



# AGENDA

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HIGHLIGHTS

## HIGHLIGHTS

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### □ **Robust H1 2016 performance**

- Organic<sup>(1)</sup> growth: +1.9%
  - ✓ Solid performance in the US (+5.5%)
  - ✓ Growth in mature European countries (+1.6%)
  - ✓ Stability in new economies where conditions vary from one country to the next
  - ✓ Favorable calendar effect estimated at around one day in H1 2016 that should be reversed in H2 2016
- Adjusted operating profit: up +3.1%, mainly driven by good operating performance against a backdrop of rising sales

### □ **Numerous growth initiatives**

- Ongoing development in connected offerings
- 7 acquisitions concluded since Jan. 1, 2016: close to €160m of annual sales acquired

### □ **2016 targets fully confirmed**

1. Organic: at constant scope of consolidation and exchange rates.

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**ROBUST  
H1 2016 PERFORMANCE**

ROBUST H1 2016  
PERFORMANCE

## H1 2016 CHANGE IN NET SALES

€ million

2,412



H1 2015

2,448



H1 2016

- Organic<sup>(1)</sup> growth: +1.9%
- External growth: +3.0%<sup>(2)</sup>
- Exchange rate: -3.3%<sup>(3)</sup>

Total growth: +1.5%

1. Organic: at constant scope of consolidation and exchange rates.

2. Based on acquisitions announced and their likely date of consolidation, the total change in the scope of consolidation should boost consolidated sales for 2016 by over +4%.

3. Applying average exchange rates for June 2016 to the rest of the year, the full-year exchange-rate effect would be close to -3%.

## H1 2016 ORGANIC<sup>(1)</sup> CHANGE IN NET SALES BY GEOGRAPHICAL REGION (1/2)

### France

(18.7% of total Group sales)

- -2.7% organic<sup>(1)</sup> change in sales
- Including -1.5% in Q2 2016, which benefited from a favorable calendar effect that should be reversed in H2 2016, particularly in Q3 2016
- New residential and non-residential construction leading indicators have improved since the beginning of the year – a trend that should only be reflected in Legrand's activity with several quarters' lag

### Italy

(11.1% of total Group sales)

- +4.3% organic<sup>(1)</sup> growth
- Good performance benefiting from:
  - the successful launch of the new range of Class 300X connected door entry systems in H1 2016, along with
  - one-off projects in energy distribution

1. Organic: at constant scope of consolidation and exchange rates.

## H1 2016 ORGANIC<sup>(1)</sup> CHANGE IN NET SALES BY GEOGRAPHICAL REGION (2/2)

### Rest of Europe (17.4% of total Group sales)

- +6.0% organic<sup>(1)</sup> growth
- Healthy growth recorded in
  - several mature countries, including Germany, Austria and Southern Europe (Spain, Greece and Portugal), and
  - many new economies, including Romania, Hungary, Slovakia and the Czech Republic
- More specifically, sales rose in Russia in H1 2016
- Modest rise in sales in the UK in H1 2016 (UK accounts for ~2.5% of Group sales<sup>(2)</sup>)

### North & Central America<sup>(3)</sup> (27.5% of total Group sales)

- +5.7% organic<sup>(1)</sup> growth
- +5.5% organic growth in the US alone
  - in a construction market that remains well-oriented, outperformance of Legrand vs. trends in market indicators, driven in particular by one-off effects linked to the ongoing success of the Digital Lighting Management offering in highly energy-efficient lighting control, plus good showings in the non-residential segment
  - excluding these one-off effects: organic growth in the neighborhood of +3%, in line with the estimated trend in Legrand's market
- Healthy rise in sales also in Mexico and other countries in the region as a whole

### Rest of the World (25.3% of total Group sales)

- -2.0% organic<sup>(1)</sup> change in sales
- Healthy rise in sales in India, Chile, Colombia and Algeria that did not offset decline in sales in Brazil and in certain countries in Asia and Middle-East
- In China more particularly: after the non-recurring positive impact of government measures at the beginning of the year, the market resumed its downward trend, and all in all Legrand's sales in China were flat in H1 2016

1. Organic: at constant scope of consolidation and exchange rates.  
 2. Based on average exchange rates for H1 2016 and annual sales of the last acquisitions  
 3. As announced, "Starting January 1, 2016, the United States/Canada region will become the North and Central America region and will comprise the United States, Canada, Mexico and the other countries in Central America."



## H1 2016 ADJUSTED<sup>(1)</sup> OPERATING MARGIN

<b>H1 2015</b>	<b>adjusted operating margin</b>	<b>19.8%</b>
	Mainly good operating performance against a backdrop of rising sales	+0.5 pt
<b>H1 2016</b>	<b>adjusted operating margin before acquisitions<sup>(2)</sup></b>	<b>20.3%</b>
	impact of acquisitions	-0.2pt
<b>H1 2016</b>	<b>adjusted operating margin</b>	<b>20.1%</b>

1. Operating profit adjusted for amortization of revaluation of intangible assets at the time of acquisitions and for expense/income relating to acquisitions (€21.5 million in H1 2015 and €21.9 million in H1 2016) and, where applicable, for impairment of goodwill (€0 in H1 2015 and H1 2016).

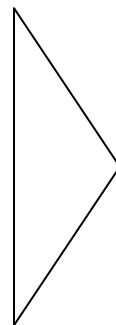
2. At 2015 scope of consolidation.

