









Combined General Meeting of Shareholders

May 27, 2014





Agenda

-  Sales and financial results
-  A solid and sustainable business model driven by key global challenges
-  CSR⁽¹⁾ roadmap and Legrand foundation
-  Governance and statutory auditors' reports
-  Q&A
-  Vote of resolutions



SALES AND FINANCIAL RESULTS

- **2013 Results**
- 2014 First-Quarter Results

2013 Change in Net Sales

■ Organic ⁽¹⁾ growth:	+0.5%	} +2.9%
✓ New economies:	+6.1%	
✓ USA/Canada:	+4.7%	
✓ Other mature countries:	-5.7%	
■ External growth:	+2.4%	}
■ Exchange rate:		-3.0%
■ Total growth:		-0.1%

2013 Full-Year Results

In € millions	2012	2013	Change
Net sales	4,467	4,460	-0.1%
Adjusted ⁽¹⁾ operating income	874	882	+0.9%
Net income excluding minorities	506	531	+4.9%

1. Operating income adjusted for amortization of revaluation of intangible assets at the time of acquisitions and for expense/income relating to acquisitions and, where applicable, for impairment of goodwill.



- 2013 Results
- **2014 First-Quarter Results**

2014 First-Quarter Change in Net Sales

■ Organic ⁽¹⁾ growth:	+2.0%	} +4.8%
✓ New economies:	+5.0%	
✓ USA/Canada:	+1.9%	
✓ Other mature countries:	-0.5%	
■ External growth:	+2.7%	} +4.8%
■ Exchange rate:		-5.3%
■ Total growth:		-0.8%

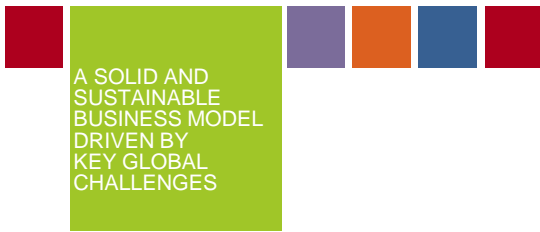
2014 First-Quarter Results

In € millions	Q1 2013	Q1 2014	Change
Net sales	1,093	1,084	-0.8%
Adjusted ⁽¹⁾ operating income	216	219	+1.3%
Net income excluding minorities	125	130	+4.0%

1. Operating income adjusted for amortization of revaluation of intangible assets at the time of acquisitions and for expense/income relating to acquisitions and, where applicable, for impairment of goodwill.



A SOLID AND
SUSTAINABLE
BUSINESS MODEL
DRIVEN BY KEY
GLOBAL
CHALLENGES



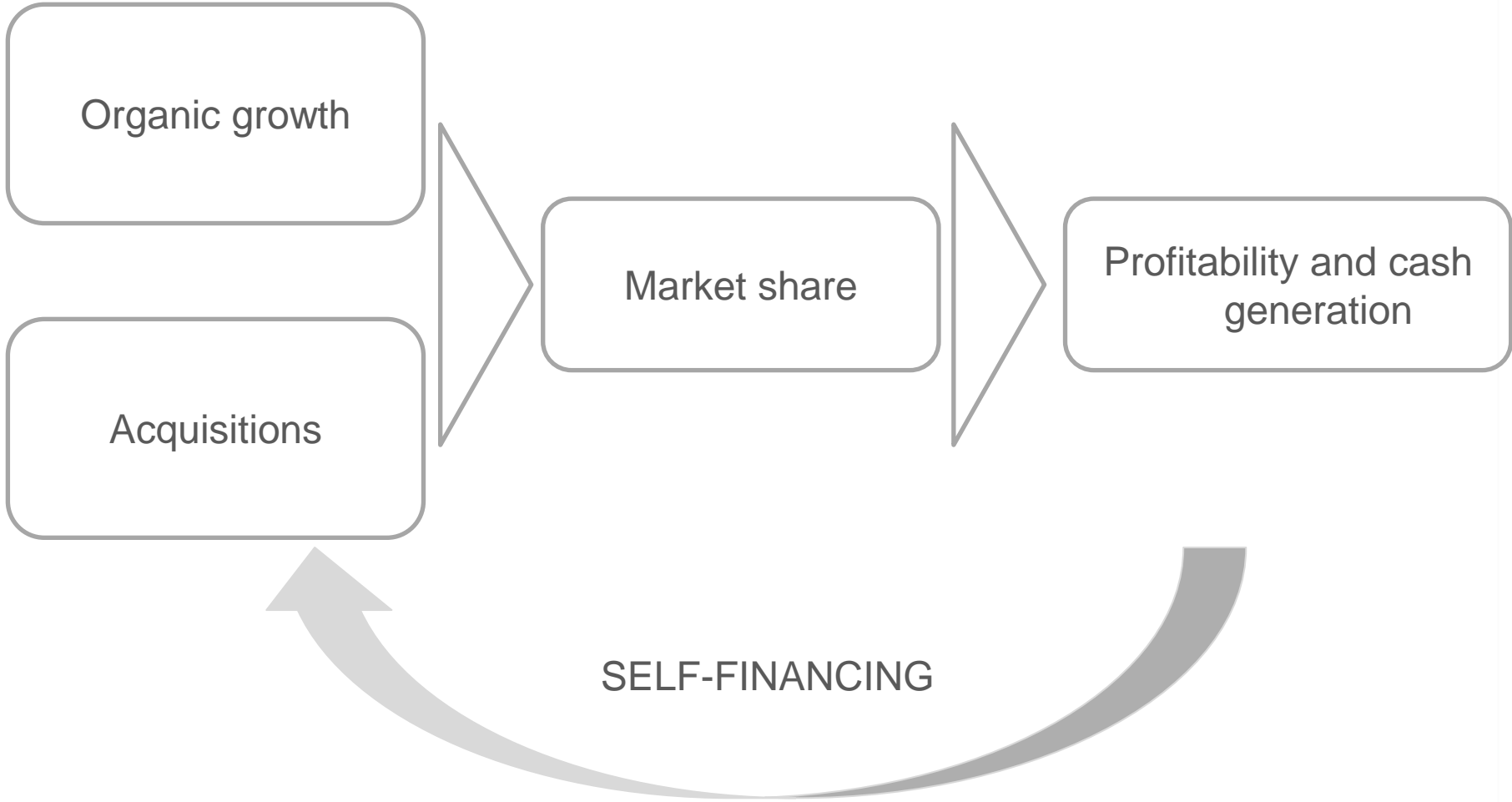
- A solid business model
- A development strategy driven by key global challenges
- A development under control
- A business model that looks after all stakeholders



