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HALF-YEARLY FINANCIAL REPORT

AS OF JUNE 30, 2015

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1 HALF-YEARLY REPORT FOR THE SIX MONTHS ENDED JUNE 30, 2015

1.1. INTRODUCTION

The following review of Legrand's financial position and the results of operations should be read in conjunction with the consolidated financial statements and the related notes for the six-month period ended June 30, 2015 as set out in chapter 2 of this half-yearly financial report and other information included in the Registration Document (*Document de référence*) filed with the French *Autorité des marchés financiers* (AMF) on April 15, 2015, under number D.15-0352. The Company's financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee's readings as adopted by the European Union. This review also includes forward-looking statements based on assumptions about the company's future business. Actual results could differ materially from those contained in these forward-looking statements.

All percentages may be calculated on non-rounded figures and may therefore differ from percentages calculated on rounded figures.

All 2014 figures are adjusted for the items detailed in Note 4 to the consolidated financial statements set out in chapter 2 of this half-yearly financial report.

1.2. OVERVIEW

Legrand is the global specialist in electrical and digital building infrastructure. Its full range of products and systems suitable for the international commercial, industrial, and residential segments of the low-voltage market makes Legrand a benchmark for customers worldwide. The Group markets its products under internationally recognized general brand names, including Legrand and Bticino, as well as under well-known local and specialist brands. Legrand, which is close to its markets and focuses on its customers, has commercial and industrial operations in over 80 countries.

Legrand generated sales of €4,499.1 million in 2014, of which about 80% was generated outside France, and recorded an adjusted operating margin of 19.6% of sales.

Legrand's financial position and results of operations are reported on the basis of five geographic zones that correspond to the regions of origin of invoicing. Information concerning the results of operations and financial positions for each of these five geographic zones is presented for the first six months of 2015 and 2014 in Note 25 to the consolidated financial statements set out in chapter 2 of this half-yearly financial report. Each zone represents either a single country or the consolidated results of a number of countries and distinct markets. These five geographic zones are:

- France;
- Italy;
- Rest of Europe (principally Turkey, Russia, Spain, the United Kingdom, Belgium, the Netherlands, Germany, Poland, Switzerland and Austria);
- The United States and Canada; and
- Rest of the World (principally India, China, Brazil, Australia, Mexico, Chile, Saudi Arabia, Colombia, Malaysia, Egypt, the United Arab Emirates and Peru).

Since local market conditions are the determining factors in business performance and net sales by zone, consolidated financial information for multi-country zones does not accurately reflect financial performance in each national market.
Furthermore, products may be manufactured and sold locally or imported from or exported to another Group entity. These factors may make it difficult to compare results for different geographic zones. Consequently, with the exception of information relating to net sales, the discussion of results below focuses primarily on consolidated results, with reference to national markets where these have a material impact on consolidated accounts.

1.3. RECENT EVENTS

Since the beginning of 2015, Legrand has pursued its self-financed acquisition strategy and has announced the purchase of three companies representing over €130 million in combined annual sales. All are in new highly promising new business segments that include energy efficiency for IME, a European specialist in measuring electrical installation parameters; and digital infrastructures for both Raritan, Inc.[1], a frontrunner in intelligent PDUs[2] and KVM[3] switches in North America, and Valrack, an Indian player specializing in racks, Voice-Data-Image cabinets and related products for data centers.

[1] Subject to standard conditions precedent. The acquisition should be closed in the course of August 2015.
[2] PDU: Power Distribution Unit
[3] KVM: Keyboard, Video, Mouse

Based on acquisitions already announced and their likely date of consolidation, changes in the scope of consolidation should boost consolidated sales for 2015 by around +1.9%.

In July 2015, Legrand announced the launch of Eliot, a program aimed at speeding up deployment of the Internet of Things in the group's offerings and thus being an active player in facilitating the emergence of connected buildings. On that occasion, Legrand set ambitious targets that include doubling the number of connectable product families from 20 in 2014 to 40 in 2020, and achieving double-digit average annual sales growth for connectable products by 2020.

Legrand pursued its innovation effort and dedicated 4.7% of its sales to R&D in the first half of 2015. Since the beginning of the year, Legrand has launched many new products including:

- Driver Manager offer on international markets, a gateway that ensures interoperability between the *My Home* range of home systems and any third-party products,
- Kaléis wire-mesh cable management range on international markets,
- Linea Space power cabinets in Italy, and
- user interface (formerly wiring devices) ranges Valena Life for Central and Southern Europe and Britzy for the Indian market.

1.4. COMPARISON OF FIRST-HALF RESULTS FOR 2014 AND 2015

	Legrand Six months ended June 30	
(in € millions)	**2015**	**2014**
Net sales	**2,411.7**	**2,224.6**
Operating expenses		
Cost of sales	(1,153.4)	(1,072.0)
Administrative and selling expense	(664.1)	(605.1)
Research and development expense	(109.3)	(95.7)
Other operating income (expense)	(28.3)	(19.9)
Operating income	**456.6**	**431.9**
Financial expense	(45.6)	(42.3)
Financial income	5.9	4.2
Exchange gains (losses)	1.0	(0.1)
Total net financial expense	**(38.7)**	**(38.2)**
Income before taxes	**417.9**	**393.7**
Income tax expense	(133.8)	(124.1)
Net income	**284.1**	**269.6**
Of which:		
– Net income excluding minorities	**283.4**	**268.5**
– Minority interests	**0.7**	**1.1**

The table below presents the calculation of adjusted operating income (defined as operating income adjusted for amortization of revaluation of intangible assets at the time of acquisition and for expense/income relating to acquisitions, and, where applicable, for impairment of goodwill), and maintainable adjusted operating income (i.e., excluding restructuring charges) for the periods under review:

	Legrand Six months ended June 30	
(in € millions)	**2015**	**2014**
Net income	**284.1**	**269.6**
Income tax expense	133.8	124.1
Exchange (gains) losses	(1.0)	0.1
Financial income	(5.9)	(4.2)
Financial expense	45.6	42.3
Operating income	**456.6**	**431.9**
Amortization and costs related to acquisitions	21.5	16.9
Impairment of goodwill	0.0	0.0
Adjusted operating income	**478.1**	**448.8**
Restructuring charges	12.8	10.9
Maintainable adjusted operating income	**490.9**	**459.7**

1.4.1. Net sales

Consolidated net sales rose 8.4% to €2,411.7 million in the first six months of 2015, compared with €2,224.6 million in the first six months of 2014, reflecting the combined impact of:

- +6.9% due to favorable exchange rates effects over the period;
- +1.6% due to the broader scope of consolidation that resulted from acquisitions;
- -0.1% organic[1] evolution, in line with the 2015 full-year target.