## H1 2016 NET INCOME EXCLUDING MINORITY INTERESTS

- Good operating performance: €14.2m rise in operating profit

offset by

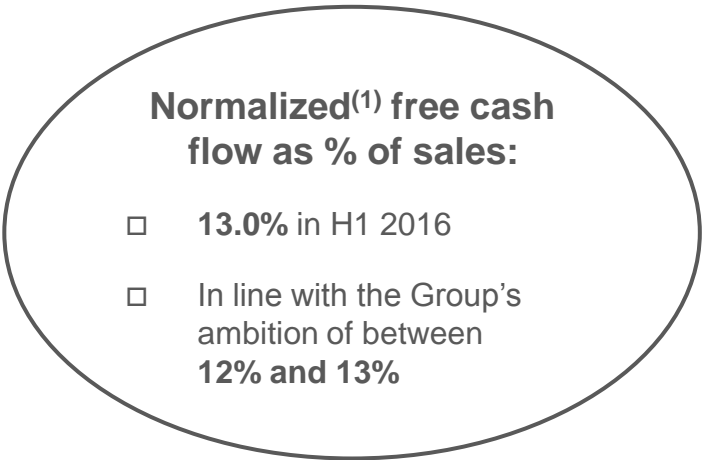
- a €5.9m rise in net financial expense (which remains under control at less than 2% of sales), due in particular to the December 2015 issue of a bond to anticipate refinancing of the bond maturing in February 2017
- a €6.0m rise in income tax expense (tax rate at 32.9%)
- other items (notably a €1.2m decline in the foreign-exchange result)



**€283m,  
11.6% of  
sales**

## H1 2016 FREE CASH FLOW GENERATION

- Robust cash flow from operations in H1 2016: €381m, i.e. 15.5% of sales
  
- Capital employed under control
  - Working capital requirement: 9.5% of sales
  - Capex: 2.4% of sales



### Normalized<sup>(1)</sup> free cash flow as % of sales:

- **13.0%** in H1 2016
  
- In line with the Group's ambition of between **12% and 13%**

1. *Based on a working capital requirement representing 10% of the last 12 months' sales, and whose change at constant scope of consolidation and exchange rates is adjusted for the first half.*

*Normalized free cash flow is a good measure of free cash flow generation, in particular on a quarterly basis.*

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**NUMEROUS  
GROWTH INITIATIVES**

## 2016 INVESTOR DAY – MAIN TAKEAWAYS

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- Deployment of industrial and commercial initiatives in line with the development plan presented at the 2014 Investor Day
- Success of Legrand's business model in the USA/Canada region
- Development of connected offerings supported by Legrand's sound fundamentals
- Good integrated performance and capacity to create value on a long-term basis

## ONGOING DEVELOPMENT IN CONNECTED OFFERINGS

### Eliot program deployment



After a launch in France (July 2015) and Italy (September 2015), Eliot to be deployed in several countries in H2 2016

### Sample of new connected products launched in H1 2016



CLASS300X  
DOOR ENTRY SYSTEM



NFC MODULAR  
DIMMER



MYHOME PLAY

### Partnerships and alliances










In addition to numerous existing partnerships (Samsung, Nest, and more), new partnership with TCL in China announced in July 2016



**Ahead of the development plan**

## H1 2016 EXTERNAL GROWTH

	<u>Business</u>	<u>Country</u>	<u>Annual sales</u>
	Lighting solutions	United States	~\$105m
	Lighting control	United Kingdom	~£24m
	Audio/video infrastructure	United States	>\$20m
 	UPS <sup>(1)</sup>	Italy and Germany	<€9m
 Trias <sup>(2)</sup>	Cable management and distribution cabinets	Indonesia	~€6m
	Assisted living	United Kingdom	~£3m



**7 acquisitions in H1 2016: close to €160m of annual sales acquired**



**2016 FY sales already boosted by over +4% scope-of-consolidation effect<sup>(3)</sup>**

1. UPS: Uninterruptible Power Supply.
2. Joint Venture. Legrand holds 80% of equity.
3. Based on acquisitions already announced and their likely date of consolidation.

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**2016 TARGETS  
FULLY CONFIRMED**



## 2016 TARGETS<sup>(1)</sup> FULLY CONFIRMED

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- Legrand fully confirms its 2016 targets:
  - organic change in sales of between -2% and +2%, and
  - adjusted operating margin before acquisitions (at 2015 scope of consolidation) of between 18.5% and 19.5% of sales.
  
- Legrand will also pursue its strategy of value-creating acquisitions.


1. See Appendix on page 19 for the complete wording of Legrand's 2016 targets.

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## APPENDICES

## 2016 TARGETS

## Excerpt of 2015 full-year results presentation

7 APPENDICES 2016 TARGETS 

□ In an uncertain global context, Legrand is benefiting from its favorable positioning thanks to its limited presence both

- in the new economies most affected by economic slowdown and
- in the oil and gas industry.

Moreover, the construction market may have bottomed out in some mature countries in Europe; it should also remain upbeat in some other countries, such as the United States.

Yet for 2016, macroeconomic projections have recently become more cautious and some new economies may continue to be affected by unfavorable economic conditions.

