

2010 first-half results:**Strong growth in emerging markets****Continuing acquisitions****Target for 2010 adjusted operating margin raised again, to over 19%****Gilles Schnepf, Chairman and Chief Executive Officer of Legrand, comments:**

"In the first half of 2010, Legrand sales were up 5.4% to €1.9 billion, while the rise at constant scope of consolidation and exchange rates was 3.1%. Adjusted operating income rose 44% to €400 million.

Firm sales trends mainly reflected vigorous growth on emerging markets, where the first-half rise was 17.4%, combined with the success of new products, in particular Arteor, Nereya and LCS² ranges, and sustained expansion in fast-growing business segments in particular energy efficiency. Sales performance also benefited from favorable calendar effects and a positive basis for comparison in a number of countries over the first six months of the year.

Adjusted operating margin of 20.9% of sales was underpinned in particular by good operating leverage from sales growth and the full impact of reorganization programs already deployed.

On this basis, and despite the seasonality of fourth-quarter margin and the impact of rises in raw-material costs, Legrand has raised its full-year 2010 target for adjusted operating margin again, to over 19% from over 18% previously.

In addition, Legrand is pursuing growth on emerging markets with its recent acquisitions of Inform, the leader for UPS in Turkey and of Indo Asian Switchgear¹, a key player in the Indian market for electrical protection devices. After these two operations, revenues in emerging countries will represent one third of total group sales on a full-year basis. Altogether, the more than 20 acquisitions performed since 2005 reflect Legrand's ongoing acquisition policy – an essential component of its business model."

¹ Subject to corporate approval.

Key figures

Consolidated data (€ millions)	1 st half 2009	1 st half 2010	% change 2010/2009
Sales	1,812.1	1,910.1	5.4%
Maintainable ⁽¹⁾ adjusted operating income ⁽²⁾	306.6	421.2	37.4%
<i>As % of sales</i>	16.9%	22.1%	
Adjusted operating income ⁽²⁾	277.2	400.0	44.3%
<i>As % of sales</i>	15.3%	20.9%	
Operating income	242.0	386.8	59.8%
<i>As % of sales</i>	13.4%	20.3%	
Net income excluding minorities	107.9	192.6	78.5%
<i>As % of sales</i>	6.0%	10.1%	
Free cash flow ⁽³⁾	207.8	283.7	36.5%
<i>As % of sales</i>	11.5%	14.9%	
Net financial debt at June 30	1,781	1,299	

(1) Adjusted operating income excluding restructuring charges amounting to €21.2 million in 2010 and €29.4 million in 2009. See (2) for the definition of adjusted operating income.

(2) Figures restated from accounting entries relating to the acquisition of Legrand France in 2002 with no cash impact, which consisted of additional depreciation of revalued assets (€13.2 million in 2010 and €19.3 million in 2009), respectively, and depreciation of goodwill in an amount of €15.9 million in the first half of 2009.

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

Results to 30 June 2010

Sales

Published data set sales for the first half of 2010 at €1,910 million, up 5.4% from the first half of 2009, and showing a rise of 3.1% at constant scope of consolidation and exchange rates. Consolidation of acquisitions added 0.2% and variations in exchange rates 2.1%.

Variations in sales by destination at constant scope of consolidation and exchange rates broke down as follows by geographical region:

	1 st half 2010/1 st half 2009	2 nd quarter 2010/2 nd quarter 2009
France	-0.1%	+3.8%
Italy	+2.2%	+5.6%
Rest of Europe	-4.3%	+0.5%
USA/Canada	+5.7%	+10.0%
Rest of the World	+12.0%	+8.8%
Total	+3.1%	+5.6%

- **France**: Sales were practically unchanged, underpinned by the good showing of wiring devices and the success of LCS² solutions for digital infrastructure, as well as the resilience of sales on renovation markets and favorable calendar effects.

- **Italy**: Sales rose 2.2%. This reflects strong growth in sales of wiring devices, notably the Axolute and Matix lines, and double-digit growth in sales of My Home residential systems plus a favorable basis for comparison resulting from a rundown of inventory by distributors in the first half of 2009.

- **Rest of Europe:** Very good showings in Russia and Turkey, stabilization of some markets and a favorable basis for comparison helped offset a difficult second quarter in Eastern Europe, the Netherlands and the United Kingdom. First-half sales were down 4.3%.

- **United States/Canada:** Global sales rose by 5.7% with the residential market stabilizing and the commercial segment worsening. Business has benefited in particular from the strong showing of wiring devices (Pass & Seymour), digital infrastructure (Ortronics) and lighting controls (Watt Stopper), as well as a favorable basis for comparison.

- **Rest of the World:** Trends in most emerging economies confirm the return to strong growth seen in the first quarter and reflect the soundness and pertinence of Legrand's business development strategy in these promising markets. Sales rose 12.0% in the first half.

Acquisitions continue

Legrand is pursuing its active acquisition policy, as demonstrated by the recent acquisitions of Inform, Turkey's number-one contender in UPS that reported 2009 sales of \$70 million and an operating margin in double digits, and of Indo Asian Switchgear¹, a key player in the Indian market for electrical protection devices whose 2010 sales should exceed €35 million with a double-digit operating margin. Legrand is thus reinforcing its market positions, particularly in emerging countries and high-growth segments.

Continued investment in innovation

Legrand is actively pursuing new-product development, with R&D representing close to 5% of sales and new products 67% of investment in the first half of the year. Over the same period, it rolled out a variety of new product lines, including:

- wiring device lines Kaptika in Russia, Nereya in Brazil, Mellovia in South Korea, Meidian in China, and premium lines Axolute Eteris and Axolute White in Italy, where they were particularly well received.
- a new line of audio and video door-entry systems for the Chinese market
- solar-cell equipment protection devices in France
- Digital Lighting Management offering for optimum management of lighting systems in the US, using digital networks
- a video surveillance offering in Italy.

High cash generation and lower net debt

Free cash flow totaled €283.7 million in the first six months of the year or 14.9% of sales, fueled by:

- good operating performance
- a gradual increase in working capital requirement, which the group aims to limit to 11% of sales.

Net debt declined by nearly €500 million year on year, giving the group the flexibility it needs to finance its development through both organic growth and acquisitions.

¹ Subject to corporate approval.

Consolidated financial statements, a presentation of first-half results, and the related teleconference (live and replay) are available at www.legrandgroup.com.

Key financial dates

- 2010 nine-month results: **November 4, 2010**
- 2010 annual results: **February 10, 2011**

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. Innovation for a steady flow of new products with high added value is a prime vector for growth. Legrand reported sales of €3.6 billion in 2009. The company is listed on Euronext and is a component stock of indexes including the SBF120, FTSE4Good, MSCI World and ASPI (ISIN code FR0010307819). www.legrandgroup.com

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