSR roadmap was ahead of target at the end of 2015³.
- Value creation: this strong integrated performance demonstrates the Group's capacity to create value on a long-term basis for all stakeholders, delivering in particular a total shareholder return of 12%⁴ per year since its return to listing in April 2006.

All Investor Day presentations can be downloaded from www.legrand.com

¹ SBU: Strategic Business Units in charge of R&D and manufacturing

² 2007-2010 and 2011-2013

³ Achievement rates of the 2014-2018 roadmap were equal to or more than 120% at the end of both 2014 and 2015.

⁴ Total shareholder return, after reinvestment of dividends in shares, from April 6, 2006 to June 24, 2016.

Key financial dates

- 2016 first-half results: **August 1, 2016**
- 2016 nine-month results: **November 10, 2016**

ABOUT LEGRAND

Legrand is the global specialist in electrical and digital building infrastructures. Its comprehensive offering of solutions for commercial, industrial and residential markets makes it a benchmark for customers worldwide. Drawing on a nearly 10-year CSR (Corporate Social Responsibility) approach that involves all employees, Legrand is pursuing its strategy of profitable and sustainable growth driven by innovation, with a steady flow of new offerings—including Eliot connected products that enhance value in use—and acquisitions. Legrand reported sales of more than €4.8 billion in 2015. The company is listed on Euronext Paris and is a component stock of indexes including the CAC40, FTSE4Good, MSCI World, Corporate Oekom Rating, DJSI, Vigeo Euronext Eurozone 120 and Europe 120 and Ethibel Sustainability Index Excellence. (ISIN code FR0010307819)*
<http://www.legrand.com>



**Eliot is a program launched in 2015 by Legrand to speed up deployment of the Internet of Things in its offering. A result of the group's innovation strategy, Eliot aims to develop connected and interoperable solutions that deliver lasting benefits to private individual users and professionals.*

http://www.legrand.com/EN/eliot-program_13238.html

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