Against this backdrop, Legrand is targeting a 2016 organic change in sales of between -2% and +2%. The Group has also set a target for adjusted operating margin before acquisitions (at 2015 scope of consolidation) of between 18.5% and 19.5% of sales in 2016.

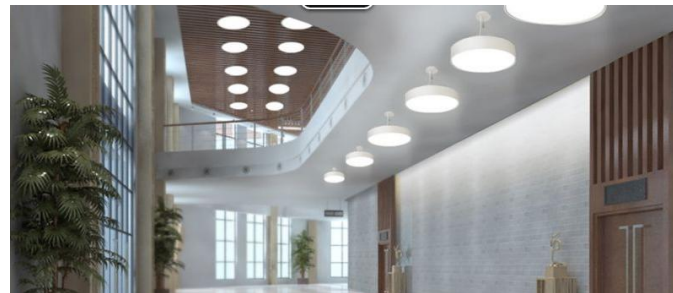
□ Legrand will also pursue its strategy of value-creating acquisitions.

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## ACQUISITIONS PINNACLE ARCHITECTURAL LIGHTING



- One of the US leaders in architectural lighting solutions for non-residential buildings
- Annual revenues around \$105m
- 230 employees



- Reinforces Legrand's positions in the US lighting market for non-residential buildings, which is underpinned by regular adoption of new energy codes
- Allows Legrand to develop customized solutions that can combine the 3 main technologies used for lighting control: wall, lighting control panels, lighting fixtures

## ACQUISITIONS CP ELECTRONICS



- UK leader in energy-efficient lighting control
- Annual revenues around £24m
- Around 180 employees



- Complement to Legrand's current offering for the commercial market in the UK
- Rounds out the Group's presence in energy-efficient lighting control, a market driven by the regular adoption of new energy codes and increased demand for energy-saving solutions

## ACQUISITIONS LUXUL WIRELESS



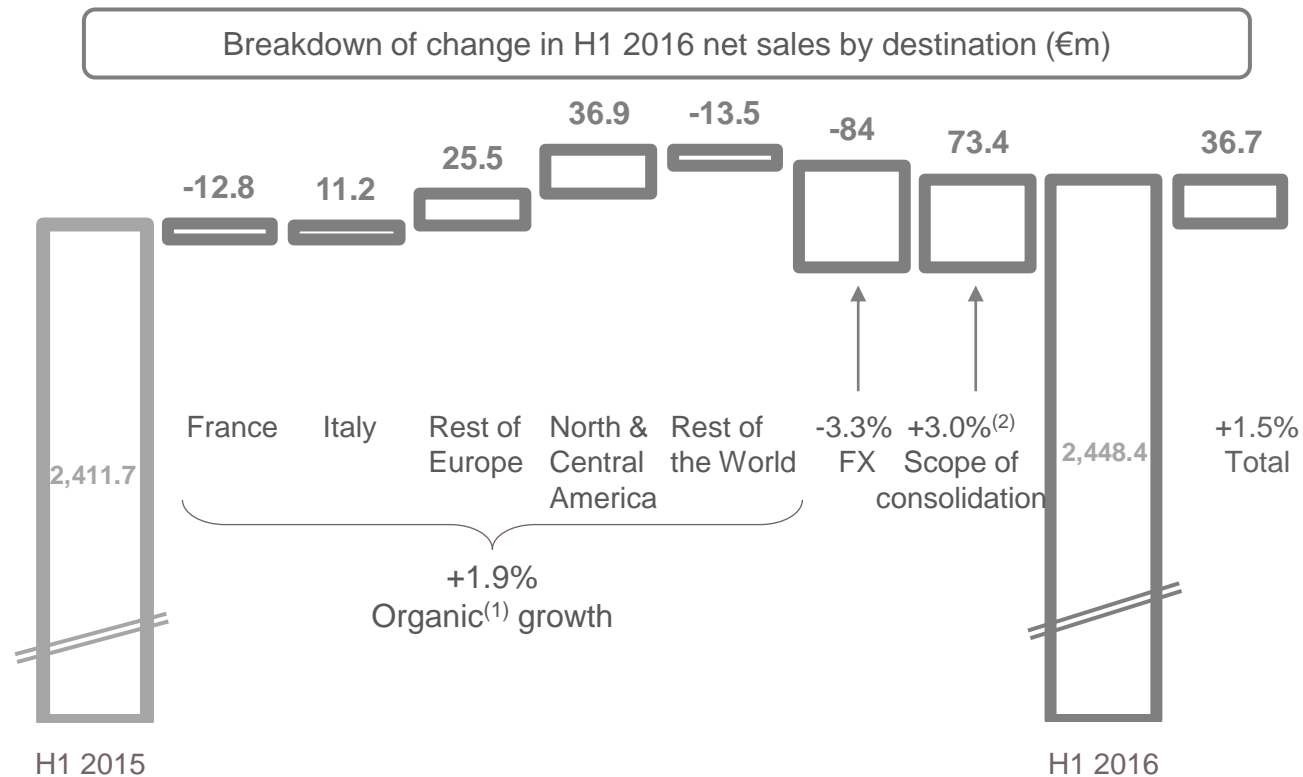
- US leader in audio/video infrastructures products<sup>(1)</sup> for residential and small- to mid-size commercial buildings
- Annual revenues over \$20m
- Around 30 employees



- Ideal complement to Legrand's generalist US offering of structured cabling for housing (On-Q)
- Rounds out the Group's offering in the specialized and growing US market for audio and video applications

1. *Wireless routers, access points and switches.*

## CHANGE IN NET SALES



1. Organic: at constant scope of consolidation and exchange rates.
2. Due to the consolidation of Raritan, IME, Valrack and QMotion.

