legrand®

Limoges, November 8, 2007

Steep rise in earnings
with 2007 targets revised upwards

PRESS RELEASE

Sales up a strong 11% in the nine months to September, with a 12.5% rise in the third quarter

Contribution of emerging countries gaining strength rapidly - over 24% of sales at present

Vigorous 16% rise in adjusted operating income

Adjusted operating margin up 80 basis points

Net income more than doubled

Robust 16% rise in free cash flow

Gilles Schnepp, Chairman and CEO, comments:

"Legrand turned in an excellent performance in the first nine months of the year.

Sales rose more than 11%, buoyed in particular by robust growth in emerging markets and the success of our strategy of trading up; both factors are reliable growth drivers and are already significantly reinforcing our business model.

Over the same period, earnings rose by over 16% with free cash flow at more than 11% of sales.

Based on these very strong results and excluding a major deterioration of market conditions, Legrand, whose initial 2007 targets called for a 7 to 10% rise in sales at constant exchange rates and adjusted operating margin comparable to the 2006 figure at 16.5%, is now confident in its capacity to increase sales by close to 12% at constant exchange rates in 2007 and reach an adjusted operating margin slightly above 17% over the same period."

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Consolidated data (€ millions)	9 months 2007	9 months 2006	% change 2007/2006
Sales	3,095.5	2,781.7	+11.3%
Adjusted operating income [(1)]	559.1	481.2	+16.2%
as % of sales	*18.1%*	*17.3%*	
Operating income	512.2	416.2	+23.1%
as % of sales	*16.5%*	*15.0%*	
Net income [(2)]	298.5	146.5	+104%
as % of sales	*9.6%*	*5.3%*	
Free cash flow[(3)]	357.3	308.6	+15.8%
as % of sales	*11.5%*	*11.1%*	
Net financial debt at September 30[(4)]	1,885	1,847	+2.1%

(1) Figures restated for accounting entries relating to the acquisition of Legrand France in 2002 with no cash impact, which consisted of additional depreciation of revalued assets (€46.9 million and €65.0 million in 2007 and 2006, respectively).
(2) Net income group share. Including an exceptional €109 million charge in 2006 for refinancing of debt.
(3) Free cash flow is defined as the sum of net cash provided by operating activities and net proceeds from sales of fixed assets, less capital expenditure and capitalized development costs.
(4) Net financial debt is defined as the sum of long-term borrowings, short-term borrowings and subordinated perpetual notes, less cash and cash equivalent and marketable securities.

Strong growth in earnings in the first nine months of 2007

Strong sales growth: Legrand reported sales of € 3,095.5 million in the first nine months of 2007, up **11.3%** from the same period of 2006 and up **8.7%** at constant scope of consolidation and exchange rates.

Consolidation of recent acquisitions contributed 4.1% and variations in exchange rates, principally for the dollar against the euro, had a -1.6% unfavorable impact.

Sales growth at constant scope of consolidation and exchange rates broke down as follows by geographical region:

	9 months 2007 / 9 months 2006	3rd quarter 2007 / 3rd quarter 2006
France	+7.2%	+6.9%
Italy	+7.9%	+4.9%
Rest of Europe	+14.6%	+14.6%
United States/Canada	+0.8%	+3.9%
Rest of the world	+12.4%	+12.5%
Total	**+8.7%**	**+8.9%**

- France: Growth remained buoyant at +7.2%, reflecting in particular the excellent performance of new product lines illustrating Legrand's successful strategy of trading up.

- Italy: After an exceptionally strong first half, growth in sales continued firm in the third quarter to reach 7.9% for the first nine months of the year.

- Rest of Europe: Sales rose a robust 14.6%, with double-digit growth in Turkey, Greece, Spain and Switzerland; Eastern Europe continued to turn in an outstanding performance with a rise of over 26%. In particular, sales in Russia increased 36%.

- United States/Canada: Sales have proved remarkably resilient, with a third-quarter rise of 3.9% setting the nine-month total at +0.8%. This reflects buoyant sales of systems offering higher added value (home automation, lighting controls, etc.) and continued moderate growth in non-residential sales.

- Rest of the World: Sales growth remained strong at 12.4%, with very good performances recorded in nearly all countries.

Increased contribution from emerging countries: A reliable growth driver, emerging countries showed growth rates well above those for the group as a whole, with their relative contribution to total Legrand sales up substantially. Sales in emerging markets now account for nearly 24% of the group's total turnover, up from 21% in the nine months to September 2006, and increased 18% at constant scope of consolidation and exchange rates.

Continued acquisition-driven growth: Targeted acquisitions financed out of cash flow remain a key driver for group growth, and Legrand has pursued its proactive strategy in this area. It recently announced the acquisition of Macse, the leading manufacturer of metal cable management systems in Mexico, strengthening positions in a high-growth market where it is already no. 1 in wiring devices and no. 2 in modular circuit-breakers, with sales rising more than 15% since January. This follows a series of acquisitions since the beginning of the year, including HPM, Australia's no. 2 in wiring devices; UStec, an American company specializing in residential structured cabling; and Kontaktor, the leader for high-current circuit-breakers in Russia. Together HPM, UStec, Kontaktor and Macse should generate sales totaling close to €170 million on an annual basis, with around one-third in emerging countries.

Vigorous rise in earnings: Adjusted operating income for the first nine months of 2007 showed a rise of 16.2% from 2006 to represent 18.1% of sales, compared with 17.3% in the same period of 2006. This represents a 150bp improvement in adjusted operating margin before integration of the recent acquisitions. Thanks to strong market positions, Legrand has continued to fully offset rising raw material costs with increased sales prices.

Net income excluding minorities more than doubled to €298.5 million or 9.6% of sales, reflecting excellent operating results and declines in net financial expense.

Good free cash flow: Good management of capital employed and strong growth in earnings enabled Legrand to maintain a high level of cash flow conversion. Thus, free cash flow rose 15.8% to represent 11.5% of sales.

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Consolidated financial statements and a presentation of 9-month results and the related teleconference are available at www.legrandelectric.com

Key dates

- 2007 annual results: February 7, 2008
- 2008 first-quarter results: May 7, 2008
- General Meeting of Shareholders: May 22, 2008

ABOUT LEGRAND

Legrand (www.legrandelectric.com) is the world specialist in products and systems for electrical installations and information networks, offering solutions for use in residential, commercial and industrial buildings. Operating in over 60 countries with sales of €3.7 billion in 2006, it employs about 33,000 people and its catalogues list more than 130,000 products. At Legrand, innovation drives growth: with nearly 5% of sales invested in R&D every year, the group brings out a steady stream of new, high added-value products.

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