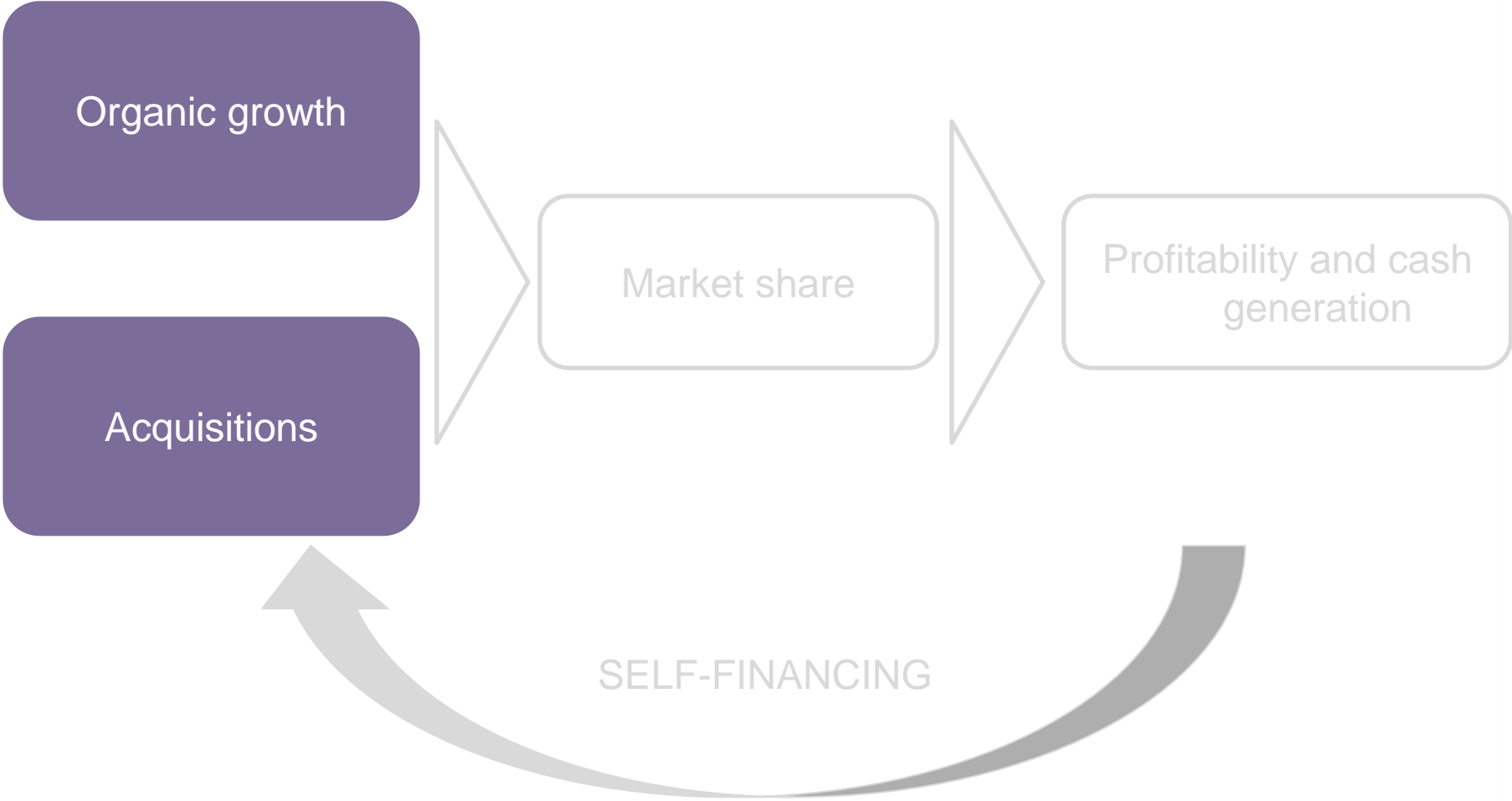
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A Solid Business Model



Two Growth Engines For Self-Financed Development





1st Engine: Organic Growth Fueled by Innovation (1/2)

R&D headcount

% of sales invested in R&D

Number of active patents

Over

2,000

Nearly

5%

Nearly

4,000

2013 data

1st Engine: Organic Growth Fueled by Innovation (2/2)

Mature economies

New economies

New business segments



New Eco-meter
(France)



New PDU
(Worldwide)



Fasclic Auto
Wiremesh
(Worldwide)



Linkeo
VDI enclosures
(Worldwide)



Intersoc-R
Power desk modules
(Worldwide)

Key historic segments



Drivia
Distribution boards
(France)



Kickspot
Emergency lighting
(France)



TX3
Miniature circuit breakers
(China, Russia)



Ysalis and Silkia
Wiring devices
(China)



IndoAsian
Miniature Circuit Breakers
(India)












Glint
Wiring Devices
(India)

2nd Engine: External Growth (1/2)

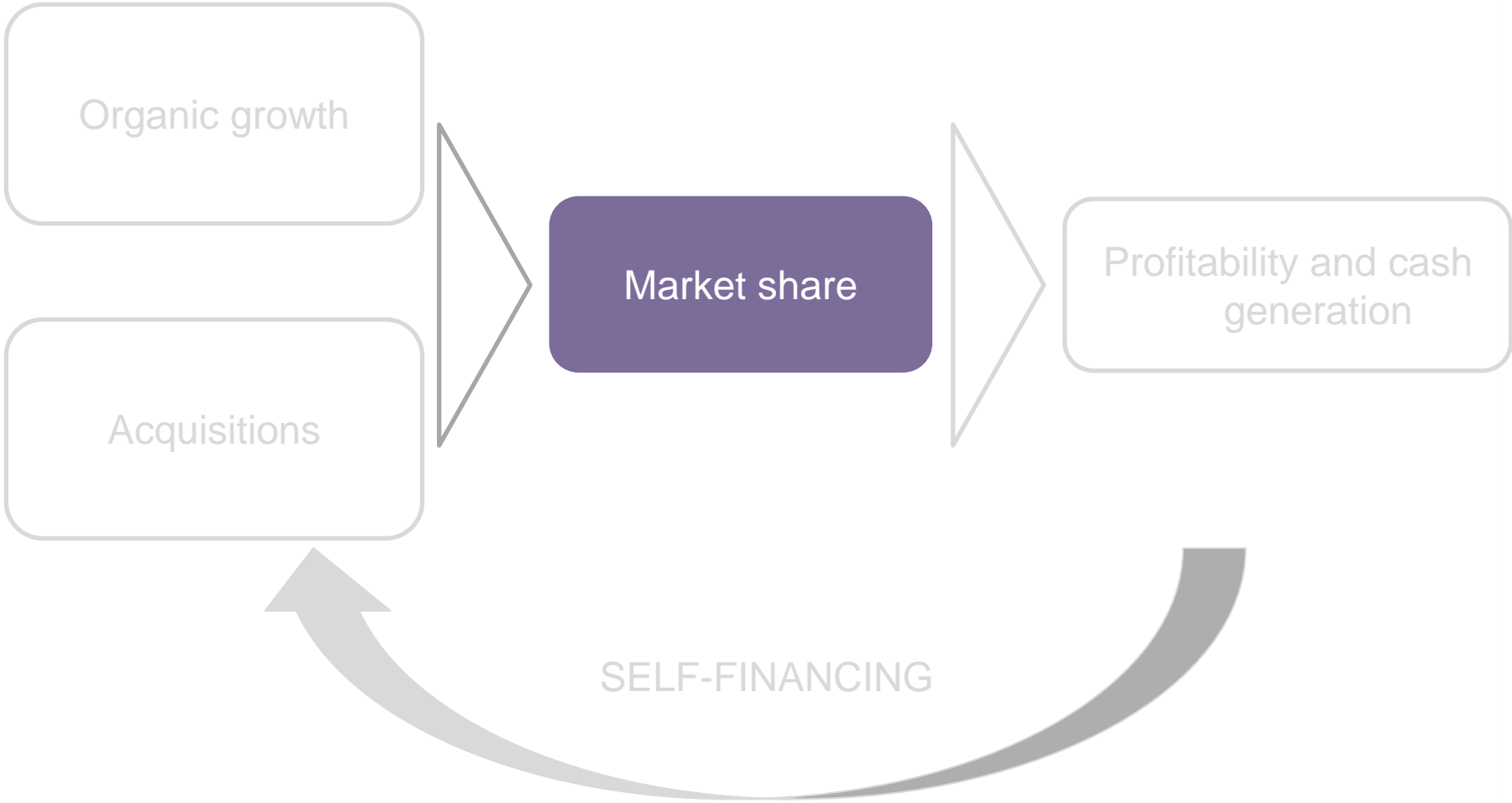
- Bolt-on acquisitions
- Enlarging accessible market
- ↪ Achievements since 2004
 - ✓ 38 companies acquired
 - ✓ €1.3bn of annual sales acquired in total