## 2016 FIRST HALF – NET SALES BY DESTINATION<sup>(1)</sup>

In € millions	H1 2015	H1 2016	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
France	466.7	457.4	<b>-2.0%</b>	0.7%	<b>-2.7%</b>	0.0%
Italy	255.3	270.7	<b>6.0%</b>	1.6%	<b>4.3%</b>	0.0%
Rest of Europe	412.8	426.7	<b>3.4%</b>	2.7%	<b>6.0%</b>	-5.1%
North and Central America	605.0	674.2	<b>11.4%</b>	6.7%	<b>5.7%</b>	-1.2%
Rest of the World	671.9	619.4	<b>-7.8%</b>	2.1%	<b>-2.0%</b>	-7.9%
<b>Total</b>	<b>2,411.7</b>	<b>2,448.4</b>	<b>1.5%</b>	<b>3.0%</b>	<b>1.9%</b>	<b>-3.3%</b>

1. Market where sales are recorded.



## 2016 FIRST QUARTER – NET SALES BY DESTINATION<sup>(1)</sup>

In € millions	Q1 2015	Q1 2016	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
France	222.8	215.9	<b>-3.1%</b>	0.9%	<b>-4.0%</b>	0.0%
Italy	131.0	139.4	<b>6.4%</b>	1.6%	<b>4.7%</b>	0.0%
Rest of Europe	203.0	210.2	<b>3.5%</b>	2.6%	<b>5.4%</b>	-4.2%
North and Central America	283.1	328.1	<b>15.9%</b>	7.0%	<b>7.6%</b>	0.7%
Rest of the World	324.8	296.0	<b>-8.9%</b>	1.8%	<b>-2.4%</b>	-8.3%
<b>Total</b>	<b>1,164.7</b>	<b>1,189.6</b>	<b>2.1%</b>	<b>3.0%</b>	<b>1.9%</b>	<b>-2.8%</b>

1. Market where sales are recorded.

## 2016 SECOND QUARTER – NET SALES BY DESTINATION<sup>(1)</sup>

In € millions	Q2 2015	Q2 2016	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
France	243.9	241.5	<b>-1.0%</b>	0.6%	<b>-1.5%</b>	0.0%
Italy	124.3	131.3	<b>5.6%</b>	1.7%	<b>3.9%</b>	0.0%
Rest of Europe	209.8	216.5	<b>3.2%</b>	2.8%	<b>6.6%</b>	-5.8%
North and Central America	321.9	346.1	<b>7.5%</b>	6.5%	<b>4.1%</b>	-3.0%
Rest of the World	347.1	323.4	<b>-6.8%</b>	2.3%	<b>-1.5%</b>	-7.5%
<b>Total</b>	<b>1,247.0</b>	<b>1,258.8</b>	<b>0.9%</b>	<b>3.1%</b>	<b>1.9%</b>	<b>-3.8%</b>

1. Market where sales are recorded.

## 2016 FIRST HALF – NET SALES BY ORIGIN<sup>(1)</sup>

In € millions	H1 2015	H1 2016	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
France	524.3	511.0	<b>-2.5%</b>	1.1%	<b>-3.6%</b>	0.0%
Italy	268.7	286.8	<b>6.7%</b>	2.6%	<b>4.1%</b>	0.0%
Rest of Europe	405.4	412.8	<b>1.8%</b>	1.9%	<b>5.6%</b>	-5.4%
North and Central America	620.3	688.0	<b>10.9%</b>	6.9%	<b>4.9%</b>	-1.1%
Rest of the World	593.0	549.8	<b>-7.3%</b>	1.7%	<b>-0.1%</b>	-8.8%
<b>Total</b>	<b>2,411.7</b>	<b>2,448.4</b>	<b>1.5%</b>	<b>3.0%</b>	<b>1.9%</b>	<b>-3.3%</b>

1. Zone of origin of the product sold.

## 2016 FIRST QUARTER – NET SALES BY ORIGIN<sup>(1)</sup>

In € millions	Q1 2015	Q1 2016	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
France	250.3	239.3	<b>-4.4%</b>	1.0%	<b>-5.4%</b>	0.0%
Italy	137.2	147.5	<b>7.5%</b>	2.6%	<b>4.8%</b>	0.0%
Rest of Europe	200.4	205.0	<b>2.3%</b>	1.9%	<b>5.2%</b>	-4.6%
North and Central America	290.3	334.5	<b>15.2%</b>	7.0%	<b>6.9%</b>	0.8%
Rest of the World	286.5	263.3	<b>-8.1%</b>	1.7%	<b>-0.6%</b>	-9.1%
<b>Total</b>	<b>1,164.7</b>	<b>1,189.6</b>	<b>2.1%</b>	<b>3.0%</b>	<b>1.9%</b>	<b>-2.8%</b>