Organic changes in net sales by destination (local market of the end customer) from the first six months of 2014 to the first six months of 2015 were as follows:

France	-3.1%
Italy	0.0%
Rest of Europe	+2.3%
United States and Canada	+5.2%
Rest of the world	-2.8%
TOTAL	**-0.1%**

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

France. Sales in France for the first half of 2015 came to €466.7 million compared with €481.6 million in the first half of 2014, down -3.1% reflecting the organic change over the period. The group nonetheless recorded good performances in user interface (formerly wiring devices), digital infrastructure and emergency lighting. After a first quarter penalized by the reverse unfavorable effect from the fourth quarter of 2014[1], the second quarter was favored by good commercial performances, in particular linked to recent launches, such as in user interface with the new Céliane collection. 2015 first-half performance (-3.1%) was on the whole in line with underlying market trend: renovation remained resilient while new construction continued its retreat.

Italy. After several years of steep decline in the market, amplified by the effect of distributor destocking, sales were nearly steady at €255.3 million in the first half of 2015 compared with €255.2 million in the first half of 2014. This trend seems to confirm that the Italian market entered a stabilization phase. Against this backdrop, Legrand has notably registered healthy performances in user interface, cable management and modular UPS[2].

Rest of Europe. Net sales in the Rest of Europe zone rose +2.8% to €412.8 million in the first half of 2015, compared with €401.5 million in the first half of 2014. This reflects +2.3% organic growth: Spain, the United Kingdom, Germany, Turkey and many new economies in Eastern Europe—among them Romania, Hungary and the Czech Republic—reported a healthy rise in sales that more than offset a decline in some other mature countries in Europe as well as in Russia. This organic growth was rounded out by a +2.5% change in the scope of consolidation corresponding primarily to the integration of Neat over six months, partly offset by a -2.0% unfavorable exchange-rate effect.

United States and Canada. Net sales in the United States/Canada zone rose +35.7% to €540.8 million in the first half of 2015, compared with €398.4 million in the first half of 2014. This increase was generated by +5.2% organic growth buoyed by, on the one hand, the overall still favorable construction market, including residential activity that continued to rise and a growing commercial segment; and on the other hand, in the second quarter alone, by an inventory build-up by distributors following the announcement of the launch of the new GFCI[3] as well as great successes in non-residential activity. Legrand recorded good showings in highly energy-efficient lighting control (especially following California's deployment of Title 24, a new energy code for buildings), in digital infrastructure and in wire mesh-cable management. This organic growth was rounded out by a +22.7% favorable exchange-rate effect and a +5.1% increase due to the change in scope of consolidation, corresponding primarily to the integration of Lastar over 3 months.

As announced, the United States became the group's #1 country by sales in 2015.

Rest of the World. Net sales in the Rest of the World zone rose +7.0% to €736.1 million in the first half of 2015, compared with €687.9 million in the first half of 2014. This reflected the combined impact of a positive exchange-rate effect of +9.4% and a +0.6% contribution from the change in scope of consolidation due primarily to the consolidation of SJ Manufacturing (Singapore) over 6 months, developments that were partially offset by a -2.8% organic evolution of sales. Many countries in this region recorded good showings, including Saudi Arabia and South Africa in Africa/Middle East; India, Malaysia and Thailand in Asia; and Mexico, Colombia, and Chile in Latin America. Activity declined in some other countries, in particular China and Brazil both affected by current economic conditions.

The table below shows a breakdown of changes in net sales by **destination** (local market of the end customer) for the 6-month period ending June 30, 2015 and 2014.

	Legrand 6-month period ending June 30			
(€ million except %)	**2015**		**2014**	
	€	**%**	**€**	**%**
Net sales by destination				
France	466.7	19.4	481.6	21.7
Italy	255.3	10.6	255.2	11.5
Rest of Europe	412.8	17.1	401.5	18.0
United States and Canada	540.8	22.4	398.4	17.9
Rest of the world	736.1	30.5	687.9	30.9
TOTAL	**2,411.7**	**100.0**	**2,224.6**	**100.0**

[1] Readers are reminded that the -8.1% organic change in sales in the first quarter of 2015 was impacted, as announced, by the reverse 5-point unfavorable effect of strong demand from distributors in the fourth quarter 2014 that may not reoccur in the fourth quarter of 2015
[2] UPS: Uninterruptible Power Supply
[3] GFCI: Ground Fault Circuit Interrupter

The table below presents the components of changes in net sales by **destination** (client markets).

Net sales **€ millions, except %**	**1st half 2014**	**1st half 2015**	**Total change**	**Change in scope of consolidation**	**Organic growth[(1)]**	**Exchange-rate effect**
France	481.6	466.7	-3.1%	0.0%	-3.1%	0.0%
Italy	255.2	255.3	0.0%	0.0%	0.0%	0.0%
Rest of Europe	401.5	412.8	2.8%	2.5%	2.3%	-2.0%
USA/Canada	398.4	540.8	35.7%	5,1%	5.2%	22.7%
Rest of the World	687.9	736.1	7.0%	0.6%	-2.8%	9.4%
CONSOLIDATED TOTAL	**2,224.6**	**2,411.7**	**8.4%**	**1.6%**	**-0.1%**	**6.9%**

(1) *At constant scope of consolidation and exchange rates*

The table below presents the components of changes in net sales by **origin** of invoicing.