2nd Engine: External Growth (2/2) 7 Acquisitions Announced Since January 2013

	#1 in industrial metal cable trays	Saudi Arabia	Annual sales of €23m
	Specialist in UPS	France	€20m
 (1)	A key player in distribution boards	India	€23m
  	#2 in assisted living solutions	UK	€15m
	A frontrunner in pre-terminated solutions for VDI and A/V networks	USA	\$130m
 (1)	#1 in assisted living solutions	Spain	€15m
	A frontrunner in digital infrastructures for datacenters	Singapore	€10m

1. Joint venture

Gaining Market Share



Increasing Leadership Positions

% of sales with products #1 or #2 on their markets

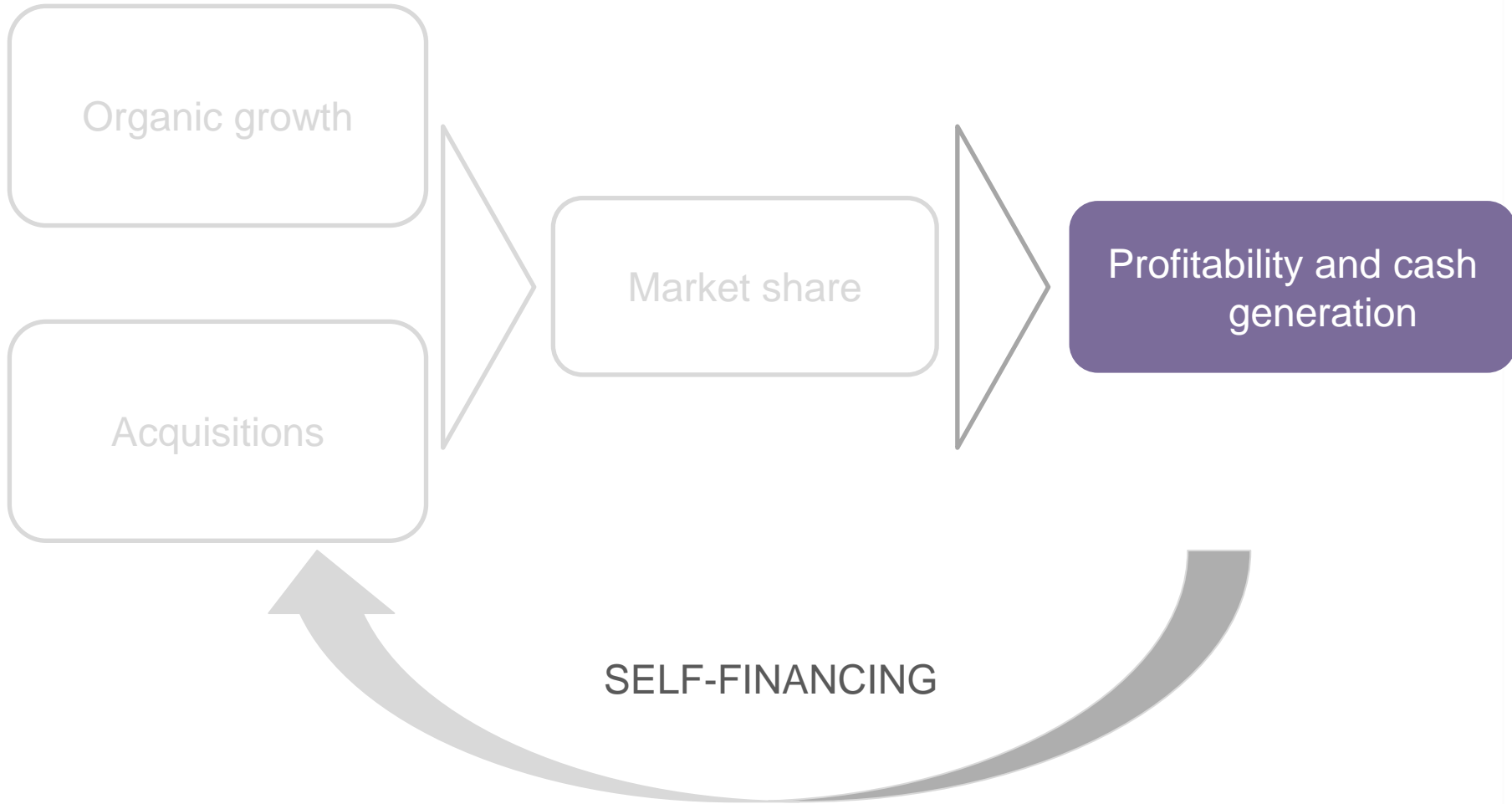
68%

of countries with at least a #1 or #2 position

45

2013 data

Profitability and Cash Generation





Profitability and Cash Generation⁽¹⁾

As a % of sales

Adjusted operating margin	~ 20%
Net margin	~ 11%
Free cash flow	~ 13%

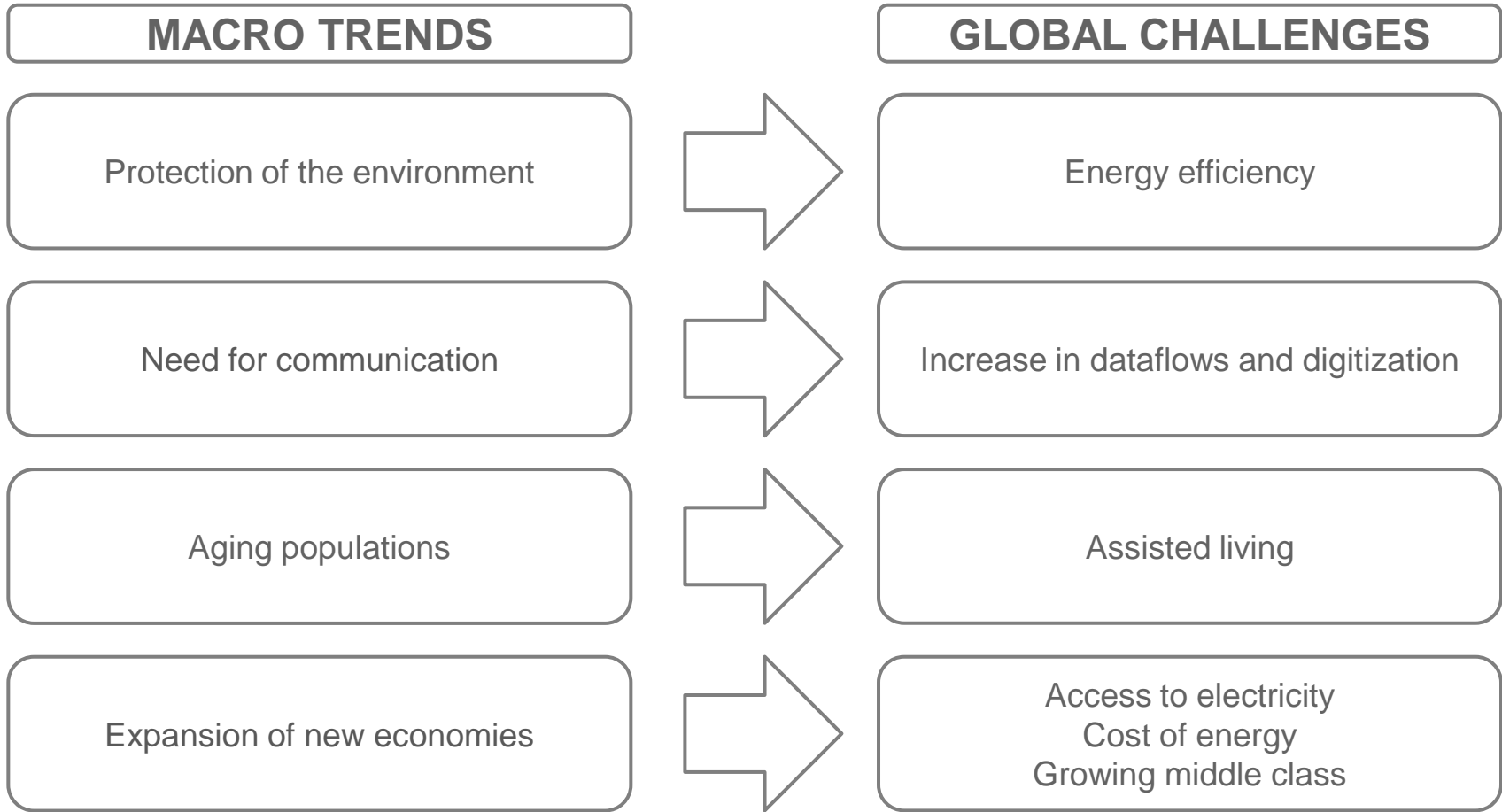
1. On average over the period 2011-2013



- A solid business model
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Macro Trends and Global Challenges