1. Zone of origin of the product sold.

## 2016 SECOND QUARTER – NET SALES BY ORIGIN<sup>(1)</sup>

In € millions	Q2 2015	Q2 2016	Total Change	Scope of Consolidation	Like-for-Like Growth	Currency Effect
France	274.0	271.7	<b>-0.8%</b>	1.2%	<b>-2.1%</b>	0.0%
Italy	131.5	139.3	<b>5.9%</b>	2.6%	<b>3.3%</b>	0.0%
Rest of Europe	205.0	207.8	<b>1.4%</b>	1.8%	<b>6.1%</b>	-6.1%
North and Central America	330.0	353.5	<b>7.1%</b>	6.8%	<b>3.2%</b>	-2.8%
Rest of the World	306.5	286.5	<b>-6.5%</b>	1.7%	<b>0.5%</b>	-8.5%
<b>Total</b>	<b>1,247.0</b>	<b>1,258.8</b>	<b>0.9%</b>	<b>3.1%</b>	<b>1.9%</b>	<b>-3.8%</b>

1. Zone of origin of the product sold.

## 2016 FIRST HALF – P&L

In € millions	H1 2015	H1 2016	% change
<b>Net sales</b>	<b>2,411.7</b>	<b>2,448.4</b>	<b>+1.5%</b>
Gross profit	1,258.3	1,305.6	+3.8%
<i>as % of sales</i>	52.2%	53.3%	
<b>Adjusted<sup>(1)</sup> operating profit</b>	<b>478.1</b>	<b>492.7</b>	<b>+3.1%</b>
<b><i>as % of sales</i></b>	<b>19.8%</b>	<b>20.1%<sup>(2)</sup></b>	
Amortization of revaluation of intangible assets at the time of acquisitions and expense/income relating to acquisitions	(21.5)	(21.9)	
Operating profit	456.6	470.8	+3.1%
<i>as % of sales</i>	18.9%	19.2%	
Financial income (costs)	(39.7)	(45.6)	
Exchange gains (losses)	1.0	(0.2)	
Income tax expense	(133.8)	(139.8)	
Share of profits (losses) of equity-accounted entities	0.0	(0.3)	
Profit	284.1	284.9	+0.3%
<b>Profit excluding minority interests</b>	<b>283.4</b>	<b>283.5</b>	<b>+0.0%</b>

1. Operating profit adjusted for amortization of revaluation of intangible assets at the time of acquisitions and for expense/income relating to acquisitions (€21.5 million in H1 2015 and €21.9 million in H1 2016) and, where applicable, for impairment of goodwill (€0 in H1 2015 and H1 2016).
2. 20.3% excluding acquisitions (at 2015 scope of consolidation).

## 2016 FIRST QUARTER – P&L

In € millions	Q1 2015	Q1 2016	% change
<b>Net sales</b>	<b>1,164.7</b>	<b>1,189.6</b>	<b>+2.1%</b>
Gross profit	599.3	630.2	+5.2%
as % of sales	51.5%	53.0%	
<b>Adjusted<sup>(1)</sup> operating profit</b>	<b>218.6</b>	<b>226.7</b>	<b>+3.7%</b>
as % of sales	<b>18.8%</b>	<b>19.1%<sup>(2)</sup></b>	
Amortization of revaluation of intangible assets at the time of acquisitions and expense/income relating to acquisitions	(10.1)	(10.7)	
Operating profit	208.5	216.0	+3.6%
as % of sales	17.9%	18.2%	
Financial income (costs)	(19.2)	(22.0)	
Exchange gains (losses)	(0.6)	(3.7)	
Income tax expense	(60.7)	(62.1)	
Share of profits (losses) of equity-accounted entities	0.0	0.0	
Profit	128.0	128.2	+0.2%
<b>Profit excluding minority interests</b>	<b>127.4<sup>(3)</sup></b>	<b>127.4<sup>(3)</sup></b>	<b>+0.0%</b>

1. Operating profit adjusted for amortization of revaluation of intangible assets at the time of acquisitions and for expense/income relating to acquisitions (€10.1 million in Q1 2015 and €10.7 million in Q1 2016) and, where applicable, for impairment of goodwill (€0 in Q1 2015 and Q1 2016).
2. 19.2% excluding acquisitions (at 2015 scope of consolidation).
3. Excluding the impact of the FX result, profit excluding minorities would come to €130.0m in Q1 2016 compared with €127.7m in Q1 2015, thus showing an increase of close to +2%.

## 2016 SECOND QUARTER – P&L

In € millions	Q2 2015	Q2 2016	% change
<b>Net sales</b>	<b>1,247.0</b>	<b>1,258.8</b>	<b>+0.9%</b>
Gross profit	659.0	675.4	+2.5%
<i>as % of sales</i>	52.8%	53.7%	
<b>Adjusted<sup>(1)</sup> operating profit</b>	<b>259.5</b>	<b>266.0</b>	<b>+2.5%</b>
<b><i>as % of sales</i></b>	<b>20.8%</b>	<b>21.1%<sup>(2)</sup></b>	
Amortization of revaluation of intangible assets at the time of acquisitions and expense/income relating to acquisitions	(11.4)	(11.2)	
Operating profit	248.1	254.8	+2.7%
<i>as % of sales</i>	19.9%	20.2%	
Financial income (costs)	(20.5)	(23.6)	
Exchange gains (losses)	1.6	3.5	
Income tax expense	(73.1)	(77.7)	
Share of profits (losses) of equity-accounted entities	0.0	(0.3)	
Profit	156.1	156.7	+0.4%
<b>Profit excluding minority interests</b>	<b>156.0</b>	<b>156.1</b>	<b>+0.1%</b>

1. Operating profit adjusted for amortization of revaluation of intangible assets at the time of acquisitions and for expense/income relating to acquisitions (€11.4 million in Q2 2015 and €11.2 million in Q2 2016) and, where applicable, for impairment of goodwill (€0 in Q2 2015 and Q2 2016).
2. 21.4% excluding acquisitions (at 2015 scope of consolidation).



