LEGRAND

UNAUDITED CONSOLIDATED FINANCIAL INFORMATION

SEPTEMBER 30, 2017

Consolidated key figures

(in € millions)	**9 months 2017**	**9 months 2016**
Net sales	3,988.3	3,704.6
Adjusted operating profit[1]	814.9	740.6
As % of net sales	*20.4%*	*20.0%*
	*20.6% before acquisitions**	
Operating profit	776.3	707.5
As % of net sales	*19.5%*	*19.1%*
Net profit attributable to the Group	474.3	425.6
As % of net sales	*11.9%*	*11.5%*
Normalized[2] free cash flow[3]	541.5	482.5
As % of net sales	*13.6%*	*13.0%*
Free cash flow[3]	415.0	424.2
As % of net sales	*10.4%*	*11.5%*
Net financial debt at September 30[4]	2,284.1	1,149.4

*At 2016 scope of consolidation.

(1) Adjusted operating profit is defined as operating profit adjusted for amortization and depreciation of revaluation of assets at the time of acquisitions and for other P&L impacts relating to acquisitions and, where applicable, for impairment of goodwill.

(2) Normalized free cash flow is defined as the sum of net cash from operating activities - based on a working capital requirement representing 10% of the last 12 month's sales and whose change at constant scope of consolidation and exchange rates is adjusted for the period considered - and net proceeds of sales from fixed and financial assets, less capital expenditure and capitalized development costs.

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

(4) Net financial debt is defined as the sum of short-term borrowings and long-term borrowings, less cash and cash equivalents and marketable securities.

The reconciliation of consolidated key figures with the financial statements is available in the appendices to the first nine months 2017 results press release.

Consolidated statement of income

(in € millions)	9 months ended September 30, 2017	9 months ended September 30, 2016
Net sales	**3,988.3**	**3,704.6**
Operating expenses		
Cost of sales	(1,864.1)	(1,740.7)
Administrative and selling expenses	(1,097.5)	(1,016.9)
Research and development costs	(178.3)	(175.5)
Other operating income (expenses)	(72.1)	(64.0)
Operating profit	**776.3**	**707.5**
Financial expenses	(68.0)	(74.9)
Financial income	10.9	6.3
Exchange gains (losses)	(6.3)	(0.2)
Financial profit (loss)	(63.4)	(68.8)
Profit before tax	**712.9**	**638.7**
Income tax expense	(235.0)	(210.1)
Share of profits (losses) of equity-accounted entities	**(2.1)**	**(0.8)**
Profit for the period	**475.8**	**427.8**
Of which:		
- Net profit attributable to the Group	**474.3**	**425.6**
- Minority interests	**1.5**	**2.2**
Basic earnings per share *(euros)*	1.781	1.597
Diluted earnings per share *(euros)*	1.764	1.583

Statement of comprehensive income

(in € millions)	9 months ended September 30, 2017	9 months ended September 30, 2016
Profit for the period	475.8	427.8
Items that may be reclassified subsequently to profit or loss		
Translation reserves	(268.8)	(21.8)
Income tax relating to components of other comprehensive income	(13.7)	(10.3)
Items that will not be reclassified to profit or loss		
Actuarial gains and losses after deferred taxes	3.6	(10.6)
Comprehensive income for the period	**196.9**	**385.1**
Of which:		
- Comprehensive income attributable to the Group	**195.6**	**382.9**
- Minority interests	**1.3**	**2.2**

Consolidated balance sheet

(in € millions)	**September 30, 2017**	**December 31, 2016**
ASSETS		
Non-current assets		
Intangible assets	1,877.6	1,880.0
Goodwill	4,179.8	3,121.9
Property, plant and equipment	603.2	597.4
Investments in equity-accounted entities	14.1	2.2
Other investments	19.1	19.7
Other non-current assets	10.9	5.3
Deferred tax assets	114.8	102.5
Total non-current assets	**6,819.5**	**5,729.0**
Current assets		
Inventories (Note 4)	751.0	670.6
Trade receivables (Note 5)	692.2	564.2
Income tax receivables	27.8	41.1
Other current assets	196.9	164.8
Other current financial assets	1.3	1.6
Cash and cash equivalents	703.4	940.1
Total current assets	**2,372.6**	**2,382.4**
Total Assets	**9,192.1**	**8,111.4**

