





# Agenda

-  Sales and financial results
-  Legrand's development driven by global challenges
-  Resources for development
-  Governance and reports of the statutory auditors
-  Q&A
-  Vote of resolutions



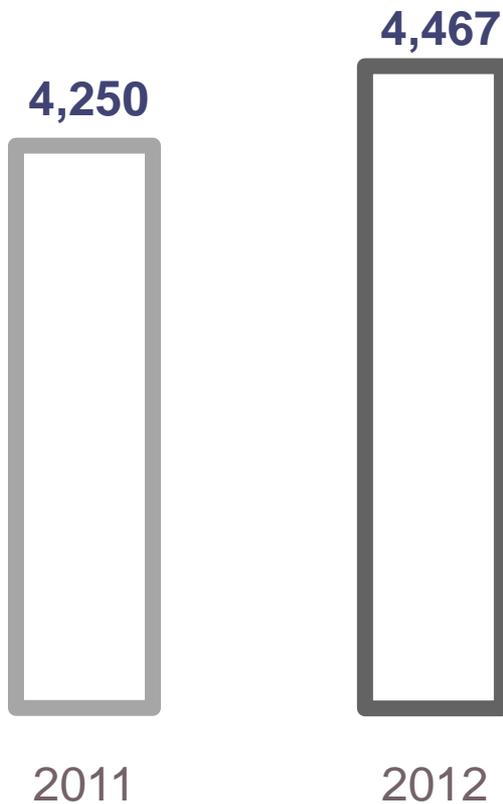
# SALES AND FINANCIAL RESULTS



- **2012 Results**
- 2013 First-Quarter Results

## 2012 Change in Net Sales (1/2) By Region

€ millions

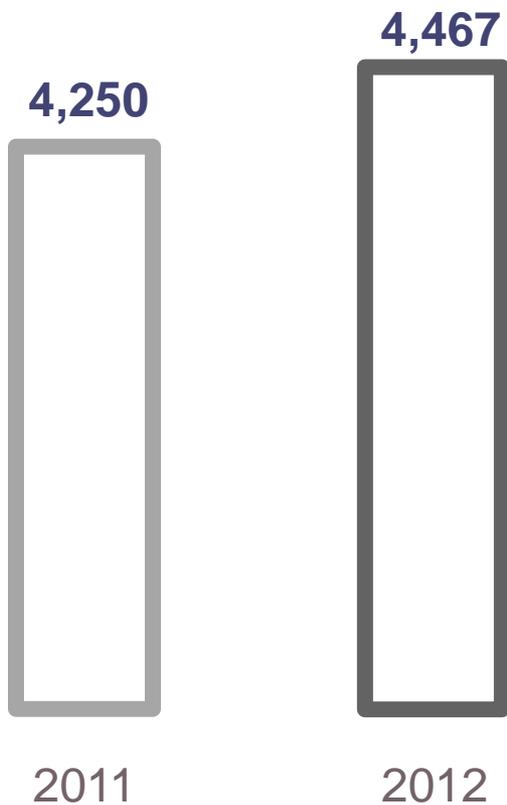


**Total growth: +5.1%**

- New economies: +13.5%
- USA / Canada: +20.2%
- Other mature markets: -5.0%

## 2012 Change in Net Sales (2/2) By Components

€ millions



**Total growth: +5.1%**

- External growth: +4.5%
- Exchange rate effect: +1.9%
- Organic<sup>(1)</sup> growth: -1.4%

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

2012 Full-Year Results

In € millions	2011	2012	Change
Net sales	4,250	<b>4,467</b>	<b>+5.1%</b>
Adjusted operating income	857	<b>874</b>	<b>+2.1%</b>
Net income <small>excluding minorities</small>	479	<b>506</b>	<b>+5.6%</b>



- 2012 Results
- **2013 First-Quarter Results**

## 2013 First-Quarter Results

In € millions	Q1 2012	Q1 2013	Change
Net sales	1,086	<b>1,093</b>	<b>+0.6%</b> of which organic <sup>(1)</sup> : -0.6% of which acquisitions: +2.7%
Adjusted operating income	222	<b>216</b>	<b>-2.6%</b>
Net income excluding minorities	123	<b>125</b>	<b>+1.0%</b>



