

Strong growth in 2007 sales and earnings Solid prospects for 2008

Sales up a firm 10.5%

Robust growth in adjusted operating income: 17.5%

Adjusted operating margin up 100 basis points

Net income up 67%

High level of free cash flow generation: 13.4% of revenues

Significant rise in the dividend: 40%

Gilles Schnepf, Chairman and Chief Executive Officer of Legrand, comments:

“Legrand turned in an excellent performance in 2007. Sales growth was in double digits and adjusted operating income rose by over 17%, with margins showing a significant improvement, while net income surged 67% and free cash flow topped half a billion euros.

Marking another year of sustained progress in all indicators, these results illustrate the structural change in our business model, with a combination of increased financial solidity and a marked acceleration in growth made possible by:

- Improvement over several years in the worldwide distribution of our sales forces and industrial resources. As a result, Legrand is becoming a multi-pole group marked by the emergence of new growth centers that combine size and rapid expansion, as exemplified by Mexico, Brazil, China, India, Russia, Poland and Turkey.*
- Methodical exploitation of new, rapidly expanding market segments that make for sustained acceleration in our growth: lighting controls, energy efficiency, VDI networks (audio and video distribution, internet access, etc.) and home automation.*
- Added momentum for these favorable trends through active acquisitions.*

Taken together, these trends can only reinforce the resilience Legrand has demonstrated in previous business cycles, all the more as we have simultaneously achieved a structural improvement in the generation of cash flow.

Legrand thus wishes to use this increased scope to seize the many opportunities that arise for profitable acquisitions, while consolidating its balance-sheet structure and giving all shareholders the benefit of this highly favorable structural development.

The group will thus ask the General Meeting of Shareholders on May 22, 2008 to set the dividend in respect of the 2007 financial year at €0.70 per share, 40% more than in the previous year raising the payout ratio to 48%^a.

^a After adjustment of 2007 net income for an exceptional €27 million non-cash gain on deferred taxes reflecting the decline in the tax rate in Italy. The payout rate was 42% in 2006 after adjustment for an exceptional non-cash charge of €109 million relating to debt refinancing.

Assuming an economic slowdown but no major upsets of its markets, Legrand is confident in its capacity to raise sales in 2008 by 7 to 9%, excluding exchange-rate effects and including the contribution of acquisitions, and, over the same period to reach an adjusted operating margin at a level close to that achieved in 2007.

Consolidated data (€ millions)	2007	2006	% change 2007/2006
Sales	4,128.8	3,736.8	+10.5%
Adjusted operating income ⁽¹⁾	724.0	616.2	17.5%
as % of sales	17.5%	16.5%	
Operating income	661.5	529.6	+24.9%
as % of sales	16.0 %	14.2%	
Net income ⁽²⁾	421.0	252.0	+67.1%
as % of sales	10.2 %	6.7%	
Free cash flow ⁽³⁾	552.9	456.1	+21.2%
as % of sales	13.4 %	12.2%	
Net financial debt at December 31 ⁽⁴⁾	1,798	1,676	+7.3%

(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 (€62.5 million and €86.6 million in 2007 and 2006, respectively).

(2) Net income, group share. The 2007 figure includes a €27 million non-cash gain on deferred taxes reflecting the decline in the tax rate in Italy. The 2006 figure includes an exceptional €109 million charge for refinancing of debt.

(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.

(4) Net financial debt is defined as the sum of long-term borrowings, short-term borrowings and subordinated perpetual notes, less cash and cash equivalents and marketable securities.

Excellent performance to December 31, 2007

Firm sales growth: Legrand reported 2007 sales of €4,128.8 million, up **10.5%** from those reported for the previous year and up **8.6%** at constant scope of consolidation and exchange rates.

Consolidation of recent acquisitions added **3.6%** and variations in exchange rates, mainly the euro value of the dollar, had a negative impact of 1.8%.

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

	2007 / 2006	4 th quarter 2007 / 4 th quarter 2006
France	+6.3%	+3.7%
Italy	+8.2%	+9.3%
Rest of Europe	+12.8%	+7.9%
USA / Canada	+1.6%	+4.4%
Rest of the world	+13.2%	+15.4%
Total	+8.6%	+8.2%

- **France:** The success of new wiring-device ranges Celiane, Mosaic and Batibox confirms the sound basis of our strategy for trading up the market and contributed to a record 6.3% rise in sales despite the high level achieved in the fourth quarter of 2006.

- **Italy:** The 8.2% rise in sales was driven by continued strong pace for the Axolute range, robust performances in the industrial sector, and strong demand from distributors in the fourth quarter.

- **Rest of Europe:** Growth remained very firm, reaching 12.8% despite comparison with very strong results at the end of 2006. This reflected in particular double-digit growth in Greece and Turkey and continued remarkable performances in Eastern Europe, where sales were up 24% overall. In particular sales in Russia, Romania and Slovakia rose more than 31%.