(in € millions)	**September 30, 2017**	**December 31, 2016**
EQUITY AND LIABILITIES		
Equity		
Share capital (Note 6)	1,067.1	1,069.3
Retained earnings	3,402.5	3,227.8
Translation reserves	(508.6)	(240.0)
Equity attributable to equity holders of Legrand	3,961.0	4,057.1
Minority interests	10.4	9.3
Total equity	**3,971.4**	**4,066.4**
Non-current liabilities		
Long-term provisions	144.1	127.4
Provisions for post-employment benefits	158.4	166.0
Long-term borrowings (Note 7)	2,070.6	1,550.7
Deferred tax liabilities	635.6	636.2
Total non-current liabilities	**3,008.7**	**2,480.3**
Current liabilities		
Trade payables	571.9	558.3
Income tax payables	63.6	30.8
Short-term provisions	69.3	82.4
Other current liabilities	590.0	546.2
Short-term borrowings (Note 7)	916.9	346.4
Other current financial liabilities	0.3	0.6
Total current liabilities	**2,212.0**	**1,564.7**
Total Equity and Liabilities	**9,192.1**	**8,111.4**

Consolidated statement of cash flows

	9 months ended	
(in € millions)	**September 30, 2017**	**September 30, 2016**
Profit for the period	**475.8**	**427.8**
Adjustments for non-cash movements in assets and liabilities:		
– Depreciation and impairment of tangible assets	71.2	70.4
– Amortization and impairment of intangible assets	37.2	34.0
– Amortization and impairment of capitalized development costs	21.5	19.7
– Amortization of financial expenses	1.2	1.8
– Impairment of goodwill	0.0	0.0
– Changes in long-term deferred taxes	12.5	13.7
– Changes in other non-current assets and liabilities	27.0	17.8
– Unrealized exchange (gains)/losses	9.2	(3.8)
– Share of (profits) losses of equity-accounted entities	2.1	0.8
– Other adjustments	(0.2)	0.6
– Net (gains)/losses on sales of assets	(1.4)	0.5
Changes in working capital requirement:		
– Inventories (Note 4)	(69.5)	6.7
– Trade receivables (Note 5)	(90.9)	(56.2)
– Trade payables	4.3	(10.8)
– Other operating assets and liabilities	18.1	(5.6)
Net cash from operating activities	**518.1**	**517.4**
– Net proceeds from sales of fixed and financial assets	2.8	1.2
– Capital expenditure	(80.6)	(72.4)
– Capitalized development costs	(25.3)	(22.0)
– Changes in non-current financial assets and liabilities	2.9	15.5
– Acquisitions of subsidiaries, net of cash acquired	(1,417.2)	(409.7)
Net cash from investing activities	**(1,517.4)**	**(487.4)**
– Proceeds from issues of share capital and premium (Note 6)	16.2	5.2
– Net sales (buybacks) of treasury shares and transactions under the liquidity contract (Note 6)	(1.7)	(67.1)
– Dividends paid to equity holders of Legrand	(317.1)	(307.1)
– Dividends paid by Legrand subsidiaries	(0.2)	(0.7)
– Proceeds from long term financing	1,002.7	3.3
– Repayment of long term financing (Note 7)	(304.6)	(4.7)
– Debt issuance costs	(6.4)	0.0
– Net sales (buybacks) of marketable securities	0.0	2.5
– Increase (reduction) in short term financing	436.6	16.8
– Acquisitions of ownership interests with no gain of control	0.0	0.0
Net cash from financing activities	**825.5**	**(351.8)**
Translation net change in cash and cash equivalents	(62.9)	(12.2)
Increase (decrease) in cash and cash equivalents	**(236.7)**	**(334.0)**
Cash and cash equivalents at the beginning of the period	940.1	1,085.9
Cash and cash equivalents at the end of the period	**703.4**	**751.9**
Items included in cash flows:		
– Interest paid* during the period	79.7	78.0
– Income taxes paid during the period	176.6	156.6

** Interest paid is included in the net cash from operating activities.*

Note 1 - Introduction

This unaudited consolidated financial information of Legrand is presented for the nine months ended September 30, 2017. This unaudited consolidated financial information should be read in conjunction with consolidated financial statements for the year ended December 31, 2016 such as established in the Registration Document deposited under visa no D.17-0285 with the French Financial Markets Authority (AMF) on March 31, 2017.