## 2016 FIRST HALF – ADJUSTED OPERATING PROFIT BEFORE AND AFTER OTHER OPERATING INCOME (EXPENSE) BY GEOGRAPHICAL REGION

H1 2016 (in € millions)	France	Italy	Rest of Europe	North and Central America	Rest of the World	Total
<b>Net sales</b>	<b>511.0</b>	<b>286.8</b>	<b>412.8</b>	<b>688.0</b>	<b>549.8</b>	<b>2,448.4</b>
Cost of sales	(184.0)	(99.7)	(234.4)	(323.1)	(301.6)	(1,142.8)
Administrative and selling expenses, R&D costs	(209.8)	(83.6)	(106.7)	(237.7)	(154.8)	(792.6)
Reversal of acquisition-related amortization, expense and income accounted for in administrative and selling expenses, R&D costs	(2.2)	(0.1)	(1.2)	(12.0)	(6.4)	(21.9)
<b>Adjusted operating profit before other operating income (expense)</b>	<b>119.4</b>	<b>103.6</b>	<b>72.9</b>	<b>139.2</b>	<b>99.8</b>	<b>534.9</b>
<b>as % of sales</b>	<b>23.4%</b>	<b>36.1%</b>	<b>17.7%</b>	<b>20.2%</b>	<b>18.2%</b>	<b>21.8%</b>
Other operating income (expense)	(12.3)	(0.5)	(5.7)	(9.5)	(14.2)	(42.2) <sup>(1)</sup>
Reversal of acquisition-related amortization, expense and income accounted for in other operating income (expense)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Adjusted operating profit</b>	<b>107.1</b>	<b>103.1</b>	<b>67.2</b>	<b>129.7</b>	<b>85.6</b>	<b>492.7</b>
<b>as % of sales</b>	<b>21.0%</b>	<b>35.9%</b>	<b>16.3%</b>	<b>18.9%</b>	<b>15.6%</b>	<b>20.1%</b>

1. Restructuring (€13.7m) and other miscellaneous items (€28.5m).

## 2015 FIRST HALF – ADJUSTED OPERATING PROFIT BEFORE AND AFTER OTHER OPERATING INCOME (EXPENSE) BY GEOGRAPHICAL REGION

H1 2015 (in € millions)	France	Italy	Rest of Europe	North and Central America	Rest of the World	Total
<b>Net sales</b>	<b>524.3</b>	<b>268.7</b>	<b>405.4</b>	<b>620.3</b>	<b>593.0</b>	<b>2,411.7</b>
Cost of sales	(190.8)	(92.9)	(230.2)	(299.9)	(339.6)	(1,153.4)
Administrative and selling expenses, R&D costs	(206.6)	(82.7)	(106.0)	(207.3)	(170.8)	(773.4)
Reversal of acquisition-related amortization, expense and income accounted for in administrative and selling expenses, R&D costs	(3.2)	0.0	(1.3)	(8.8)	(8.2)	(21.5)
<b>Adjusted operating profit before other operating income (expense)</b>	<b>130.1</b>	<b>93.1</b>	<b>70.5</b>	<b>121.9</b>	<b>90.8</b>	<b>506.4</b>
<b>as % of sales</b>	<b>24.8%</b>	<b>34.6%</b>	<b>17.4%</b>	<b>19.7%</b>	<b>15.3%</b>	<b>21.0%</b>
Other operating income (expense)	(8.5)	(0.2)	(7.4)	(4.2)	(8.0)	(28.3) <sup>(1)</sup>
Reversal of acquisition-related amortization, expense and income accounted for in other operating income (expense)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Adjusted operating profit</b>	<b>121.6</b>	<b>92.9</b>	<b>63.1</b>	<b>117.7</b>	<b>82.8</b>	<b>478.1</b>
<b>as % of sales</b>	<b>23.2%</b>	<b>34.6%</b>	<b>15.6%</b>	<b>19.0%</b>	<b>14.0%</b>	<b>19.8%</b>

1. Restructuring (€12.8m) and other miscellaneous items (€15.5m).

## 2016 FIRST QUARTER – ADJUSTED OPERATING PROFIT BEFORE AND AFTER OTHER OPERATING INCOME (EXPENSE) BY GEOGRAPHICAL REGION