Legrand driven by global challenges

Key Global Challenges

Energy efficiency

Increase in dataflows
and digitization

40%
of energy consumption worldwide
in buildings⁽¹⁾

x50
rise in Internet data flows
by 2020⁽²⁾

1. Source: International Agency for Energy
2. Source: Greenpeace

Legrand's responses

■ Contributing to energy transition



Lighting management



Eco-meter



Electric vehicle charging socket



Direct current protection

■ Facilitating communication inside buildings



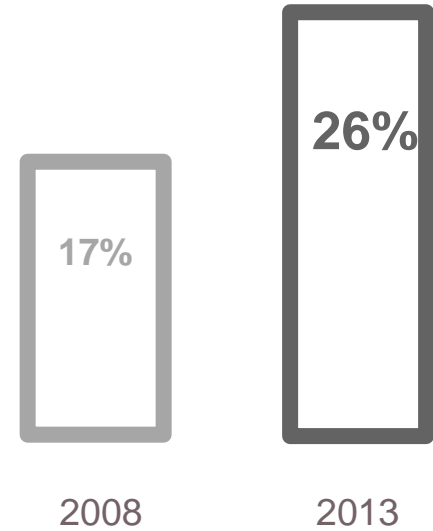
Voice-Data-Image enclosures



Voice-Data-Image cabling

■ Expanding in new business segments⁽¹⁾

Sales as a % of group total



+11%
average annual growth in total sales

1. Energy efficiency, digital infrastructures, residential systems, wire-mesh cable management

Key Global Challenges

Aging populations

Assisted living

x3.3

rise in the world population
aged over 80 by 2050⁽¹⁾

80%

of the French population
wishes to stay at home
as long as possible⁽²⁾

1. Source: United Nations Organization

2. Source: Direction de la Recherche, des Etudes, de l'Evaluation et des Statistiques (DREES)

Legrand's responses

Innovation

2011



- #1 for connected security systems in France

2013



- Frontrunner in assisted living in the UK

2014



- #1 in assisted living in Spain and frontrunner in Europe



Easy-fit socket



Door entry with teleloop



Lighting path



Pendant alarm



Reach Plus alarm



Neo terminal

Legrand #2 in assisted living in Europe



Key Global Challenges

Access to electricity

Cost of energy

Growing middle class

20%
of the world population
has no access to electricity⁽¹⁾

30/40%
of emerging populations'
incomes are spent on energy⁽²⁾

x3
rise in the middle class
in BRIC⁽³⁾ countries
between 2010 and 2020

1. Source: International Agency for Energy
2. Source: United Nations Organization
3. BRIC: Brazil, Russia, India, China

Legrand's responses

- Partner of “*Electriciens Sans Frontières*”



- “Legrand Electricity for All”



- Development of ranges adapted to new economies

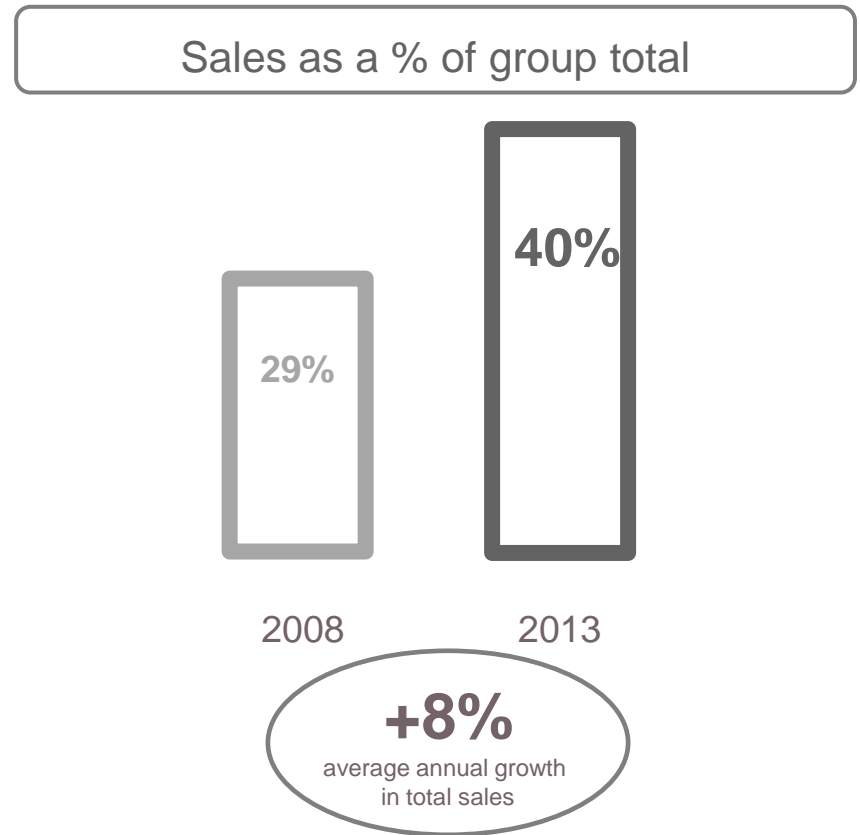


Linkeo VDI enclosures



Glint range (India)

- Expanding in new economies





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- A business model that looks after all stakeholders

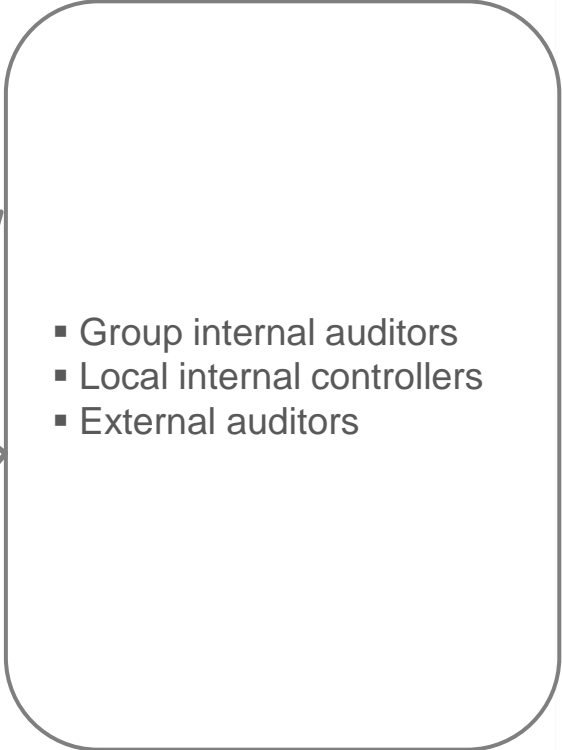
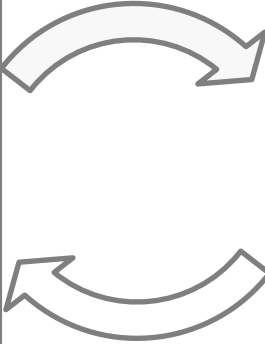