LEGRAND'S  
DEVELOPMENT  
DRIVEN BY  
GLOBAL TRENDS



- Key challenges...
  - ✓ Protection of the environment
  - ✓ Digitization of society
  - ✓ People living longer
  - ✓ Needs in new economies
  - ✓ Supporting the rise in standards of living
- ... driving Legrand's growth

## ■ Key challenges...

- ✓ Protection of the environment
- ✓ Digitization of society
- ✓ People living longer
- ✓ Needs in new economies
- ✓ Supporting the rise in standards of living

## ■ ... driving Legrand's growth



## Protection of the Environment (1/2) Managing Natural Resources in a Reasoned Way

### ■ Challenges

- Raw material use: **55%** increase by 2030<sup>(1)</sup>
- Demand for water: **53%** increase by 2030<sup>(2)</sup>

### ■ Legrand's responses

- 74% of R&D teams are trained in eco-design
- 82% of waste is recycled
- 87% of sites are ISO 14001 certified
- 17,000 hours are dedicated to eco-training

1. Source: Sustainable Europe Research Institute

2. Source: 2030 Water Resources Group

## Protection of the Environment (2/2) Contributing to Energy Transition

### ■ Challenges

- **40%** of total energy consumption and **20%** of CO<sub>2</sub> emissions generated by buildings<sup>(1)</sup>
- **20%** increase in worldwide CO<sub>2</sub> emissions by 2030<sup>(1)</sup>

### ■ Legrand's responses

- Energy Efficiency offer
- Solutions for renewable energies
- Solutions for charging electric vehicles



Lighting management



Smart metering



Power cut-off devices  
(solar cells)



Direct current protection



Charging plugs



Charging stations

# Digitization of Society Facilitating Communication inside Buildings

## ■ Challenges

- Internet dataflows: **x50** by 2020<sup>(1)</sup>
- 9 digital devices and 5 screens per household  
(data: France – 2011)



## ■ Legrand's responses

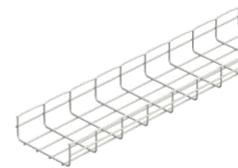
- Solutions for communication of Voice-Data-Images
- Specific offer for data centers
- Home automation solutions



VDI cabling



Enclosures



Wire-mesh cable management



High performance transformers



Energy management



Control

1. Source: Greenpeace

## People Living Longer Innovating for In-Home Support

### ■ Challenges

- Population aged over 80: **x4** by 2050

### ■ Legrand's responses

- Specific products



Easy-fit sockets



Lighting paths

- Expanded offer



Quiatil easy



Visiovox tablets

# Promoting Higher Standards of Living



## Needs in New Economies Serving an Expanding Middle Class

### ■ Challenges

- Middle class in BRICs: **x3** from 2010 to 2020

### ■ Legrand's responses

- Development of budget ranges
- Group subsidiaries recognized for their expertise in social housing applications



Zulli range (Brazil)



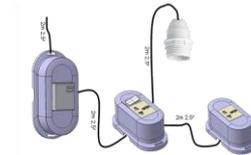
## Supporting the Rise in Standards of Living Promoting Access to Electricity

### ■ Challenges

- **20%** of the world's population has no access to electricity<sup>(1)</sup>
- **30/40%** of emerging populations' incomes is spent on energy<sup>(1)</sup>

### ■ Legrand's responses

- Launch of the “Electricity for All” program
- Partnership with ESF
  - ↪ since 2007, around 800,000 people have benefited from ESF/Legrand projects



Emergency kits (Chile)





- Key challenges...
  - ✓ Protection of the environment
  - ✓ Digitization of society
  - ✓ People living longer
  - ✓ Needs in new economies
  - ✓ Supporting the rise in standards of living
- ... driving Legrand's growth



## Expanding in New Economies

Sales in new economies  
as % of total group sales

Breakdown of 2012 sales in new economies

**17%** → **38%**

2002

2012

**+13%**  
Average annual growth  
in total sales

- Latin America 33%
- Asia 30%
- Eastern Europe and Turkey 24%
- Africa and Middle East 13%



## Expanding in New Business Segments

Sales in new business segments  
as % of total group sales

4 new business segments

10% → 25%

2002

2012

**+14%**  
Average annual growth  
in total sales

- Digital infrastructures
- Energy efficiency
- Residential systems
- Wire-mesh cable management