Q1 2016 (in € millions)	France	Italy	Rest of Europe	North and Central America	Rest of the World	Total
<b>Net sales</b>	<b>239.3</b>	<b>147.5</b>	<b>205.0</b>	<b>334.5</b>	<b>263.3</b>	<b>1,189.6</b>
Cost of sales	(89.0)	(51.0)	(116.5)	(158.9)	(144.0)	(559.4)
Administrative and selling expenses, R&D costs	(108.4)	(42.0)	(52.7)	(117.2)	(74.6)	(394.9)
Reversal of acquisition-related amortization, expense and income accounted for in administrative and selling expenses, R&D costs	(1.2)	(0.1)	(0.6)	(5.6)	(3.2)	(10.7)
<b>Adjusted operating profit before other operating income (expense)</b>	<b>43.1</b>	<b>54.6</b>	<b>36.4</b>	<b>64.0</b>	<b>47.9</b>	<b>246.0</b>
<b>as % of sales</b>	<b>18.0%</b>	<b>37.0%</b>	<b>17.8%</b>	<b>19.1%</b>	<b>18.2%</b>	<b>20.7%</b>
Other operating income (expense)	(6.2)	(0.6)	(3.3)	(3.9)	(5.3)	(19.3) <sup>(1)</sup>
Reversal of acquisition-related amortization, expense and income accounted for in other operating income (expense)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Adjusted operating profit</b>	<b>36.9</b>	<b>54.0</b>	<b>33.1</b>	<b>60.1</b>	<b>42.6</b>	<b>226.7</b>
<b>as % of sales</b>	<b>15.4%</b>	<b>36.6%</b>	<b>16.1%</b>	<b>18.0%</b>	<b>16.2%</b>	<b>19.1%</b>

1. Restructuring (€7.0m) and other miscellaneous items (€12.3m).

## 2015 FIRST QUARTER – ADJUSTED OPERATING PROFIT BEFORE AND AFTER OTHER OPERATING INCOME (EXPENSE) BY GEOGRAPHICAL REGION

Q1 2015 (in € millions)	France	Italy	Rest of Europe	North and Central America	Rest of the World	Total
<b>Net sales</b>	<b>250.3</b>	<b>137.2</b>	<b>200.4</b>	<b>290.3</b>	<b>286.5</b>	<b>1,164.7</b>
Cost of sales	(93.8)	(46.8)	(113.4)	(142.4)	(169.0)	(565.4)
Administrative and selling expenses, R&D costs	(103.4)	(41.6)	(52.3)	(99.8)	(82.5)	(379.6)
Reversal of acquisition-related amortization, expense and income accounted for in administrative and selling expenses, R&D costs	(1.5)	0.0	(0.6)	(3.8)	(4.2)	(10.1)
<b>Adjusted operating profit before other operating income (expense)</b>	<b>54.6</b>	<b>48.8</b>	<b>35.3</b>	<b>51.9</b>	<b>39.2</b>	<b>229.8</b>
<b>as % of sales</b>	<b>21.8%</b>	<b>35.6%</b>	<b>17.6%</b>	<b>17.9%</b>	<b>13.7%</b>	<b>19.7%</b>
Other operating income (expense)	(5.3)	(0.8)	(1.7)	(2.0)	(1.4)	(11.2) <sup>(1)</sup>
Reversal of acquisition-related amortization, expense and income accounted for in other operating income (expense)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Adjusted operating profit</b>	<b>49.3</b>	<b>48.0</b>	<b>33.6</b>	<b>49.9</b>	<b>37.8</b>	<b>218.6</b>
<b>as % of sales</b>	<b>19.7%</b>	<b>35.0%</b>	<b>16.8%</b>	<b>17.2%</b>	<b>13.2%</b>	<b>18.8%</b>

1. Restructuring (€5.4m) and other miscellaneous items (€5.8m).

## 2016 SECOND QUARTER – ADJUSTED OPERATING PROFIT BEFORE AND AFTER OTHER OPERATING INCOME (EXPENSE) BY GEOGRAPHICAL REGION

Q2 2016 (in € millions)	France	Italy	Rest of Europe	North and Central America	Rest of the World	Total
<b>Net sales</b>	<b>271.7</b>	<b>139.3</b>	<b>207.8</b>	<b>353.5</b>	<b>286.5</b>	<b>1,258.8</b>
Cost of sales	(95.0)	(48.7)	(117.9)	(164.2)	(157.6)	(583.4)
Administrative and selling expenses, R&D costs	(101.4)	(41.6)	(54.0)	(120.5)	(80.2)	(397.7)
Reversal of acquisition-related amortization, expense and income accounted for in administrative and selling expenses, R&D costs	(1.0)	0.0	(0.6)	(6.4)	(3.2)	(11.2)
<b>Adjusted operating profit before other operating income (expense)</b>	<b>76.3</b>	<b>49.0</b>	<b>36.5</b>	<b>75.2</b>	<b>51.9</b>	<b>288.9</b>
<b>as % of sales</b>	<b>28.1%</b>	<b>35.2%</b>	<b>17.6%</b>	<b>21.3%</b>	<b>18.1%</b>	<b>23.0%</b>
Other operating income (expense)	(6.1)	0.1	(2.4)	(5.6)	(8.9)	(22.9) <sup>(1)</sup>
Reversal of acquisition-related amortization, expense and income accounted for in other operating income (expense)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Adjusted operating profit</b>	<b>70.2</b>	<b>49.1</b>	<b>34.1</b>	<b>69.6</b>	<b>43.0</b>	<b>266.0</b>
<b>as % of sales</b>	<b>25.8%</b>	<b>35.2%</b>	<b>16.4%</b>	<b>19.7%</b>	<b>15.0%</b>	<b>21.1%</b>

1. Restructuring (€6.7m) and other miscellaneous items (€16.2m).

## 2015 SECOND QUARTER – ADJUSTED OPERATING PROFIT BEFORE AND AFTER OTHER OPERATING INCOME (EXPENSE) BY GEOGRAPHICAL REGION