Net sales **€ million, except %**	**1st half 2014**	**1st half 2015**	**Total change**	**Change in scope of consolidation**	**Organic growth[(1)]**	**Exchange-rate effect**
France	539.4	524.3	-2.8%	0.0%	-2.8%	0.0%
Italy	276.5	268.7	-2.8%	0.0%	-2.8%	0.0%
Rest of Europe	393.0	405.4	3.2%	2.2%	3.3%	-2.3%
USA/Canada	407.6	555.3	36.2%	5.5%	5.2%	22.8%
Rest of the World	608.1	658.0	8.2%	0.6%	-2.5%	10.4%
CONSOLIDATED TOTAL	**2,224.6**	**2,411.7**	**8.4%**	**1.6%**	**-0.1%**	**6.9%**

(1) *At constant scope of consolidation and exchange rates*

1.4.2. Cost of sales

The consolidated cost of sales rose 7.6% to €1,153.4 million in the first half of 2015, compared with €1,072.0 million in the first half of 2014. This was primarily due to:

- the mechanical impact of the conversion into euro of subsidiaries' cost of sales not denominated in euros (euro's decline against most other currencies);
- the increase in volume of raw materials and components consumed as production increased; and
- the consolidation of new acquisitions;

partially offset by:

- a slight fall in price for raw materials and components;
- ongoing productivity and adaptation efforts.

As a percentage of net sales, the cost of sales fell from 48.2% in the first half of 2014 to 47.8% in the first half of 2015.

1.4.3. Administrative and selling expense

Administrative and selling expense rose to €664.1 million in the first half of 2015, compared with €605.1 million in the first half of 2014. This was essentially attributable to:

- ongoing investment to fuel growth in expanding activities;
- the impact of exchange rates, with the euro losing ground against most currencies; and
- consolidation of new acquisitions;

partially offset by:

- continued adaptation and productivity initiatives.

Expressed as a percentage of sales, administrative and selling expense stood at 27.5% in the first half of 2015 compared with 27.2% in the first half of 2014.

1.4.4. Research and development expense

	Calculation of research and development expenditure in the six months ended June 30	
(€ millions)	**2015**	**2014**
Research and development expense	(109.3)	(95.7)
Amortization related to acquisitions and R&D tax credit	(2.8)	(3.6)
Amortization of capitalized development expense	12.9	12.6
R&D expense before capitalized development expense	**(99.2)**	**(86.7)**
Capitalized development expense	(13.2)	(14.2)
Research and development expenditure for the period	**(112.4)**	**(100.9)**

In accordance with IAS 38 "Intangible Assets", Legrand has implemented an internal measurement and accounting system for development expense to be recognized as intangible assets. On this basis, €13.2 million in development expense was capitalized in the first half of 2015 compared with €14.2 million in the first half of 2014.

Research and development expense totaled €109.3 million in the first half of 2015 compared with €95.7 million in the first half of 2014.

Excluding the impact of the capitalization of development costs and purchase accounting charges relating to acquisitions, as well as the tax credit for research & development activities, R&D expenditure stood at €112.4 million in the first half of 2015 (4.7% of net sales), compared with €100.9 million in the first half of 2014 (4.5% of net sales).

During the first half of 2015, Legrand thus actively pursued its commitment to innovation as a driver of organic growth. For a description of major new-product launches, see section 1.3 above.

1.4.5. Other operating income and expense

In the first six months of 2015, other operating expense totaled €28.3 million compared with €19.9 million in the same period of 2014.

1.4.6. Operating income

Consolidated operating income rose 5.7% to stand at €456.6 million in the first half of 2015 compared with €431.9 million in the first half of 2014. This increase resulted from:

- an 8.4% rise in net sales;

partially offset by:

- a 7.6% rise in cost of sales;
- a 10.4% rise in administrative, selling and research & development expense; and
- a rise in other income and operating expense.

Consolidated operating income came to 18.9% of net sales in the first half of 2015, compared with 19.4% in the first half of 2014.

1.4.7. Adjusted operating income

Adjusted operating income is defined as operating income adjusted for amortization of revaluation of intangible assets at the time of acquisition and for expense/income relating to acquisitions, and, where applicable, for impairment of goodwill.

Adjusted operating income rose 6.5% to stand at €478.1 million in the first half of 2015 compared with €448.8 million in the first half of 2014, and broke down as follows by geographical zone:

- France: €121.6 million in the first half of 2015 compared with €134.2 million in the first half of 2014, representing 23.2% of net sales in the first six months of 2015 compared to 24.9% in the first six months of 2014;
- Italy: €92.9 million in the first half of 2015 compared with €93.2 million in the first half of 2014, representing 34.6% of net sales in the first six months of 2015, compared to 33.7% of net sales in the first six months of 2014;
- Rest of Europe: €63.1 million in the first half of 2015 compared with €66.5 million in the first half of 2014, representing 15.6% of sales in the first half of 2015 compared with 16.9% in the first six months of 2014;
- USA/Canada: €95.7 million in the first half of 2015, compared with €66.2 million in the first half of 2014 (i.e. a rise of +44.6%), representing 17.2% of sales in the first half of 2015 compared with 16.2% in the first half of 2014; and
- Rest of the World: €104.8 million in the first half of 2015, compared with €88.7 million in the first half of 2014 (i.e. a rise of +18.2%), representing 15.9% of sales in the first half of 2015 compared with 14.6% in the first half of 2014.

In the first half of 2015, adjusted operating margin before acquisitions[1] stood at 20.0% of sales, which is consistent with the target set at the beginning of the year. Compared with adjusted operating margin in the first half of 2014, the -0.2 point change can be explained as follows:

- +0.1 point coming from inventory build-up of manufactured goods;
- -0.2 point corresponding to the effect of strong growth in the United States/Canada region—driven primarily by a very marked positive exchange-rate effect—where profitability is below the group average, although improving steadily; and
- -0.1 point due to other factors including expenses linked to the implementation of productivity initiatives.

Taking acquisitions into account, the group's adjusted operating margin came to 19.8% of sales in the first half of 2015.

1.4.8. Net financial expense

Finance expense stood at €45.6 million in the first half of 2015 compared with €42.3 million in the first half of 2014. Financial income came to €5.9 million in the first half of 2015 compared with €4.2 million in the first half of 2014. Net financial expense rose 4.2% in the first six months of 2015 from the same period of 2014, accounting for 1.6% of sales compared with 1.7% in the first half of 2014.