# RESOURCES FOR DEVELOPMENT



- Human capital
- Innovation
- Acquisitions
- Financing
- Shareholders



## ■ Human capital

- Innovation
- Acquisitions
- Financing
- Shareholders



## Human Capital

- Total headcount **> 35,000**  
in 2012
- Training **> 420,000**  
training hours in 2012
- Social dialog **> 1,000**  
meetings with employee representatives in 2012
- Active risk assessment **> 80%**  
of headcount represented by a Health and Safety Committee
- Management of key people **> 3,000**  
employees concerned
- Promoting diversity **> 20**  
nationalities present at head office



- Human capital

- **Innovation**

- Acquisitions

- Financing

- Shareholders



## Innovation (1/4) Research and Development (2012 data)

**2,100**

people in R&D

**4.6%**

of sales invested in R&D

**53%**

of investment dedicated to  
new products

# Innovation (2/4) New-Product Launches in 2012 - Examples

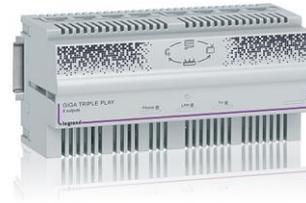
## Mature economies

## New economies

### New business segments



Zigbee  
energy management  
(Netherlands)



Home Network systems  
(Worldwide)



Linkeo  
cabling systems  
(Eastern Europe)



CCTV offer  
(Worldwide)

### Key historic segments



Adorne wiring devices  
(USA)



New Sfera door-entry systems  
(Worldwide)



Mingzhi  
wiring devices  
(China)



New Modus  
wiring devices  
(Latin America)



Practice emergency lighting units  
(France)



LBPlus busbars  
(Worldwide)



Forix wiring devices  
(Eastern Europe)



Zeffia wiring devices  
(Brazil)

## Innovation (3/4) Close to Customers

### ■ Showrooms

- 70 showrooms in 50 countries
- Concept stores and Le Lab by Legrand



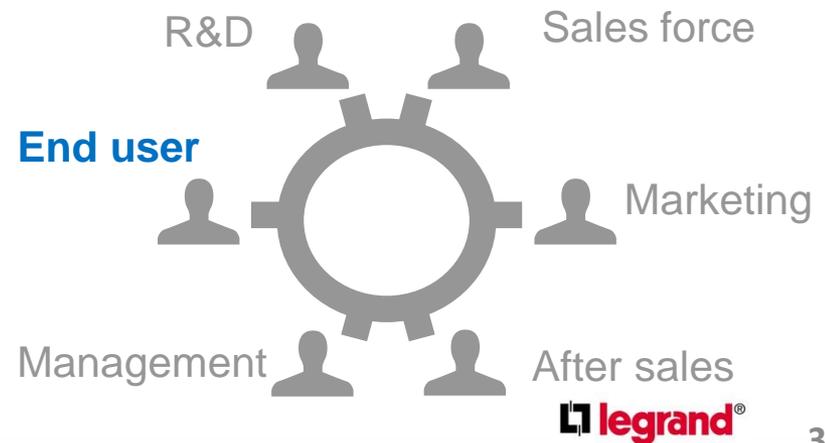
### ■ Training

- 15 customer training centers



### ■ User-centered design approach

- End users brought into product-development processes



## Innovation (4/4) Partnerships with Suppliers

### ■ Collaboration

- Open innovation programs
- 400 training and development programs for suppliers in 2012

### ■ Shared values

- Suppliers integrated into Group commitments: 64% of strategic suppliers are UNO Global Compact signatories

### ■ Recognition

- Legrand: one of four French companies singled out for the "Responsible Supplier Relations" seal of approval





- Human capital
- Innovation
- **Acquisitions**
- Financing
- Shareholders



## Acquisitions

- Small to mid-size

- 33 companies acquired since end of 2004, representing total annual acquired sales of over €1.1bn

- Bolt-on, and that expand accessible market

- Mainly in new economies and new business segments





- Human capital
- Innovation
- Acquisitions
- **Financing**
- Shareholders

- Sustainable financing capacity underpinned by profitability and good control of capital employed
- Robust balance sheet
  - Diversified financing (EUR/USD, bonds, bank borrowings)
  - Gross debt average maturity around 8 years at end of 2012



- Indebtedness under control
- Credit rating raised to A- by Standard & Poor's in February 2012



- Human capital
- Innovation
- Acquisitions
- Financing
- **Shareholders**

## Shareholders (1/3) Promoting Loyalty and Communicating

### Promoting loyalty

- Attractive dividend:  
2012 proposal<sup>(1)</sup>
  - €1.00 per share  
i.e., +7.5% vs 2011
  - Payable on June 3, 2013
- Double voting rights for all shares held under a registered form for more than 2 years