All the amounts are presented in millions of euros unless otherwise indicated. Some totals may include rounding differences.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations adopted by the European Union and applicable or authorized for early adoption from January 1, 2017.

None of the IFRSs issued by the International Accounting Standards Board (IASB) that have not been adopted for use in the European Union are applicable to the Group.

Note 2 – Significant transactions and events for the period

On August 1, 2017, the Group completed the acquisition of Milestone AV Technologies LLC ("Milestone"), a US frontrunner in Audio Video (AV) infrastructures and power. The acquisition of Milestone allows Legrand to pursue its ongoing reinforcement in digital building infrastructure, more specifically in the high-value AV infrastructure and power segment in the United States.

In 2016, Milestone recorded net sales of $464.1 million and an adjusted[1] operating margin (before non-recurring items) of approximately 21%.

Legrand acquired Milestone for an enterprise value of $950 million, net of a discounted US tax benefit of $250 million, resulting from standard goodwill tax amortization starting in 2017.

[1] *adjusted for amortization and depreciation of revaluation of assets at the time of acquisitions and for other P&L impacts relating to acquisitions and, where applicable, for impairment of goodwill.*

The Group's consolidated financial statements for the period ended September 30, 2017 include only Milestone's provisional opening balance sheet, which is as follows:

	(in $ millions)	*(in € millions)*
Intangible assets*	0	0
Tangible assets	31	27
Inventories*	41	35
Trade receivables	72	61
Trade payables	32	27
Net financial debt	(9)	(8)
Other net liabilities	23	20
Total net assets excluding provisional goodwill (before purchase price allocation)	**98**	**84**
Purchase price paid**	1,206	1,028
Provisional goodwill (before purchase price allocation)	**1,108**	**944**

** Milestone purchase price allocation, which will be completed in fourth quarter 2017, will lead to the recognition of several intangible assets and of an inventory step-up.*

Resulting impacts on Group income statement (non-cash expenses) could be as follows:

- *recurring from 2017 (5 months) to 2026: amortization of intangible assets of $25 million to $28 million on a yearly basis (this impact decreasing from 2027 onwards);*
- *non recurring (2017 only): reversal of inventory step-up of around $20 million.*

As per Adjusted operating profit definition in page 2, these non-cash expenses will have no impact on Group adjusted operating profit

*** This amount, on a cash free basis, shall be read $1,197 million.*

In accordance with IFRS 3, the value of all opening balance sheet items will be finalized within one year from acquisition date.

In July 2017, following the acquisition of Milestone, the Group carried out a bond issue for a total of €1.0 billion, in two tranches of €500.0 million each, with maturities of 7 and 15 years. The respective maturity dates of these two tranches are July 6, 2024 and July 6, 2032 and their annual coupons are respectively 0.750% and 1.875%.

Note 3 - Changes in the scope of consolidation

The contributions to the Group's consolidated financial statements of companies acquired since January 1, 2016 were as follows:

2016	March 31	June 30	September 30	December 31
Full consolidation method				
Fluxpower	Balance sheet only	Balance sheet only	8 months' profit	11 months' profit
Primetech	Balance sheet only	Balance sheet only	8 months' profit	11 months' profit
Pinnacle		Balance sheet only	5 months' profit	8 months' profit
Luxul Wireless		Balance sheet only	5 months' profit	8 months' profit
Jontek		Balance sheet only	5 months' profit	8 months' profit
Trias		Balance sheet only	Balance sheet only	8 months' profit
CP Electronics		Balance sheet only	Balance sheet only	7 months' profit
Solarfective			Balance sheet only	5 months' profit
Equity method				
TBS		6 months' profit	9 months' profit	12 months' profit