Risk Management

Audit Committee



RISK MANAGEMENT



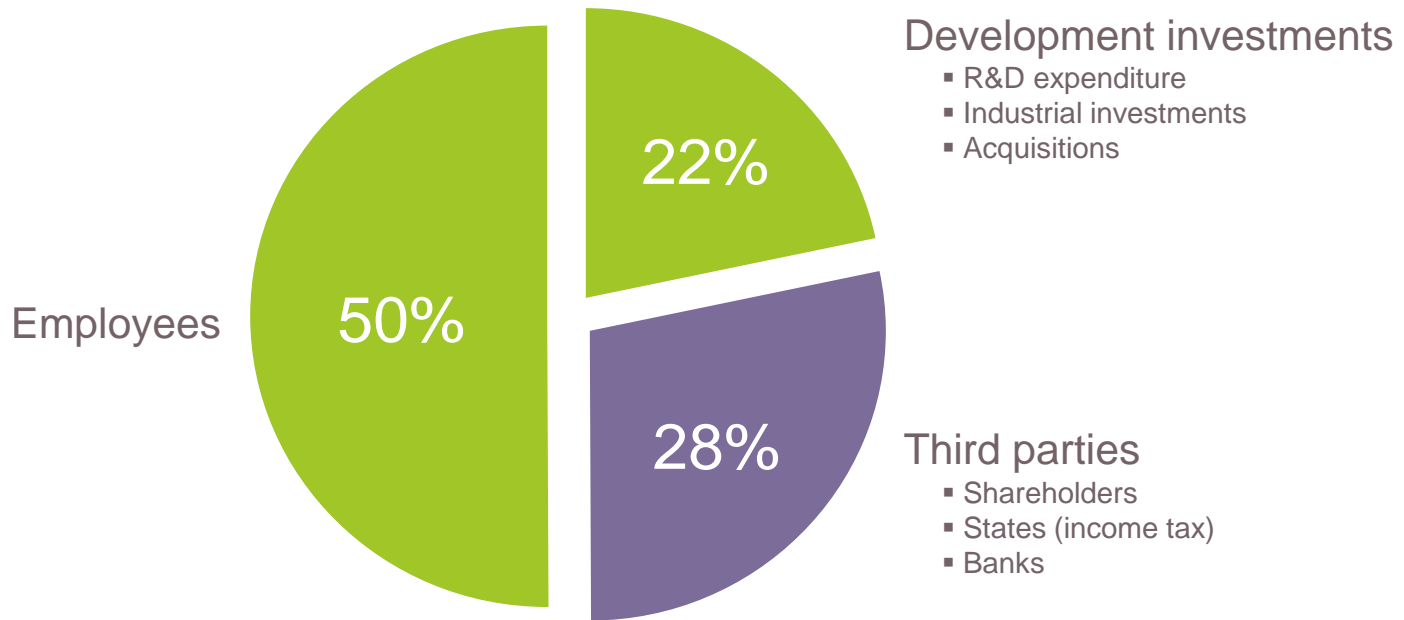
CONTROL AND AUDIT



- A solid business model
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- **A business model that looks after all stakeholders**

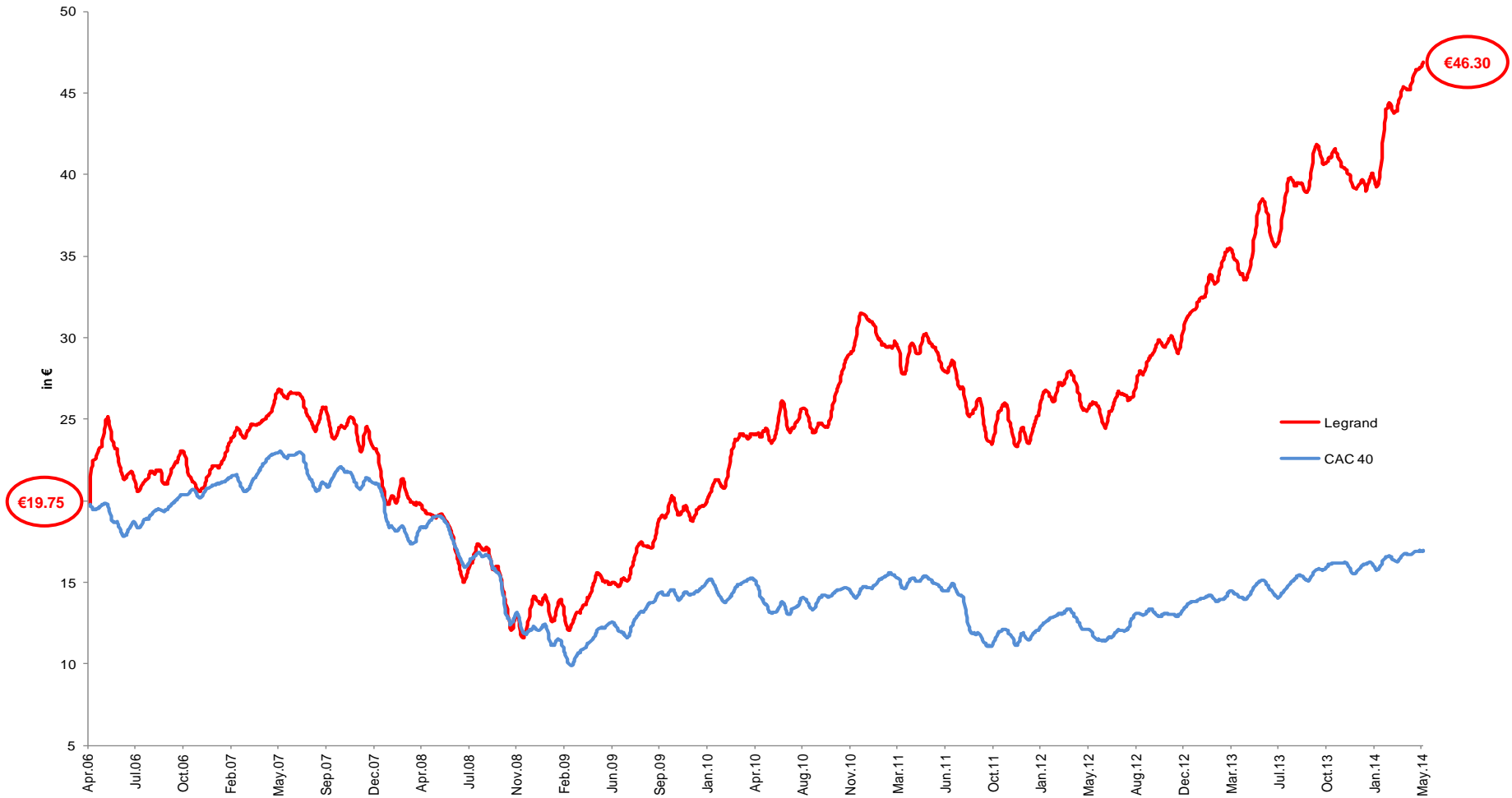
A Business Model That Looks After Stakeholders

Breakdown of the added value created by Legrand⁽¹⁾



1. €2.1bn after payment of suppliers, including €1.0bn in personnel expenses (excluding R&D), €0.5bn in development investments (including R&D personnel expenses) and €0.6bn to third-parties

Shareholders (1/2) Change in Stock Price Since IPO⁽¹⁾



1. 10-day moving average over the period from April 6, 2006 to May 23, 2014

Shareholders (2/2) Promoting Loyalty and Communicating

Promoting loyalty

- Dividend:
2013 proposal⁽¹⁾
 - €1.05 per share
 - Payable on June 3, 2014
- Double voting rights for all shares held in registered form for over 2 years