1.4.9. Exchange gains and losses

Exchange gains amounted to €1.0 million in the first six months of 2015, compared with a €0.1 million loss in the same period of 2014.

[1] At 2014 scope of consolidation

1.4.10. Income tax expense

Consolidated income tax expense amounted to €133.8 million in the first half of 2015 compared with €124.1 million in the first half of 2014. The effective tax rate stood at 32.0% in the first six months of 2015 compared with 31.5% in the same period of 2014.

1.4.11. Net income

Net income rose 5.4% to €284.1 million in the first half of 2015 compared with €269.6 million in the first half of 2014. This good overall performance resulted from:

- a €24.7 million rise in operating income; and
- a €1.1 million favorable trend in exchange gains and losses;

partially offset by:

- a €1.6 million rise in net financial expense; and
- a €9.7 million rise in income tax expense.

1.5 CASH FLOWS AND INDEBTEDNESS

1.5.1 Cash flows

The table below summarizes cash flows for the six-month periods ended June 30, 2015 and June 30, 2014:

	Legrand Six months ended June 30	
(€ millions)	**2015**	**2014**
Net cash from operating activities	297.1	233.4
Net cash from investing activities*	(95.5)	(157.3)
Net cash from financing activities	(325.4)	(142.7)
Effect of exchange rates changes on cash impact	10.7	1.0
Increase (reduction) in cash and cash equivalents	(113.1)	(65.6)
** of which capital expenditure and capitalized development costs*	*(55.6)*	*(50.3)*

For more details of Legrand's cash flows, see the consolidated statement of cash flow in the Group's consolidated financial statements presented in chapter 2 of this half-yearly financial report.

➢ NET CASH FROM OPERATING ACTIVITIES

Net cash provided by operating activities stood at €297.1 million at June 30, 2015 compared with €233.4 million at June 30, 2014, a rise of €63.7 million. This increase was due primarily to changes in current operating assets and liabilities, which set cash used at €84.2 million in the first half of 2015 compared with €129.9 million in the same period of 2014, or €45.7 million less. This increase was rounded out by cash flow from operations (defined as net cash generated by operating activities, plus or minus changes in current operating assets and liabilities) reaching €381.3 million at June 30, 2015 compared with €363.3 million on June 30, 2014.

➢ NET CASH FROM INVESTING ACTIVITIES

Net cash used in investing activities for the six months ended June 30, 2015 amounted to €95.5 million compared with €157.3 million for the period ended June 30, 2014. This decline mainly reflects a decline in acquisition of subsidiaries, partially offset by a rise in capital expenditure.

Capital expenditure and capitalized development costs amounted to €55.6 million in the first half of 2015 (including €13.2 million in capitalized development costs), or a 10.5% rise compared with investments and capitalized development costs of €50.3 million in the period ending June 30, 2014 (of which €14.2 million in capitalized development costs).

➢ NET CASH FROM FINANCING ACTIVITIES

Net cash used for financing activities amounted to €325.4 million in the first half of 2015, including primarily the payment of dividends in an amount of €293.1 million and €40.7 million representing mainly net buybacks of treasury stock. In the first half of 2014, net cash used in financing activities amounted to €142.7 million, including primarily the payment of dividends in an amount of €279.3 million and €90.5 million representing mainly net buybacks of treasury stock, partly offset by €212.0 million linked in particular to issuance of treasury notes.

1.5.2 Debt

Gross debt (defined as the sum of long-term and short-term borrowings, including commercial paper and bank overdrafts) came to €1,616.5 million at June 30, 2015 compared to €1,803.4 million at June 30, 2014. Cash and cash equivalents amounted to €615.3 million at June 30, 2015, compared to €540.3 million at June 30, 2014. Net debt (defined as gross debt less cash and cash equivalents) totaled €1,001.2 million at June 30, 2015 compared to €1,263.1 million at June 30, 2014.

The ratio of consolidated net debt to consolidated shareholders' equity was around 28% at June 30, 2015, compared with 40% at June 30, 2014.

At June 30, 2015 gross debt consisted of:

- €1,100.0 million in bonds issued in February 2010, March 2011 and April 2012;
- €345.8 million in Yankee bonds; and
- €170.7 million in other debt, mainly bank borrowings, bank overdrafts, treasury notes and financial debt linked to acquisitions, less bond issuance expense.

1.6 RELATED PARTY TRANSACTIONS

Readers should refer to Note 24 to the consolidated financial statements for the six-month period ended June 30, 2015, presented in chapter 2 of this half-year financial report, which details information relating to corporate officers.

1.7 RISKS AND UNCERTAINTIES

Readers should refer to chapter 4 and to Note 22 in chapter 9 of the Registration Document (*Document de référence*) filed with the French *Autorité des Marchés Financiers* (AMF) on April 15, 2015 under number D.15-0352, which discuss the main risk factors of a nature to adversely affect the group's position and risk management.

1.8 TRENDS AND PROSPECTS

Based on achievements in the first half of 2015, Legrand confirms its full-year targets for 2015[1] which, as a reminder, call for "organic growth in sales of between -3% and +2%" and "adjusted operating margin before acquisitions[2] of between 18.8% and 20.1% of sales".

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

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[1] Readers are invited to refer to paragraph 6.13 in chapter 6 of the Registration Document (*Document de référence*) filed with the French *Autorité des Marchés Financiers* (AMF) on April 15, 2015 under number D.15-0352 for the complete phrasing of Legrand's 2015 targets

[2] At 2014 scope of consolidation

2 INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2015

LEGRAND

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015

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Consolidated Statement of Income

	Legrand	
	6 months ended June 30,	
(in € millions)	**2015**	**2014***
Revenue (Note 2.11)	**2,411.7**	**2,224.6**
Operating expenses		
Cost of sales	(1,153.4)	(1,072.0)
Administrative and selling expenses	(664.1)	(605.1)
Research and development costs	(109.3)	(95.7)
Other operating income (expense) (Note 19.2)	(28.3)	(19.9)
Operating profit (Note 18)	**456.6**	**431.9**
Financial expense (Note 20.2)	(45.6)	(42.3)
Financial income (Note 20.2)	5.9	4.2
Exchange gains (losses) (Note 20.1)	1.0	(0.1)
Total net financial expense	(38.7)	(38.2)
Profit before tax	**417.9**	**393.7**
Income tax expense (Note 21)	(133.8)	(124.1)
Profit for the period	**284.1**	**269.6**
Of which:		
– Net income excluding minorities	**283.4**	**268.5**
– Minority interests	**0.7**	**1.1**
Basic earnings per share *(euros)* (Notes 2.17 and 12.3)	1.065	1.010
Diluted earnings per share *(euros)* (Notes 2.17 and 12.3)	1.053	0.996