2017	March 31	June 30	September 30
Full consolidation method			
Fluxpower	3 months' profit	6 months' profit	9 months' profit
Primetech	3 months' profit	6 months' profit	9 months' profit
Pinnacle	3 months' profit	6 months' profit	9 months' profit
Luxul Wireless	3 months' profit	6 months' profit	9 months' profit
Jontek	3 months' profit	6 months' profit	9 months' profit
Trias	3 months' profit	6 months' profit	9 months' profit
CP Electronics	3 months' profit	6 months' profit	9 months' profit
Solarfective	3 months' profit	6 months' profit	9 months' profit
OCL	Balance sheet only	5 months' profit	8 months' profit
AFCO Systems		Balance sheet only	5 months' profit
Finelite		Balance sheet only	4 months' profit
Milestone			Balance sheet only
Equity method			
TBS	3 months' profit	6 months' profit	9 months' profit
Borri		Balance sheet only	Balance sheet only

The main acquisitions carried out in the first nine months of 2017 were as follows:

- the Group acquired OCL, specialized in architectural lighting solutions for commercial and high-end residential buildings in the United States. OCL reports annual sales of about $15 million;
- the Group acquired AFCO Systems, a US provider of Voice-Data-Image (VDI) cabinets for datacenters, specialized in customized solutions. AFCO Systems has annual sales of about $23 million;

- the Group signed a joint-venture agreement to purchase 49% of Borri, an Italian UPS specialist. As this agreement provides the Group with a joint-control alongside Borri's historical shareholders, this entity will be consolidated in the Group's financial statements using the equity method;

- the Group acquired Finelite, a US front-runner in linear specification-grade lighting fixtures for non-residential buildings. Finelite has annual sales of approximately $200 million; and

- the Group acquired Milestone AV Technologies LLC, a US frontrunner in Audio Video (AV) infrastructures and power; see Note 2.

In all, acquisitions of subsidiaries (net of cash acquired) came to a total of €1,417.2 million in the first nine months of 2017, versus €409.7 million in the first nine months of 2016.

Note 4 - Inventories

Inventories are as follows:

(in € millions)	**September 30, 2017**	**December 31, 2016**
Purchased raw materials and components	284.3	254.2
Sub-assemblies, work in progress	91.3	85.7
Finished products	493.5	447.4
Gross value at the end of the period	**869.1**	**787.3**
Impairment	(118.1)	(116.7)
Net value at the end of the period	**751.0**	**670.6**

Note 5 - Trade receivables

Trade receivables are as follows:

(in € millions)	**September 30, 2017**	**December 31, 2016**
Trade receivables	772.6	640.7
Impairment	(80.4)	(76.5)
Net value at the end of the period	**692.2**	**564.2**

Note 6 - Share capital

Share capital as of September 30, 2017 amounted to €1,067,077,204 represented by 266,769,301 ordinary shares with a par value of €4 each, for 266,769,301 theoretical voting rights and 266,669,173 exercisable voting rights (after subtracting shares held in treasury by the Group as of this date).

As of September 30, 2017, the Group held 100,128 shares in treasury, versus 1,365,561 shares as of December 31, 2016, i.e. 1,265,433 less shares corresponding to:

- the cancellation of 1,300,000 shares;
- the net purchase of 34,567 shares under the liquidity contract (Note 6.2.2).

As of September 30, 2017, among the 100,128 shares held in treasury by the Group, 5,128 shares have been allocated according to the allocation objectives described in Note 6.2.1, and 95,000 shares are held under the liquidity contract.

6.1 Changes in share capital

	Number of shares	Par value	Share capital *(euros)*	Premiums *(euros)*
As of December 31, 2016	267,327,374	4	1,069,309,496	949,737,052
Exercise of options under the 2007 plan	261,201	4	1,044,804	5,461,713
Exercise of options under the 2008 plan	135,257	4	541,028	2,204,022
Exercise of options under the 2009 plan	57,217	4	228,868	511,367
Exercise of options under the 2010 plan	288,252	4	1,153,008	5,046,008
Cancellation of shares	(1,300,000)	4	(5,200,000)	(57,387,122)
Repayment of paid-in capital*				(106,459,672)
As of September 30, 2017	266,769,301	4	1,067,077,204	799,113,368

On February 8, 2017, the Board of Directors decided the cancellation of 1,300,000 shares acquired under the share buyback program (shares bought back in 2016). The €57,387,122 difference between the buy-back price of the cancelled shares and their par value was deducted from the premium account.