Q2 2015 (in € millions)	France	Italy	Rest of Europe	North and Central America	Rest of the World	Total
<b>Net sales</b>	<b>274.0</b>	<b>131.5</b>	<b>205.0</b>	<b>330.0</b>	<b>306.5</b>	<b>1,247.0</b>
Cost of sales	(97.0)	(46.1)	(116.8)	(157.5)	(170.6)	(588.0)
Administrative and selling expenses, R&D costs	(103.2)	(41.1)	(53.7)	(107.5)	(88.3)	(393.8)
Reversal of acquisition-related amortization, expense and income accounted for in administrative and selling expenses, R&D costs	(1.7)	0.0	(0.7)	(5.0)	(4.0)	(11.4)
<b>Adjusted operating profit before other operating income (expense)</b>	<b>75.5</b>	<b>44.3</b>	<b>35.2</b>	<b>70.0</b>	<b>51.6</b>	<b>276.6</b>
<b>as % of sales</b>	<b>27.6%</b>	<b>33.7%</b>	<b>17.2%</b>	<b>21.2%</b>	<b>16.8%</b>	<b>22.2%</b>
Other operating income (expense)	(3.2)	0.6	(5.7)	(2.2)	(6.6)	(17.1) <sup>(1)</sup>
Reversal of acquisition-related amortization, expense and income accounted for in other operating income (expense)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Adjusted operating profit</b>	<b>72.3</b>	<b>44.9</b>	<b>29.5</b>	<b>67.8</b>	<b>45.0</b>	<b>259.5</b>
<b>as % of sales</b>	<b>26.4%</b>	<b>34.1%</b>	<b>14.4%</b>	<b>20.5%</b>	<b>14.7%</b>	<b>20.8%</b>

1. Restructuring (€7.4m) and other miscellaneous items (€9.7m).

## 2016 FIRST HALF – RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT

In € millions	H1 2015	H1 2016
<b>Profit</b>	<b>284.1</b>	<b>284.9</b>
Depreciation, amortization and impairment	84.7	84.0
Changes in other non-current assets and liabilities and long-term deferred taxes	8.4	15.1
Unrealized exchange (gains)/losses	3.5	(4.6)
(Gains)/losses on sales of assets, net	0.3	0.2
Other adjustments	0.3	0.9
<b>Cash flow from operations</b>	<b>381.3</b>	<b>380.5</b>

## 2016 FIRST HALF – RECONCILIATION OF FREE CASH FLOW AND NORMALIZED FREE CASH FLOW WITH CASH FLOW FROM OPERATIONS

In € millions	H1 2015	H1 2016	% change
<b>Cash flow from operations<sup>(1)</sup></b>	<b>381.3</b>	<b>380.5</b>	<b>-0.2%</b>
<i>as % of sales</i>	<i>15.8%</i>	<i>15.5%</i>	
Decrease (Increase) in working capital requirement	(84.2)	(130.8)	
<b>Net cash provided from operating activities</b>	<b>297.1</b>	<b>249.7</b>	<b>-15.9%</b>
<i>as % of sales</i>	<i>12.3%</i>	<i>10.2%</i>	
Capital expenditure (including capitalized development costs)	(55.6)	(59.2)	
Net proceeds from sales of fixed and financial assets	0.7	0.7	
<b>Free cash flow</b>	<b>242.2</b>	<b>191.2</b>	<b>-21.1%</b>
<i>as % of sales</i>	<i>10.0%</i>	<i>7.8%</i>	
Increase (Decrease) in working capital requirement	84.2	130.8	
(Increase) Decrease in normalized working capital requirement	0.3	(4.4)	
<b>Normalized<sup>(2)</sup> free cash flow</b>	<b>326.7</b>	<b>317.6</b>	<b>-2.8%</b>
<i>as % of sales</i>	<i>13.5%</i>	<i>13.0%</i>	

1. Cash flow from operations is defined as net cash from operating activities excluding changes in working capital requirement.
2. Based on a working capital requirement representing 10% of the last 12 months' sales, and whose change at constant scope of consolidation and exchange rates is adjusted for the first half.



## SCOPE OF CONSOLIDATION

2015	Q1	H1	9M	FY
<b>Full consolidation method</b>				
Valrack	Balance sheet only	Balance sheet only	Balance sheet only	10 months
IME		Balance sheet only	Balance sheet only	7 months
Raritan			Balance sheet only	3 months
QMotion				Balance sheet only
2016	Q1	H1	9M	FY
<b>Full consolidation method</b>				
Valrack	3 months	6 months	9 months	12 months
IME	3 months	6 months	9 months	12 months
Raritan	3 months	6 months	9 months	12 months
QMotion	3 months	6 months	9 months	12 months
Fluxpower & Primetech	Balance sheet only	Balance sheet only	To be determined	To be determined
Pinnacle Architectural Lighting		Balance sheet only	To be determined	To be determined
Luxul Wireless		Balance sheet only	To be determined	To be determined
Jontek		Balance sheet only	To be determined	To be determined
Trias		Balance sheet only	To be determined	To be determined
CP Electronics		Balance sheet only	To be determined	To be determined
<b>Equity method</b>				
TBS <sup>(1)</sup>		6 months	9 months	12 months

1. Created together with a partner, TBS is to produce and sell transformers and busways in the Middle East.

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