** Restated comparative data for the six months ended June 30, 2014 (see Note 4).*

Statement of Comprehensive Income

	Legrand	
	6 months ended June 30,	
(in € millions)	**2015**	**2014***
Profit for the period	284.1	269.6
Items that may be reclassified subsequently to profit or loss		
Translation reserves (Notes 2.3 and 14.2)	95.9	37.6
Income tax relating to components of other comprehensive income	9.1	0.4
Items that will not be reclassified to profit or loss		
Actuarial gains and losses (Notes 2.15 and 17.1)	(5.0)	(14.2)
Deferred taxes on actuarial gains and losses	3.1	4.0
Comprehensive income for the period	**387.2**	**297.4**
Attributable to:		
– Legrand	**386.3**	**295.7**
– Minority interests	**0.9**	**1.7**

** Restated comparative data for the six months ended June 30, 2014 (see Note 4).*

The accompanying Notes are an integral part of these financial statements.

Consolidated Balance Sheet

	Legrand	
(in € millions)	**June 30, 2015**	**December 31, 2014***
ASSETS		
Current assets		
Cash and cash equivalents (Notes 2.4 and 11)	612.9	726.0
Marketable securities	2.4	3.1
Income tax receivables	33.6	60.0
Trade receivables (Notes 2.5 and 9)	650.2	500.4
Other current assets (Note 10)	164.2	152.1
Inventories (Notes 2.9 and 8)	694.6	622.7
Other current financial assets (Note 23)	0.0	0.6
Total current assets	**2,157.9**	**2,064.9**
Non-current assets		
Intangible assets (Notes 2.6 and 5)	1,837.7	1,853.3
Goodwill (Notes 2.7 and 6)	2,673.3	2,563.7
Property, plant and equipment (Notes 2.8 and 7)	557.1	556.6
Other investments	0.9	0.9
Deferred tax assets (Notes 2.10 and 21)	99.6	92.4
Other non-current assets	7.3	3.1
Total non-current assets	**5,175.9**	**5,070.0**
Total Assets	**7,333.8**	**7,134.9**

** Restated comparative data at December 31, 2014 (see Note 4).*

The accompanying Notes are an integral part of these financial statements.

(in € millions)	Legrand June 30, 2015	 December 31, 2014*
LIABILITIES AND EQUITY		
Current liabilities		
Short-term borrowings (Notes 2.18 and 15.2)	102.1	71.4
Income tax payable	32.2	15.0
Trade payables	553.9	481.8
Short-term provisions (Note 16)	101.5	86.6
Other current liabilities (Note 18)	469.8	457.7
Other current financial liabilities (Note 23)	1.4	0.4
Total current liabilities	**1,260.9**	**1,112.9**
Non-current liabilities		
Deferred tax liabilities (Notes 2.10 and 21)	666.1	658.6
Long-term provisions (Notes 16 and 17.2)	100.6	113.9
Other non-current liabilities	0.7	0.8
Provisions for post-employment benefits (Notes 2.15 and 17.1)	167.4	177.0
Long-term borrowings (Notes 2.18 and 15.1)	1,514.4	1,513.3
Total non-current liabilities	**2,449.2**	**2,463.6**
Equity		
Share capital (Note 12)	1,066.6	1,065.4
Retained earnings (Note 14.1)	2,732.3	2,764.4
Translation reserves (Note 14.2)	(186.1)	(281.8)
Equity attributable to equity holders of Legrand	3,612.8	3,548.0
Minority interests	10.9	10.4
Total equity	**3,623.7**	**3,558.4**
Total Liabilities and Equity	**7,333.8**	**7,134.9**

** Restated comparative data at December 31, 2014 (see Note 4).*

The accompanying Notes are an integral part of these financial statements.

Consolidated Statement of Cash Flows

	Legrand	
	6 months ended June 30,	
(in € millions)	**2015**	**2014***
Profit for the period	**284.1**	**269.6**
Adjustments for non-cash movements in assets and liabilities:		
– Depreciation expense (Note 19.1)	47.7	46.7
– Amortization expense (Note 19.1)	21.5	18.8
– Amortization of development costs (Note 19.1)	14.4	12.3
– Amortization of financial expense	1.1	1.0
– Impairment of goodwill (Notes 6 and 19.2)	0.0	0.0
– Changes in deferred taxes	5.0	(9.6)
– Changes in other non-current assets and liabilities (Notes 16 and 17)	3.4	18.9
– Exchange (gains)/losses, net	3.5	4.7
– Other adjustments	0.3	0.3
– (Gains)/losses on sales of assets, net	0.3	0.6
Changes in operating assets and liabilities:		
– Inventories (Note 8)	(55.6)	(25.9)
– Trade receivables (Note 9)	(136.1)	(97.1)
– Trade payables	58.2	12.3
– Other operating assets and liabilities	49.3	(19.2)
Net cash from operating activities	**297.1**	**233.4**
– Net proceeds from sales of fixed and financial assets	0.7	0.8
– Capital expenditure (Notes 5 and 7)	(42.4)	(36.1)
– Capitalized development costs	(13.2)	(14.2)
– Changes in non-current financial assets and liabilities	2.2	0.7
– Acquisitions of subsidiaries, net of cash acquired (Note 3)	(42.8)	(108.5)
Net cash from investing activities	**(95.5)**	**(157.3)**
– Proceeds from issues of share capital and premium (Note 12)	14.5	28.1
– Net sales (buybacks) of treasury shares and transactions under the liquidity contract (Note 12)	(40.7)	(90.5)
– Dividends paid to equity holders of Legrand**	(293.1)	(279.3)
– Dividends paid by Legrand subsidiaries	0.0	(0.1)
– Proceeds from new borrowings and drawdowns (Note 15)	0.0	0.0
– Repayment of borrowings (Note 15)	(10.8)	(5.9)
– Debt issuance costs	0.0	0.0
– Net sales (buybacks) of marketable securities	0.6	0.0
– Increase (reduction) in bank overdrafts	5.9	212.0
– Acquisitions of ownership interests with no gain of control (Note 3)	(1.8)	(7.0)
Net cash from financing activities	**(325.4)**	**(142.7)**
Effect of exchange rate changes on cash and cash equivalents	10.7	1.0
Increase (decrease) in cash and cash equivalents	**(113.1)**	**(65.6)**
Cash and cash equivalents at the beginning of the period	726.0	602.8
Cash and cash equivalents at the end of the period (Note 11)	**612.9**	**537.2**
Items included in cash flows:		
– Free cash flow*** (Note 25)	242.2	183.9
– Interest paid**** during the period	60.4	56.5
– Income taxes paid during the period	63.8	92.4