Communicating

- Quarterly earnings releases
- Toll-free number
- Dedicated shareholders' corner on Legrand's website
- Digital letter to shareholders
- Site visits



CSR ROADMAP
AND
LEGRAND
FOUNDATION

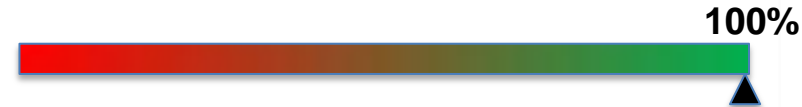


Successful 2011-2013 CSR Roadmap

24 objectives out of 28 were reached at 2013 year-end

Applying ethical commitments

(3 / 3 objectives reached)



Integrating suppliers into the sustainable development process

(3 / 3 objectives reached)



Developing products with high environmental performance

(3 / 4 objectives reached)



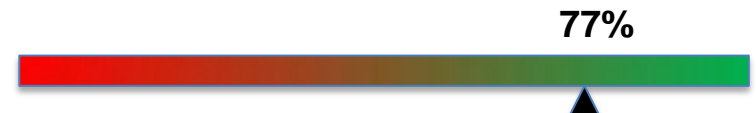
Limiting the Group's environmental impacts

(3 / 3 objectives reached)



Investing in Group's staff

(10 / 13 objectives reached)



Developing access to electricity

(2 / 2 objectives reached)



A New 2014-2018 Roadmap

- Some solid basics ...

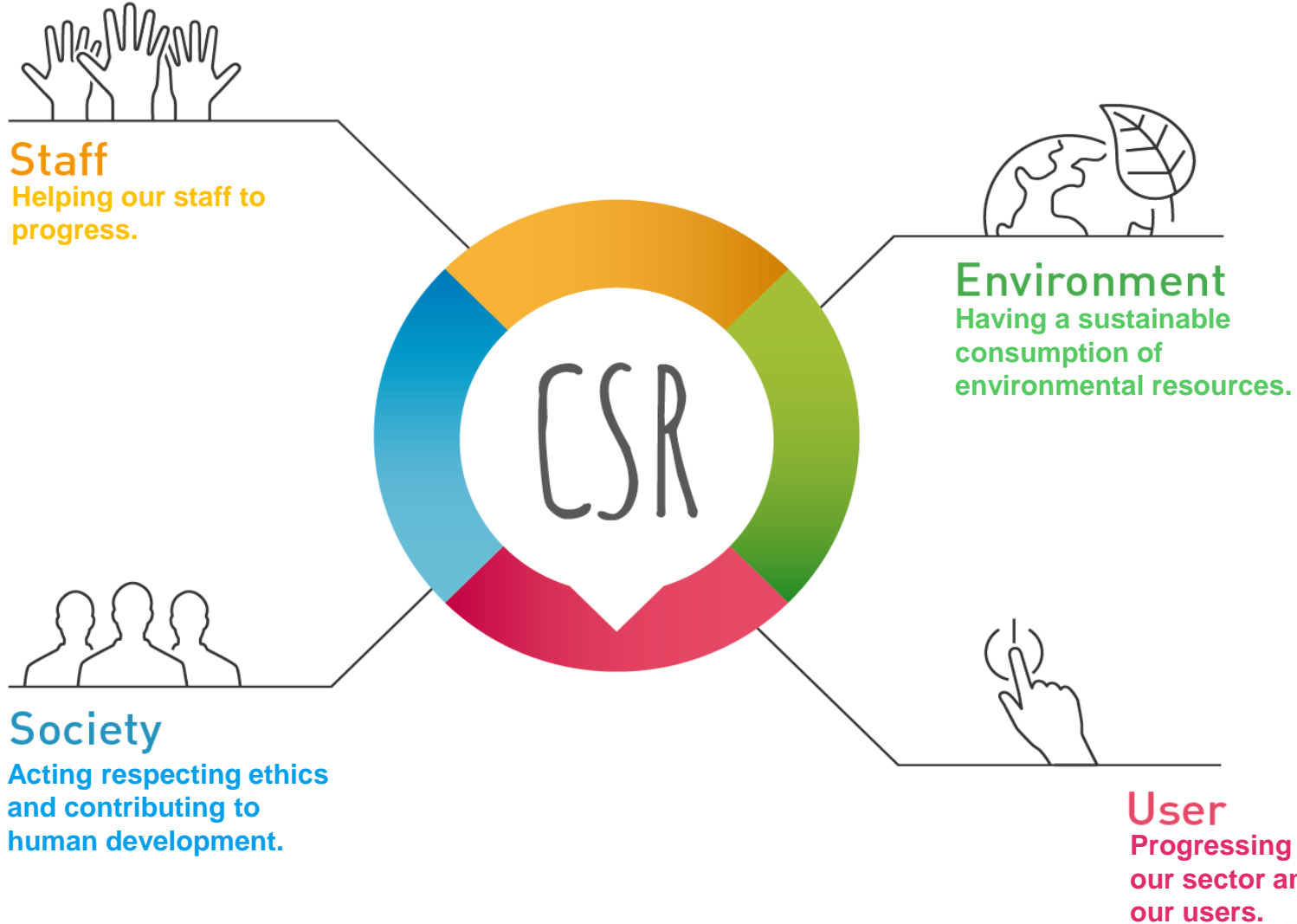
- CSR stakes fully embedded into Group's strategy
- Strong contribution to the Group's growing new business segments

- ... While increasing Group's ambitions :

- a longer term involvement
- quantified objectives
- incentives based on contributors' results

2014-2018 Roadmap Structure

4 Axis – 21 Priorities



2014-2018 Roadmap Structure Staff Axis – 3 Thematics for 6 Priorities

“Respecting Human Rights”

100%

of subsidiaries mapped on
Human Rights risks
infringement

***“Guaranteeing safety and health at
work”***

92%

of staff covered by health and
safety committees

***“Developing skills and promoting
diversity”***

89%

of managers benefit from
individual appraisal reviews

2014-2018 Roadmap Structure Environment Axis – 2 Thematics for 3 Priorities

***“Reducing the Group’s
environmental footprint”***

87%

of Legrand industrial sites are
ISO 14001 certified

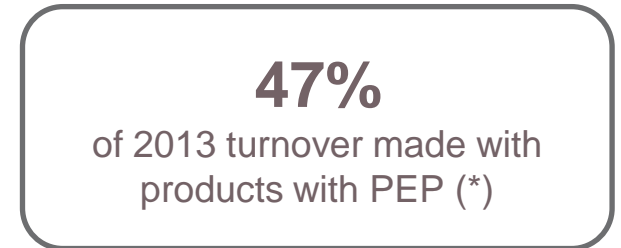
***“Innovating for a circular
economy”***

80%

of design departments conduct
product life cycle analysis

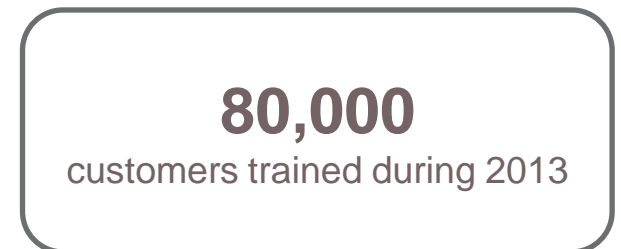
2014-2018 Roadmap Structure User Axis – 2 Thematics for 7 Priorities

“Providing sustainable solutions”



(*) : Product Environmental Profiles

***“Playing a driving role in the
electrical sector”***



2014-2018 Roadmap Structure Society Axis – 3 Thematics for 5 Priorities

“Acting ethically”

100%

of subsidiaries involved in the
compliance program
deployment

“Ensuring responsible purchasing”

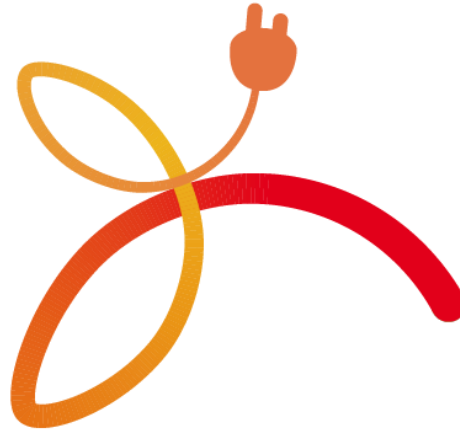
60%

of strategic purchases made
with Global Compact
signatories suppliers.