### Communicating

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

1. Subject to the approval by the shareholders at the General Meeting on May 24, 2013 of the dividend related to 2012

## Shareholders (2/3) Value Creation since IPO<sup>(1)</sup> (2006)

Average annual performance

Net income per share

**+11%** per year

Dividend per share<sup>(2)</sup>

**+12%** per year

Total shareholder return<sup>(3)</sup>

**+13%** per year

1. Initial Public Offering

2. Subject to the approval by the shareholders at the General Meeting on May 24, 2013 of the dividend related to 2012

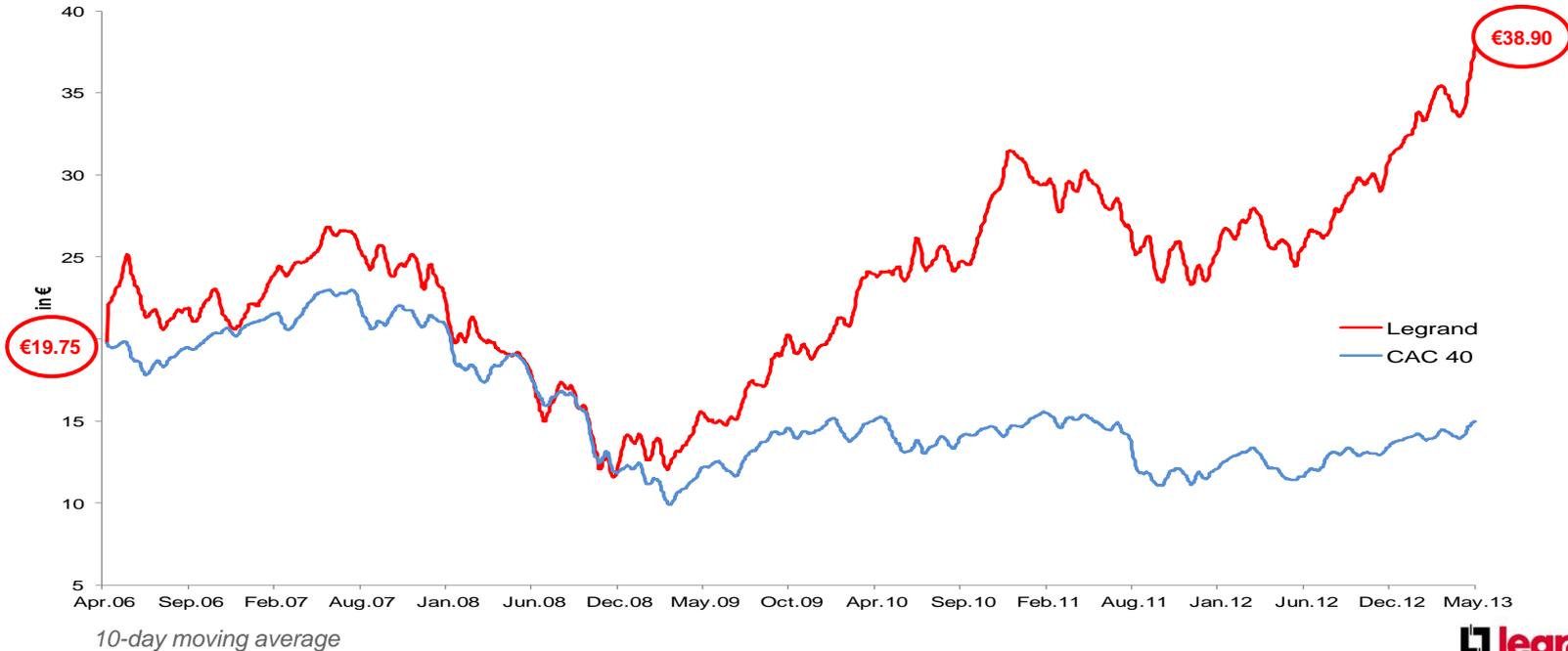
3. Based on the share price on May 22, 2013 and assuming dividends are reinvested in Legrand shares

# Shareholders (3/3) Change in Stock Price since IPO

## Performance

Based on May 22, 2013 closing price

	Since IPO	Over 2 years	Over 1 year
Legrand	+97%	+33%	+47%
CAC 40	-22%	+4%	+31%
<b>Overperformance</b>	<b>+154%</b>	<b>+29%</b>	<b>+12%</b>