** Restated comparative data for the six months ended June 30, 2014 (see Note 4)*

*** See consolidated statement of changes in equity*

**** Normalized free cash flow is presented in Note 25*

***** Interest paid is included in the net cash from operating activities*

The accompanying Notes are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

(in € millions)	Equity attributable to equity holders of Legrand					Minority interests	Total equity*
	Share capital	Retained earnings*	Translation reserves	Actuarial gains and losses**	Total*		
As of December 31, 2013	**1,062.4**	**2,608.8**	**(400.8)**	**(33.0)**	**3,237.4**	**11.3**	**3,248.7**
IFRIC 21 Restatements		2.5			2.5		2.5
Profit for the period		268.5			268.5	1.1	269.6
Other comprehensive income		0.4	37.0	(10.2)	27.2	0.6	27.8
Total comprehensive income		*268.9*	*37.0*	*(10.2)*	*295.7*	*1.7*	*297.4*
Dividends paid		(279.3)			(279.3)	(0.1)	(279.4)
Issues of share capital and premium	5.2	22.9			28.1		28.1
Cancellation of shares acquired under the share buyback program	(3.2)	(34.3)			(37.5)		(37.5)
Net sales (buybacks) of treasury shares and transactions under the liquidity contract		(53.1)			(53.1)		(53.1)
Change in scope of consolidation***		(16.0)			(16.0)	0.1	(15.9)
Current taxes on share buybacks		(0.1)			(0.1)		(0.1)
Share-based payments		5.8			5.8		5.8
As of June 30, 2014	**1,064.4**	**2,526.1**	**(363.8)**	**(43.2)**	**3,183.5**	**13.0**	**3,196.5**
Profit for the period		263.2			263.2	0.5	263.7
Other comprehensive income		11.8	82.0	(6.0)	87.8	(0.4)	87.4
Total comprehensive income		*275.0*	*82.0*	*(6.0)*	*351.0*	*0.1*	*351.1*
Dividends paid		0.0			0.0	(3.7)	(3.7)
Issues of share capital and premium	1.0	4.5			5.5		5.5
Cancellation of shares acquired under the share buyback program		0.0			0.0		0.0
Net sales (buybacks) of treasury shares and transactions under the liquidity contract		3.1			3.1		3.1
Change in scope of consolidation***		0.8			0.8	1.0	1.8
Current taxes on share buybacks		(0.1)			(0.1)		(0.1)
Share-based payments		4.2			4.2		4.2
As of December 31, 2014	**1,065.4**	**2,813.6**	**(281.8)**	**(49.2)**	**3,548.0**	**10.4**	**3,558.4**
Profit for the period		283.4			283.4	0.7	284.1
Other comprehensive income		9.1	95.7	(1.9)	102.9	0.2	103.1
Total comprehensive income		292.5	95.7	(1.9)	386.3	0.9	387.2
Dividends paid		(293.1)			(293.1)	0.0	(293.1)
Issues of share capital and premium (Note 12)	2.8	11.7			14.5		14.5
Cancellation of shares acquired under the share buyback program (Note 12)	(1.6)	(16.8)			(18.4)		(18.4)
Net sales (buybacks) of treasury shares and transactions under the liquidity contract (Note 12)		(22.3)			(22.3)		(22.3)
Change in scope of consolidation***		(4.6)			(4.6)	(0.4)	(5.0)
Current taxes on share buybacks		(0.3)			(0.3)		(0.3)
Share-based payments (Note 13.1)		2.7			2.7		2.7
As of June 30, 2015	**1,066.6**	**2,783.4**	**(186.1)**	**(51.1)**	**3,612.8**	**10.9**	**3,623.7**

** Restated comparative data at December 31, 2014 (see Note 4).*

*** Net of deferred taxes*

**** Changes in scope of consolidation correspond mainly to acquisitions of additional shares in companies already consolidated and to puts on non-controlling interests*

The accompanying Notes are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Note 1 - General information

Legrand ("the Company") along with its subsidiaries (together "Legrand" or "the Group") is the global specialist in electrical and digital building infrastructures.

The Group has manufacturing and/or distribution subsidiaries and offices in over 80 countries, and sells its products in about 180 countries. Its key markets are France, Italy, the United States / Canada, the Rest of Europe and the Rest of the World, which correspond to the Group's reporting segments.

The Company is a *société anonyme* (public limited company) incorporated and domiciled in France. Its registered office is located at 128, avenue du Maréchal de Lattre de Tassigny, 87000 Limoges (France).

The consolidated financial statements were approved by the Board of Directors on July 29, 2015.
They should be read in conjunction with the consolidated financial statements for the year ended December 31, 2014 as set out in the Registration Document filed with the AMF on April 15, 2015 under no. D. 15-0352.

All amounts are presented in millions of euros unless otherwise specified. Some totals may include rounding differences.

Note 2 - Accounting policies

As a company incorporated in France, Legrand is governed by French company laws, including the provisions of the Commercial Code.