In the first nine months of 2017, 741,927 shares were issued under the 2007 to 2010 stock option plans, resulting in a capital increase representing a total amount of €16.2 million (premiums included).

6.2 Share buybacks and transactions under the liquidity contract

As of September 30, 2017, the Group held 100,128 shares in treasury (1,365,561 as of December 31, 2016, out of which 1,305,128 under the share buyback program and 60,433 under the liquidity contract) which can be detailed as follows:

6.2.1 Share buybacks

As of September 30, 2017, the Group held 5,128 shares, acquired at a total cost of €238,046. These shares are being held for allocation upon exercise of performance share plans.

6.2.2 Liquidity contract

On May 29, 2007, the Group appointed a financial institution to maintain a liquid market for its ordinary shares on the Euronext™ Paris market under a liquidity contract complying with the Code of Conduct issued by the AMAFI (French Financial Markets Association) approved by the AMF on March 22, 2005. €15.0 million in cash was allocated by the Group to the liquidity contract.

As of September 30, 2017, the Group held 95,000 shares under this contract, purchased at a total cost of €5,624,633.
During the first nine months of 2017, transactions under the liquidity contract led to a cash outflow of €1,657,930 corresponding to net purchases of 34,567 shares.

Note 7 - Long-term and short-term borrowings

7.1 Long-term borrowings

Long-term borrowings can be analyzed as follows:

(in € millions)	**September 30, 2017**	**December 31, 2016**
Bonds	1,700.0*	1,100.0
Yankee bonds	328.6	368.8
Other borrowings	53.8	88.5
Long-term borrowings excluding debt issuance costs	**2,082.4**	**1,557.3**
Debt issuance costs	(11.8)	(6.6)
Total	**2,070.6**	**1,550.7**

**Including the bond issue carried out in July 2017 (see Note 2).*

7.2 Short-term borrowings

Short-term borrowings can be analyzed as follows:

(in € millions)	**September 30, 2017**	**December 31, 2016**
Bonds	400.0*	300.0**
Negotiable commercial paper	455.0	15.0
Other borrowings	61.9	31.4
Total	**916.9**	**346.4**

** Corresponds to bonds which will be redeemable at maturity on March 21, 2018.*

*** Corresponds to bonds which were redeemable at maturity on February 24, 2017.*

Note 8 - Segment information

In accordance with IFRS 8, operating segments are determined based on the reporting made available to the chief operating decision maker of the Group and to the Group's management.
Given that Legrand activities are carried out locally, the Group is organized for management purposes by countries or groups of countries which are allocated for internal reporting purposes into five geographical segments:

- France;
- Italy;
- Rest of Europe, mainly including Benelux, Germany, Iberia (including Portugal and Spain), Poland, Russia, Turkey and the UK;
- North and Central America, including Canada, Mexico, the United States, and Central American countries; and
- Rest of the world, mainly including Australia, China, India, Saudi Arabia and South America (including particularly Brazil, Chile and Colombia).

The first four segments are under the responsibility of four segment managers who are directly accountable to the chief operating decision maker of the Group.
Rest of the world is the only segment subject to an aggregation of several operating segments which are under the responsibility of segment managers who are themselves directly accountable to the chief operating decision maker of the Group. The economic models of subsidiaries within these segments are quite similar.
Indeed, their sales are made up of electrical and digital building infrastructure products in particular to electrical installers mainly through third-party distributors.