- **United States/Canada:** The group confirmed its remarkable resilience and increasing share of business in fast growing market segments. Legrand thus posted a 4.2% rise in sales in the second half to set the full-year increase at 1.6%. This reflected the continuation of moderate growth in the commercial sector and the vigorous performances of high value-added businesses. In particular, sales of Vantage, no. 1 for top-of-the-range lighting controls, OnQ, specialized in home automation, and The Watt Stopper, no. 1 for energy-saving lighting controls, were up by more than 22% in 2007.

- **Rest of the World:** Growth accelerated in the closing months to reach 13.2% for the year as a whole, with all countries making excellent overall contributions. This was particularly the case for the Middle East and Latin America.

Continued expansion on emerging markets: With sales on emerging markets accounting for nearly 25% of the consolidated total, Legrand improved its growth profile and diversified its market positions to bring exposure to emerging markets into line with the world economy, thereby reinforcing the solidity of its business model. In 2007, sales on emerging markets rose 18% at constant scope of consolidation and exchange rates, accounting for some 50% of the group's overall organic growth.

Firm pace in acquisitions: A recurrent source of momentum for growth, acquisitions financed out of cash flow has accelerated. In three years, Legrand has acquired 15 companies, including 6 in 2007, together representing annual sales of over half a billion euros. Very targeted acquisitions play an important role in providing Legrand with access to rapidly expanding emerging markets (TCL and Shidean in China, Cemar in Brazil, Kontaktor in Russia, Macse in Mexico) as well as the high-growth market for home automation (OnQ Vantage and UStec). They also make a major contribution to the group's business development in commercial and industrial sectors (Van Geel, Zucchini, ICM, Alpes Technologies).

In 2008, Legrand has already announced the acquisition of PW Industries, a US firm specialized in ceiling cable tray systems for commercial and industrial sectors. This reinforces the positions of Legrand, the uncontested world leader in cable management and no. 1 in the US in this field, enabling it to round out its offering and accelerate growth on the industrial market. In 2007, PW Industries reported sales of \$32 million.

Vigorous earnings growth: Adjusted operating income was up 17.5% from 2006 to 2007, standing at 17.5% of sales compared with 16.5% in the previous year. Adjusted operating margin was thus up 100 basis points. Excluding the impact of recent acquisitions, the rise in operating margin amounts to 170 basis points. Thanks to strong market positions, Legrand has continued to fully offset rising raw material costs with increased sales prices.

Net income excluding minorities rose 67% to €421 million, equaling 10.2% of sales. This reflects a combination of excellent operational performance and a reduction in net interest and other financial expense.

Sharp increases in free cash flow and dividend: Vigorous earnings growth and tight control of capital employed made for a 21.2% rise in free cash flow to €553 million, or 13.4% of sales.

Free cash flow was thus well over 10% of sales for the fourth year running, compared with an historical average of 6%. This demonstrates the structural improvement in Legrand's capacity to consistently generate high levels of free cash flow.

Confident in the solidity of its business model, Legrand aims to give all shareholders the benefit of this progress, while at the same time stepping up the pace of acquisitions and maintaining its very sound balance sheet structure. Considering this, Legrand will, subject to the approval of the General Meeting of shareholders on May 22, 2008, make a dividend of €0.70 per share payable in respect of the 2007 financial year on June 3, 2008, up 40% from the previous year, raising the payout ratio to 48%^b.

*
* *

PRESS RELEASE

^b After adjustment of 2007 net income for an exceptional €27 million non-cash gain on deferred taxes reflecting the decline in the tax rate in Italy. The payout rate was 42% in 2006 after adjustment for an exceptional non-cash charge of €109 million relating to debt refinancing.

Live and recorded presentations of results for the 2007 financial years as well as consolidated financial statements are available at www.legrandelectric.com.

Key dates

- First-quarter 2008 results: **May 7, 2008**
- General Meeting of Shareholders: **May 22, 2008**
- First-half 2008 results: **July 30, 2008**

ABOUT LEGRAND

Legrand is the global specialist in products and systems for electrical installations and information networks. Its comprehensive offering of solutions for use in commercial, industrial and residential markets makes it a benchmark for suppliers worldwide. Innovation for a steady flow of new products with high added value is a prime vector for growth. Backed by sound business and financial structures, Legrand is actively expanding its presence in fast-growing geographical zones and market segments that include lighting controls, energy savings and home automation, through a sustained stream of targeted, self-financed acquisitions and other initiatives. In 2007 Legrand employed 35,000 people around the globe and reported sales of €4.1billion, including 25% in emerging markets. The company is listed on the Eurolist market of Euronext Paris and is a component stock of indexes including the SBF120, FTSE4Good and MSCI World (ISIN code FR0010307819). www.legrandelectric.com

Financial Communication:

Legrand
François Poisson
Tel: +33 (0)1 49 72 53 53
Fax : +33 (0)1 43 60 54 92
E-mail : francois.poisson@legrand.fr

Press Contact:

Publicis Consultants
Raphaëlle Rico
Tel : +33 (0)1 44 43 73 11
Fax : +33 (0)1 44 43 75 65
E-mail: raphaelle.rico@consultants.publicis.fr