The consolidated financial statements cover the 6 months ended June 30, 2015. They have been prepared in accordance with the International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee interpretations adopted by the European Union and applicable or authorized for early adoption at June 30, 2015, including IAS 34 – Interim Financial Reporting.
None of the IFRS issued by the International Accounting Standards Board (IASB) that have not been adopted for use in the European Union are applicable to the Group.

The IFRS adopted by the European Union as of June 30, 2015 can be downloaded from the "IAS/IFRS Standards and Interpretations" page of the European Commission's website:
http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.
The areas involving a specific degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2.20.

The consolidated financial statements have been prepared using the historical cost convention, except for some classes of assets and liabilities in accordance with IFRS. The classes concerned are mentioned in the notes below.

2.1 New standards, amendments and interpretations

2.1.1 New standards, amendments and interpretations with mandatory application from January 1, 2015 that have an impact on its financial statements

IFRIC 21 – Levies

In May 2013, the IFRS Interpretation Committee issued IFRIC 21 – Levies which aims to clarify the trigger event for the provisioning for all taxes other than income taxes.
The different impacts on the Group of IFRIC 21 are presented in Note 4.

2.1.2 New standards, amendments and interpretations adopted by the European Union not applicable to the Group until future periods

Amendments to IAS 19 – Employee Benefits
In November 2013, the International Accounting Standards Board (IASB) issued Amendments to IAS 19 - Employee Benefits to clarify the recognition of contributions from employees when accounting for defined benefit plans, depending on whether the contributions are set out in the formal terms of the plan and whether they are linked to periods of service.
The amendments specify that only contributions set out in the formal terms of the plan that are not linked to periods of service do not reduce the service cost.
This amendment is effective for reporting periods beginning on or after January 1, 2016.

Annual Improvements to IFRS 2010-2012 Cycle
In December 2013, the IASB issued a collection of amendments as part of its Annual Improvements to IFRS 2010-2012 Cycle. Two of these amendments may concern the Group in particular and are described below. These amendments are effective for reporting periods beginning on or after January 1, 2016.

Amendment to IFRS 2 – Share-based Payment
This amendment provides guidance on the performance conditions set out in share-based payment plans.
In particular, any performance condition whose period extends beyond the period of the service condition is deemed to be a non-vesting condition. Consequently, the performance condition is reflected in the estimation of the fair value of the plan at the grant date, but has no impact on the number of shares acquired at the end of the vesting period.
This amendment should be prospectively applied to share-based payment plans for which the grant date is on or after July 1, 2014.

Amendment to IFRS 8 – Operating Segments
This amendment requires disclosing the judgments made by management in applying the aggregation criteria to operating segments. In particular, a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics should be disclosed in the notes to the financial statements.

The Group reviewed these amendments, to determine their possible impacts on the consolidated financial statements and related disclosures. There should be no material impact for the Group from these amendments.

2.1.3 New standards, amendments and interpretations not yet adopted by the European Union not applicable to the Group until future periods

IFRS 9 – Financial Instruments

In July 2014, the IASB published the complete version of IFRS 9 – Financial Instruments, which replaces most of the guidance in IAS 39 – Financial Instruments: Recognition and Measurement. The complete standard covers three main topics: classification and measurement, impairment and hedge accounting.

IFRS 9 introduces a single model for determining whether financial assets should be measured at amortized cost or at fair value. This model supersedes the various models set out in IAS 39. The IFRS 9 model is dependent on the entity's business model objective for managing financial assets and the contractual cash flow characteristics of the financial assets.
As under IAS 39, all financial liabilities are eligible for measurement at amortized cost, except for financial liabilities held for trading, which must be measured at fair value through profit or loss.

In addition, IFRS 9 introduces a single impairment model that supersedes the various models set out in IAS 39 and also includes a simplified approach for financial assets that fall within the scope of IFRS 15 – Revenue from Contracts with Customers. This model is based in particular on the notion of expected credit losses, which applies regardless of the financial assets' credit quality.

Lastly, whereas most of the IAS 39 hedge accounting rules still apply, IFRS 9 allows more types of hedge relationships to quality for hedge accounting, in addition to derivatives.

This standard, which has not yet been adopted by the European Union, is effective for annual periods beginning on or after January 1, 2018.

IFRS 15 – Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers, which replaces IAS 18 – Revenue and IAS 11 – Construction Contracts.
IFRS 15 sets out the requirements for recognizing revenue arising from all contracts with customers (except for contracts that fall within the scope of other standards). In addition, the standard requires the reporting entity to disclose certain contract information, particularly in the case of contracts that are expected to extend beyond one year and to describe the assumptions used by the entity to calculate the revenue amounts to be reported.

This standard, which has not yet been adopted by the European Union, is effective for annual periods beginning on or after January 1, 2018.

The Group is reviewing these standards, to determine their possible impacts on the consolidated financial statements and related disclosures.

2.2 Basis of consolidation

Subsidiaries controlled by the Group are fully consolidated. The Group controls an entity when it has power over the entity, i.e. it has substantive rights to govern the entity's key operations, is exposed to variable returns from its involvement with the entity, and has the ability to affect those returns. Subsidiaries are consolidated from the date when effective control is transferred to the Group. They are deconsolidated from the date on which control ceases.

Entities consolidated under the equity method are entities over which the Group has significant influence but not control. Significant influence is generally considered to be exercised when the Group holds 20 to 50% of the voting rights. Investments in such entities are initially recognized at cost and are subsequently accounted for by the equity method.

The Group does not hold interests accounted for under the equity method.

2.3 Foreign currency translation

Items included in the financial statements of each Group entity are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in euros, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rate on the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies using the exchange rate at the balance sheet date are recognized in the income statement under the heading "Exchange gains (losses)".

Assets and liabilities of Group entities whose functional currency is different from the presentation currency are translated using the exchange rate at the balance sheet date. Statements of income are translated using the average exchange rate for the period. Gains or losses arising from the translation of the financial statements of foreign subsidiaries are recognized directly in equity, under "Translation reserves", until such potential time as the Group no longer controls the entity.

A receivable from or payable to a foreign Group entity, whose settlement is not planned or likely to occur in the foreseeable future, is treated as part of the net investment in that entity. As a result, in compliance with IAS 21, translation gains and losses on such receivables or payables are recognized directly in equity, under "Translation reserves".