9 months ended September 30, 2017	Geographical segments					
	Europe			North and Central America	Rest of the world	
(in € millions)	France	Italy	Others			Total
Net sales to third parties	**747.2**	**418.3**	**675.3**	**1,268.9**	**878.6**	**3,988.3**
Cost of sales	(277.3)	(141.9)	(377.8)	(589.9)	(477.2)	(1,864.1)
Administrative and selling expenses, R&D costs	(297.7)	(119.4)	(173.0)	(441.9)	(243.8)	(1,275.8)
Other operating income (expenses)	(18.8)	(2.5)	(10.0)	(14.9)	(25.9)	(72.1)
Operating profit	**153.4**	**154.5**	**114.5**	**222.2**	**131.7**	**776.3**
- of which acquisition-related amortization, expenses and income						
• accounted for in administrative and selling expenses, R&D costs	(3.6)	(0.2)	(3.1)	(21.7)	(9.3)	(37.9)
• accounted for in other operating income (expenses)	0.0	0.0	(0.7)	0.0	0.0	(0.7)
- of which goodwill impairment						0.0
Adjusted operating profit	**157.0**	**154.7**	**118.3**	**243.9**	**141.0**	**814.9**
- of which depreciation expense	(19.4)	(12.8)	(11.0)	(9.9)	(17.6)	(70.7)
- of which amortization expense	(2.2)	(2.5)	(0.5)	(1.7)	(0.8)	(7.7)
- of which amortization of development costs	(14.6)	(5.3)	(1.1)	0.0	(0.5)	(21.5)
- of which restructuring costs	(5.8)	(0.1)	1.4	(0.1)	(2.4)	(7.0)
Capital expenditure	(22.2)	(13.6)	(16.1)	(14.6)	(14.1)	(80.6)
Capitalized development costs	(15.6)	(6.0)	(1.8)	0.0	(1.9)	(25.3)
Net tangible assets	173.3	114.9	83.9	105.8	125.3	603.2
Total current assets	432.9	149.0	362.1	745.0	683.6	2,372.6
Total current liabilities	1,202.5	207.3	169.7	256.7	375.8	2,212.0

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9 months ended September 30, 2016	Geographical segments					
	Europe			North and Central America	Rest of the world	
(in € millions)	France	Italy	Others			Total
Net sales to third parties	**729.1**	**406.7**	**615.9**	**1,111.2**	**841.7**	**3,704.6**
Cost of sales	(263.9)	(140.7)	(351.5)	(521.1)	(463.5)	(1,740.7)
Administrative and selling expenses, R&D costs	(298.1)	(120.8)	(160.5)	(380.4)	(232.6)	(1,192.4)
Other operating income (expenses)	(18.1)	(0.9)	(7.3)	(14.0)	(23.7)	(64.0)
Operating profit	**149.0**	**144.3**	**96.6**	**195.7**	**121.9**	**707.5**
- of which acquisition-related amortization, expenses and income						
• accounted for in administrative and selling expenses, R&D costs	(3.5)	(0.2)	(2.1)	(17.5)	(9.8)	(33.1)
• accounted for in other operating income (expenses)						0.0
- of which goodwill impairment						0.0
Adjusted operating profit	**152.5**	**144.5**	**98.7**	**213.2**	**131.7**	**740.6**
- of which depreciation expense	(19.0)	(13.3)	(10.6)	(9.5)	(17.6)	(70.0)
- of which amortization expense	(1.4)	(2.4)	(0.5)	(2.0)	(0.7)	(7.0)
- of which amortization of development costs	(13.9)	(5.2)	(0.2)	0.0	(0.4)	(19.7)
- of which restructuring costs	(7.9)	(1.0)	(4.2)	(0.9)	(4.6)	(18.6)
Capital expenditure	(18.1)	(15.3)	(8.2)	(16.9)	(13.9)	(72.4)
Capitalized development costs	(14.7)	(5.3)	(0.5)	0.0	(1.5)	(22.0)
Net tangible assets	169.7	108.2	82.1	70.7	135.9	566.6
Total current assets	705.2	151.3	330.4	368.1	700.5	2,255.5
Total current liabilities	683.8	196.7	152.1	225.2	332.0	1,589.8

Note 9 - Subsequent events

In October 2017, the Group carried out a €400.0 million 0.5% six-year bond issue. The bonds will be redeemable at maturity on October 9, 2023.

Furthermore, the Group completed the purchase of Server Technology Inc., a US frontrunner in intelligent PDUs for datacenters.