# GOVERNANCE AND REPORTS OF THE STATUTORY AUDITORS

- **Governance**
- Presentation of resolutions
- Reports of statutory auditors

### General principles:

➤ Three methods selected by the Board of Directors for motivation and retention:

- Stock options and/or Shares (instruments selected until 2012)

**OR**

- Performance units (instruments selected in 2013)

➤ For several hundred corporate officers all around the world, including members of the Executive Committee

### 2013 Plan: challenging conditions for allocation

Two kinds of challenging performance conditions, each accounting for 50% of the award:

- Measuring of external performance (1) **AND**
- Measuring of internal performance (2)

- Service conditions and measuring of the performance over a 3-year period

- Additional 2-year period of unavailability and indexation linked to the price of shares (3)

**Incentive to maintain outperformance**

**Final grant can vary between 0% and 100% of initial grant**

(1) Comparison between the average of Legrand's EBITDA margin over 3 years and the average of EBITDA margin achieved by the MSCI Capital Goods index

(2) Level of normalized free cash flow over 3 years as a percentage of sales

(3) For the performance units granted to Mr. Gilles Schnepf and to the members of the Executive Committee

## Compensation of the Chairman and Chief Executive Officer (1/2)

	2011	2012
Fixed compensation	€ 625,000	€ 625,000
Bonus (in respect of the financial year)	€ 844,161	€ 844,161
Attendance fees	€ 0	€ 0
Benefits in kind	€ 4,210	€ 4,274
<b>Total</b>	<b>€ 1,473,371</b>	<b>€ 1,473,435</b>
Performance shares (in the course of the financial year)	65,737	30,710
Stock options	0	0

- **Fixed compensation: unchanged from 2011**
- **Bonus: frozen at a maximum of the amount paid to Gilles Schnepf with respect to 2011, at the request of Gilles Schnepf**
- **Attendance fees: as of 2011 financial year, Gilles Schnepf waived his right to receive attendance fees in respect of his duties**

## Compensation of the Chairman and Chief Executive Officer (2/2)

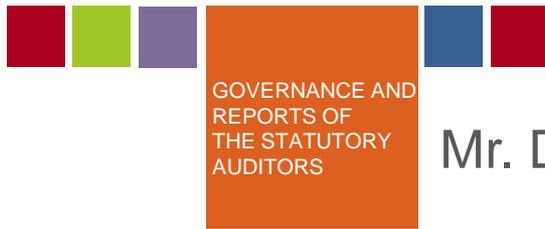
### 2013 long-term incentive:

Future performance units	Minimum allocation	Most likely estimated allocation <sup>(1)</sup>	Initial allocation (i.e., theoretical maximum)
Success rate relating to the performance conditions	0%	69%	100%
Number of future performance units	0	37,732	54,712

*(1) Based on the report of an independent expert; equivalent to a 2013 IFRS value of €1,210,443.*

## Changes in Board Membership

- Proposed ratification of the nomination of Mr. Dongsheng Li
- Proposed appointment of Ms. Annalisa Loustau Elia
- End of Mr. Jacques Garaïalde's term as director



Mr. Dongsheng Li

Chairman, CEO and founder of TCL Corporation

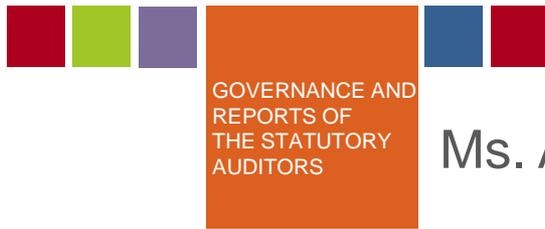
Chairman of TCL Multimedia Technology Holdings Ltd

Chairman of TCL Communication Technology Holdings Ltd

Independent Director of Tencent

Chinese national

**Independent Director**



Ms. Annalisa Loustau Elia

Joined Procter & Gamble in 1989, served as Marketing Director of a division from 1998 to 2002

From 2002 to 2004, International General Manager of a perfumes division for L'Oréal

From 2004 to 2008, World-wide Marketing General Manager and Member of the Executive Board of Cartier

Since 2008, Chief Marketing Officer and Member of the Executive Board of Printemps

