

2014 Investor Day:

**Solid progress and achievements
New growth initiatives
New industrial organization
Medium-term targets confirmed**

On July 3, 2014, Legrand held an Investor Day, reviewing the group's progress and achievements over the past ten years, presenting its new growth initiatives and new industrial organization, and confirming its medium-term targets.

Solid progress and achievements

Legrand's management team thus reviewed its solid progress and achievements behind the group's success over the past ten years:

- improvement of its potential annual organic growth rate by more than 1 point⁽¹⁾,
- expansion of its accessible market from under €50 billion in 2003 to over €80 billion,
- stronger leadership positions with 68% of sales generated by products ranked no. 1 or no. 2 in their market in 2013, up from 52% in 2003,
- 5-point increase in adjusted operating margin⁽²⁾,
- balanced breakdown of value creation allocated to investments in growth (50%) and dividends (50%),
- 86% of 2011-2013 CSR⁽³⁾ objectives successfully met.

New growth initiatives

Legrand's continued profitable growth hinges on ongoing deployment of innovative growth initiatives in keeping with the fundamentals underpinning its sound business model. In continuing to build on its policy of innovation and targeted acquisitions, Legrand aims in particular to:

- expand its accessible market to over €100 billion and increase the number of product families from 78 at present to over 100 in 2020,
- grow revenue while holding the percentage of sales generated by products ranked no. 1 or no. 2 in their market at 68%,
- take full advantage of societal and technological macro-trends that are leading to more and also enriched electrical and digital infrastructures in buildings.

New industrial organization

To support and finance its investments in growth, Legrand will be building on a single industrial organization consisting of seven SBUs⁽⁴⁾ responsible for offer marketing, product development and

⁽¹⁾ Based on an ongoing 3.5-point differential in organic growth between new business segments and traditional activities, and an expected 3-point differential in organic growth between new economies and mature countries (based on IMF forecasts)

⁽²⁾ Averaging 19% of sales from 2009 to 2013 vs an average of 14% of sales from 1992 to 2002

⁽³⁾ Corporate Social Responsibility

⁽⁴⁾ Strategic Business Unit

production. Specialized by product family and closer to their end markets, these SBUs will enable Legrand to improve the consistency and quality of its offering, and to be more responsive while continuing to boost productivity and keep capital employed under control. The group has also created an Innovation and Systems department to make innovation within SBUs more efficient and to define technology guidelines for the group. On these bases, Legrand aims in particular to:

- expand its platform concept to more product families. This concept is now being successfully deployed in wiring devices, where by 2016 it will have reduced development time by 50% and cost price per unit by around 15%,
- continue to keep its working capital requirement under control and reduce its inventory to sales ratio to around 12% by 2020, at constant scope of consolidation,
- build on the group's multipolar structure to get the most out of existing industrial and technology expertise within the group and deployed worldwide.

Finally, the group will be drawing on the new CSR roadmap presented to shareholders at its Annual General Meeting on May 27, 2014 to roll out these new guidelines in respect of both stakeholders and the environment.

Medium-term targets confirmed

Confident in the soundness of its high value-creating business model and on the basis of its new growth initiatives and new industrial organization, Legrand confirms its medium-term targets:

- total annual average growth in sales of 10%⁽¹⁾, excluding exchange-rate effects or major economic downturn,
- average adjusted operating margin of 20% including acquisitions⁽²⁾.

All Investor Day presentations are available at www.legrand.com

⁽¹⁾ Including organic growth and external growth

⁽²⁾ Small and mid-size bolt-on acquisitions

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. The company's prime vectors for growth are innovation—generating a steady flow of new products with high added value—and acquisitions. Legrand reported sales of close to €4.5 billion in 2013. The company is listed on NYSE Euronext and is a component stock of indexes including the CAC40, FTSE4Good, MSCI World, Corporate Oekom Rating and DJSI (ISIN code FR0010307819). www.legrand.com

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