***“Enabling access to electricity
for all”***

1.1 million

people helped by Legrand /
Electriciens Sans Frontières



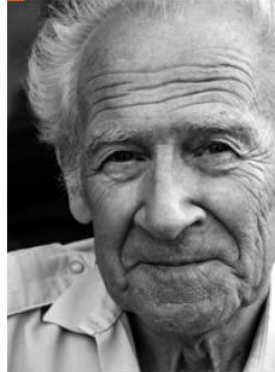
F O N D A T I O N
legrand

Foundation Purpose and Areas of Action

COMBATING EXCLUSION AND ELECTRICITY POVERTY



LOSS OF INDEPENDENCE
FOR A HABITAT THAT ALLOWS PEOPLE
TO CONTINUE LIVING AT HOME



EMPLOYMENT
SUPPORTING ACCESS
TO EMPLOYMENT



**ELECTRICITY
POVERTY**
COMBATING
ELECTRICAL RISK
AND IMPROVING
ENERGY EFFICIENCY



EDUCATION
BUILDING A CAREER PLAN
IN THE ELECTRICAL SECTOR





Foundation Under the Aegis of FACE⁽¹⁾



F A C E
Fondation Agir Contre l'Exclusion

FACE in figures :

- 15 founding corporations
- 4,750 volunteer leaders involved
- 47 business clubs, including 3 abroad
- 5 structures of social mediation
- 3 regional federations
- 345 cities

Foundation Initiatives (1/2)

LOSS OF INDEPENDENCE

- Identify ways in which dwellings can be adapted
- Train professionals in assisted living solutions
- Explore the creation of show apartments



ELECTRICITY POVERTY

- Educate households in financial difficulty
- Implement skills sharing platforms
- Participate in the creation of demonstrators



Foundation Initiatives (2/2)

EDUCATION

- Boost the employability of young people in the electrical sector
- Facilitate professional integration after sandwich-course training
- Mobilize professionals and education



EMPLOYMENT

- Facilitate social and professional integration in the electrical sector
- Facilitate the continued employment or re-employment of discriminated persons



Foundation Executive Committee



Alain Franco
Professor of Geriatrics
and Gerontology



Vincent Baholet
Delegate General of Fondation
Agir Contre l'Exclusion (FACE)



Hervé Pernet
Legrand Group Vice
President of Sustainable
Development and
Strategic Processes



Gilles Schnepf
Legrand Group Chairman
and Chief Executive Officer



Nathalie Lacombe
Legrand Group Sustainable
Development Coordinator



GOVERNANCE AND
STATUTORY
AUDITORS' REPORTS

- **Governance**
- Say on Pay
- Presentation of resolutions
- Statutory Auditors' Reports



Executive Committee

- Number of members: 11 including the Chairman and Chief Executive Officer
- Average seniority in the Group: 21 years
- Experienced members and varied, complementary skills

Functional Directions

40%

Operational Directions

20%

Country Directions

40%



Board of Directors (1/2)

- **Varied and complementary backgrounds** - Strategic, financial and other specific skills (financial communication, CSR, talent management, marketing)
- **70% of Independent Directors**, a proportion in excess of the 50% recommended by the Afep-Medef Code
- **40% of women**, a proportion compliant since 2013 with the requirements of the French Commercial Code (applicable from 2017) and the Afep-Medef Code (applicable from 2016)
- **5 nationalities**, with Directors who are Belgian, Chinese, French, Italian, and Spanish
- **4 personnel representatives**, in an advisory capacity

Board of Directors (2/2)

Proposed renewal of the following Directors' mandates:



- **Olivier Bazil:** Member of the Nominating and Compensation Committee, Member of the Strategy and Social Responsibility Committee

- **François Grappotte:** Honorary Chairman



- **Dongsheng Li:** Independent Director

- **Gilles Schnepf:** Chairman and Chief Executive Officer, Member of the Strategy and Social Responsibility Committee



Specialized Committees

Audit Committee

Chaired by an independent Director
3 members, all independent

Nominating and Compensation Committee

Chaired by an independent Director
3 members, 2 of whom
independent

Strategy and Social Responsibility Committee

Chaired by an independent Director
4 members, 2 of whom
independent

- Specialized Committees that are **engaged, active, strongly committed**
 - ✓ In 2013, 11 meetings of Specialized Committees
 - ✓ Average attendance rate of 96%
 - ✓ Multiple individual meetings with the Group's operational management staff or with Statutory Auditors
 - ✓ Committees entrusted with expanded responsibilities including CSR



Lead Director

- An Independent Director: **Angeles Garcia Poveda**
 - ✓ Chairwoman of the Nominating and Compensation Committee
 - ✓ Member of the Strategy and Social Responsibility Committee

- Precise assignments, powers, and resources



Evaluation of the Board of Directors and Its Specialized Committees

- **Annual evaluation** of the Board of Directors and its Committees, henceforth **supervised by the Lead Director**

- **Satisfaction expressed by Directors**, concerning especially:
 - ✓ Board membership
 - ✓ Quality of information provided
 - ✓ Quality of discussions

- **An approach of continuous progress - Examples of initiatives taken in response to specific requests:**
 - ✓ Presentation to the Board of several operational topics
 - ✓ Organization of a Board Seminar including strategic presentations, guided tours of production facilities and laboratories
 - ✓ Extension of the duration of meetings
 - ✓ Review of the amount dedicated to attendance fees

- Governance
- **Say on Pay**
- Presentation of resolutions
- Statutory Auditors' Reports

Chairman and CEO's Compensation

	2012	2013	Variation
Compensation paid in respect of the financial year			
Fixed compensation	€625,000	€625,000	
Annual bonus	€844,161	€710,000 ⁽¹⁾	
Benefits in kind	€4,274	€4,308	
Sub-total	€1,473,435	€1,339,308	- 9%
Other items allocated in the course of the financial year			
Performance shares	€758,230	N/A	
Performance units	N/A	€605,221 ⁽²⁾	
Sub-total	€758,230	€605,221	- 20%
Overall total	€2,231,665	€1,944,529	- 13%

■ **Fixed compensation:** unchanged since 2011

1. Calculated according to the method explained on page 61
2. IFRS value - Amount after Gilles Schnepf gave up half of his allocation

Annual Variable Bonus

Precise and transparent criteria

Quantitative portion: 75%⁽¹⁾

- Economic result
- Organic growth
- Growth in sales by acquisitions
- Achievement of CSR roadmap priorities

Qualitative portion: 25%⁽¹⁾

- Positive variation in sales
- Quality of the external growth policy
- Risk management, labor issues, succession plans

**Variation in a range from 0 to 150%⁽²⁾
of fixed compensation,
according to criteria achievement rate**

In 2013, achievement of targets at 113.6% of fixed compensation, i.e. €710,000

1. Target value expressed as a percentage of fixed compensation

2. Principles applicable from 2013. Before, variation was possible in a range from 0 to 200% of fixed compensation

Long-Term Incentive

Strict vesting conditions

Strict performance conditions

2 equally weighted criteria:

- External performance⁽¹⁾
- Internal performance⁽²⁾

Service condition

- Over 3 years
- And additional 2-year unavailability period with share price index link

**Final allocation ranging from 0 to 150%⁽³⁾
of fixed compensation,
according to criteria achievement rate**

2013 attribution: IFRS value estimated at €605,221, according to an independent expert report

1. Comparison of the average EBITDA margin over 3 years with that of the MSCI World Capital Goods
2. Level of normalized free cash flow over 3 years as a percentage of sales
3. Before application of the share price index linking mechanism



- Governance
- Say on Pay
- **Presentation of resolutions**
- Statutory Auditors' Reports

Resolutions for the Ordinary General Meeting

- **Resolutions Nos. 1-3:** Resolutions on the approval of financial statements, appropriation of earnings, and distribution of dividend
- **Resolutions Nos. 4-7:** Resolutions on the renewal of 4 Directors' mandates
- **Resolution No. 8:** Resolution on 'Say on Pay'
- **Resolution No. 9:** Determination of attendance fees allocated to members of the Board

Resolutions on the buyback and cancellation of Company shares

- **Resolution No. 10:** Authorization granted to the Board of Directors to allow the Company to trade in its own shares
- **Resolution No. 11:** Authorization granted to the Board of Directors to reduce the capital stock by cancellation of shares

Resolutions on Financial Authorizations

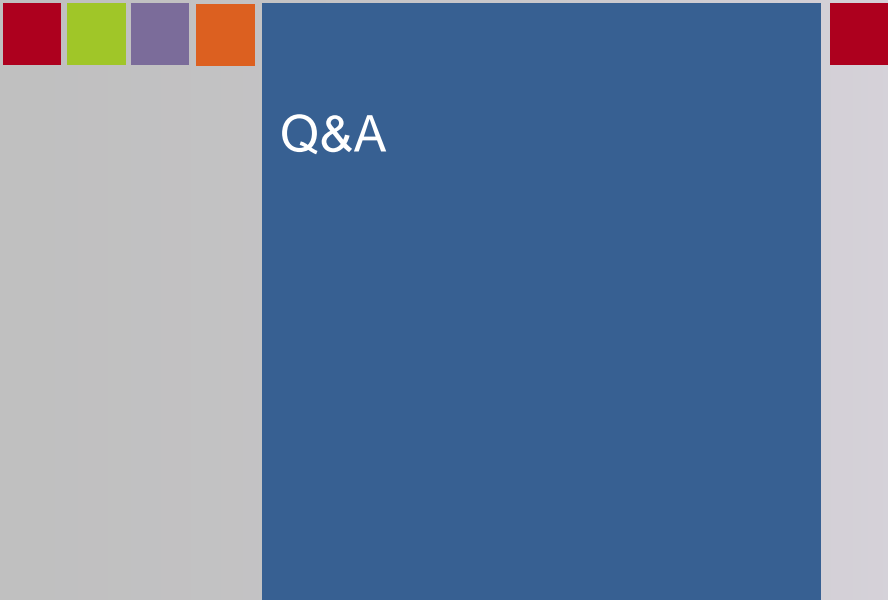
Resolution	Resolution purpose	Resolution limit
No. 12	Issuance of securities, with preferred subscription rights maintained	<ul style="list-style-type: none"> • <u>Equity securities</u>: ~19% of capital • <u>Debt securities</u>: €2 Billion
No. 13	Issuance of securities, with preferred subscription rights waived (public offering)	<ul style="list-style-type: none"> • <u>Equity securities</u>: ~9% of capital • <u>Debt securities</u>: €1 Billion
No. 14	Issuance of securities, with preferred subscription rights waived (private placement)	
No. 15	Powers to increase the amount of issues made in the event of excess demand	15% of the initial issuance
No. 16	Capital increase through incorporation of reserves, profit, premiums or other items	€100 Million
No. 17	Issuance of securities in favor of participants in employee share-ownership programs of the Company or Group	€25 Million
No. 18	Issuance of securities as consideration for contributions in kind to the Company	5% of capital

- Governance
- Say on Pay
- Presentation of resolutions
- **Statutory Auditors' Reports**

Statutory Auditors' Reports

- For the Ordinary General Meeting:
 - ✓ on Company and consolidated annual financial statements
 - ✓ on regulated agreements and commitments
 - ✓ on the report of the Chairman of the Board on corporate governance and internal control
 - ✓ on the consolidated environmental, labor and social information published in the management report

- For the Extraordinary General Meeting:
 - ✓ on the reduction of the capital stock by the cancellation of treasury shares
 - ✓ on the issuance of shares and various securities with preferred subscription rights maintained and/or waived
 - ✓ on the issuance of shares and/or securities in favor of participants in employee share-ownership programs of the Company or Group



Q&A



VOTE OF RESOLUTIONS

APPENDICES

2014-2018 ROADMAP

STAFF AXIS – 6 PRIORITIES

STAFF

Respecting Human Rights

- | | |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Mapping and annually assessing workforce exposure to the risk of violation of human rights in the workplace and deploying measures for improvement as appropriate. |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Guaranteeing safety and health at work

- | | |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2 | Implementing and maintain a work-related risk control plan covering at least 90% of the workforce. |
| 3 | Implementing the safety and health monitoring and improvement process and maintaining coverage of at least 90% of the workforce, with the objective of reducing by 20% the Group accident frequency rate. |

Developing skills and promoting diversity

- | | |
|---|-------------------------------------------------------------------------------------------------------------------|
| 4 | Maintaining a dynamic approach to talent and skills management, suited to employee expectations and market needs. |
| 5 | Increasing by 25% the number of women in key positions. |
| 6 | Reducing by 15% the male/female pay gap in non-managerial positions in the Group. |

2014-2018 ROADMAP

ENVIRONMENT AXIS – 3 PRIORITIES

ENVIRONMENT

Reducing the Group's environmental footprint

1 Decreasing energy intensity by 10%.

Innovating for a circular economy

2 Achieving a rate above 90% of ISO 14001 certification of the Group's industrial and logistics facilities

3 Deploying the principles of a circular economy from the product design phase and until the end-of-life recovery of products.

2014-2018 ROADMAP

USER AXIS – 7 PRIORITIES

USER

Providing sustainable solutions

- 1 Increasing by 50% Group sales of solutions offering improved living conditions and greater comfort.
- 2 Extending the deployment of initiatives in favour of product quality and against counterfeiting in the electrical industry.
- 3 Providing product environmental data compliant with ISO 14025 for products accounting for $\frac{2}{3}$ of total Group sales.
- 4 Avoiding the production of 1.5 million tons of CO₂ equivalent.

Playing a driving role in the electrical sector

- 5 Continuing providing training to industry players, with continual innovation in responding to local needs and specifics.
- 6 Continuing developing university partnerships and collaborative research projects, and implementing the resulting innovations.
- 7 Providing feedback schemes and customer satisfaction measurement for 95% of total Group sales.

2014-2018 ROADMAP

SOCIETY AXIS – 5 PRIORITIES

SOCIETY

Acting ethically

- 1 Having an additional 3,000 staff trained in business ethics.
- 2 Covering 100% of Group sales through a Group compliance programme monitoring scheme.

Ensuring responsible purchasing

- 3 Supporting 100% of sensitive suppliers in deploying an improvement approach on environmental issues, fundamental human rights at work, and business ethics.

Enabling access to electricity for all

- 4 Aiming to enable 800,000 additional people to benefit from access to electricity, whether directly or indirectly.
- 5 Ensuring the widest possible access to the benefits of Legrand Foundation initiatives.

Disclaimer

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