Italian national

**Independent Director**

## Changes in Board Membership

Nationalities

**5**

Independent  
directors

**58%**

Women

**33%**

### Varied and complementary profiles

- Strategic skills
- Financial skills
- Specific expertise: financial communication and corporate and social responsibility, talent management, marketing
- Legrand managers (current or past)

- Governance
- **Presentation of resolutions**
- Reports of the statutory auditors

## Resolutions relating to the approval of the financial statements, the appropriation of earnings and the determination of dividend

- **Resolution No. 1:** Approval of the Company's financial statements as at December 31, 2012
- **Resolution No. 2:** Approval of the consolidated financial statements as at December 31, 2012
- **Resolution No. 3:** Appropriation of earnings and determination of dividend

## Resolutions relating to Board membership

- **Resolution No. 4:** Ratification of the nomination of Mr. Dongsheng Li
- **Resolution No. 5:** Appointment of Ms. Annalisa Loustau Elia

## Resolutions relating to the purchase and the cancellation of Company shares

- **Resolution No. 6:** Authorization granted to the Board of Directors allowing the Company to trade in its own shares
- **Resolution No. 7:** Authorization granted to the Board of Directors to reduce the Company's share capital by cancelling shares

Resolutions relating to the authorizations for the purpose of making allotments of options for the purchase of or subscription to shares, of free shares and of shares or securities in favor of participants in Company or Group employee share-ownership programs

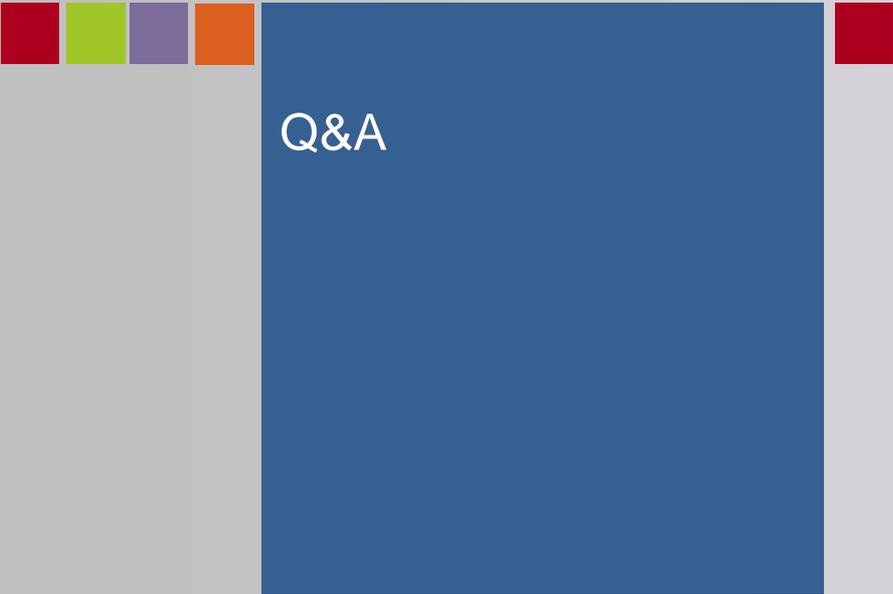
- **Resolution No. 8:** Authorization granted to the Board of Directors for the purpose of making one or more allotments of options for the purchase of or subscription to shares
- **Resolution No. 9:** Authorization granted to the Board of Directors for the purpose of making one or more allocations of free shares
- **Resolution No. 10:** Delegation to the Board of Directors for the purpose of issuing shares or securities giving access to the Company's share capital in favor of participants in employee share-ownership programs of the Company or Group

## Resolutions relating to powers to effect formalities

➤ **Resolution No. 11: Powers to effect formalities**

- Governance
- Presentation of resolutions
- **Reports of the statutory auditors**

- **For the Ordinary General Meeting:**
  - on Company's financial statements and consolidated financial statements
  - on regulated agreements and commitments
  - on the report of the Chairman of the Board of Directors on corporate governance and internal controls
  
- **For the Extraordinary General Meeting:**
  - on a reduction in share capital through cancellation of treasury shares
  - on the authorization for the purpose of making one or more allotments of options for the purchase of or subscription to shares
  - on the authorization for the purpose of making one or more allotments of free shares
  - on the issuance of shares and/or securities to participants in Company or Group employee share-ownership programs



Q&A



# VOTE OF RESOLUTIONS

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