2.4 Cash and cash equivalents

Cash and cash equivalents consist of cash, short-term deposits and all other financial assets with an original maturity of less than three months. The other financial assets maturing in less than three months are readily convertible to known amounts of cash and are not subject to any material risk of change in value. Marketable securities are not considered as cash equivalents.

Cash and cash equivalents that are unavailable in the short term for the Group correspond to the bank accounts of certain subsidiaries facing complex, short-term fund repatriation conditions due mainly to regulatory reasons.

Bank overdrafts are considered to be a form of financing and are therefore included in short-term borrowings.

2.5 Trade receivables

Trade receivables are initially recognized at fair value and are subsequently measured at amortized cost.
A provision is recognized in the income statement when there is objective evidence of impairment such as:

- when a debtor is late on payment (allowances are estimated using an aged receivables schedule);
- when a debtor has defaulted; or
- when a debtor's rating has been downgraded or its business environment has deteriorated.

2.6 Intangible assets

2.6.1 Trademarks

2.6.1.1 Trademarks with finite useful lives

Trademarks with finite useful lives are amortized over their estimated useful lives ranging:

- from 10 years when management plans to gradually replace them by other major trademarks owned by the Group;
- to 20 years when management plans to replace them by other major trademarks owned by the Group only over the long term or when, in the absence of such an intention, management considers that the trademarks may be threatened by a major competitor in the long term.

Amortization of trademarks is recognized in the income statement under administrative and selling expenses.

2.6.1.2 Trademarks with indefinite useful lives

Trademarks are classified as having an indefinite useful life when management believes they will contribute indefinitely to future consolidated cash flows because it plans to continue using them indefinitely. Useful lives are reviewed at regular intervals, leading in some cases to trademarks classified as having an indefinite useful life being reclassified as trademarks with a finite useful life.

The Group's trademarks that are classified as having an indefinite useful life are used internationally, and therefore contribute to all of the Group's cash-generating units.

2.6.2 Development costs

Costs incurred for the Group's main development projects (relating to the design and testing of new or improved products) are recognized as intangible assets when it is probable that the project will be a success, considering its technical, commercial and technological feasibility, and when costs can be measured reliably. Capitalized development costs are amortized from the starting date of the sale of the product on a straight-line basis over the period in which the asset's future economic benefits are consumed, not exceeding 10 years.

Other development costs that do not meet the definition of an intangible asset are recorded in research and development costs for the year in which they are incurred.

2.6.3 Other intangible assets

Other intangible assets are recognized at cost less accumulated amortization and impairment.
They include in particular:

- software, which is generally purchased from an external supplier and amortized over 3 years;
- customer relationships acquired in business combinations. Corresponding to contractual relationships with key customers, they are measured using the discounted cash flow method and are amortized over a period ranging from 3 to 20 years.

2.6.4 Impairment tests on intangible assets except goodwill

When events or changes in market environment indicate that an intangible asset or item of property, plant and equipment may be impaired, the item concerned is tested for impairment to determine whether its carrying amount is greater than its recoverable amount, defined as the higher of fair value less disposal costs and value in use.

Fair value less disposal costs is the best estimate of the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less disposal costs.

Value in use is the present value of the future cash flows expected to be derived from the use and subsequent sale of the asset. For further information, see Note 2.7.2.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses on intangible assets may be reversed in subsequent periods if the impairment has decreased, provided that the increased carrying amount of the asset does not exceed the amount that would have been determined had no impairment loss been recognized.

Each trademark with an indefinite useful life is tested for impairment separately, in the fourth quarter of each year and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Impairment tests are performed using the relief from royalty method. This method consists of measuring the royalties that the company would have to pay to license in the trademark from a third party. The theoretical value of these royalties is then measured by estimating future revenue generated by the trademark over its useful life, as if the trademark were to be owned by a third party.

2.7 Goodwill

2.7.1 Business combinations

For each combination, the Group decides to use:

i. Either the full goodwill method, which consists of allocating goodwill to minority interests. Under this method, goodwill is the difference between a) the consideration paid to acquire the business combination plus the fair value of the non-controlling interests in the combination and b) the fair value at date of acquisition of the identifiable net assets acquired and liabilities assumed;

ii. Or the partial goodwill method, whereby no goodwill is allocated to minority interests. Under this method, goodwill is the difference between a) the consideration paid to acquire the business combination and b) the portion of the acquisition date fair value of the identifiable net assets acquired and liabilities assumed that is attributable to the Group.

The cost of business combinations, as determined on the date when control is acquired, corresponds to the fair value of the acquired entities. As such, it does not include acquisition-related costs and expenses but does include contingent consideration at fair value.

Changes in the percentage of interest held in a controlled entity are recorded directly in equity without recognizing any additional goodwill.

2.7.2 Impairment tests on goodwill

Goodwill is tested for impairment annually, in the fourth quarter of each year, and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For impairment testing purposes, goodwill is allocated to a cash-generating unit (CGU) or a group of CGUs, corresponding to the lowest level at which goodwill is monitored. Within the Legrand Group, CGUs are defined as corresponding to individual countries or to a group of countries, when they either have similar market characteristics or are managed as a single unit.

The need to record an impairment loss is assessed by comparing the carrying amount of the CGU's assets and liabilities, including goodwill, and their recoverable amount, defined as the higher of fair value less disposal costs and value in use.

Value in use is estimated based on discounted cash flows for the next five years and a terminal value calculated from the final year of the projection period. The cash flow data used for the calculation is taken from the most recent medium-term business plans approved by Group management. Business plan projections are based on the latest available external forecasts of trends in the Group's markets. Cash flows beyond the projection period of five years are estimated by applying a stable growth rate.

The discount rates applied derive from the capital asset pricing model. They are calculated for each individual country, based on financial market and/or valuation services firm data (average data over the last three years). The cost of debt used in the calculations is the same for all individual countries (being equal to the Group's cost of debt).

Value in use corresponds to the present value of the future cash flows expected to be derived from the subsidiaries included in the CGU. It is calculated by applying pre-tax discount rates to pre-tax future cash flows.

Fair value less disposal costs is the best estimate of the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

An impairment loss is recognized when the carrying amount is less than the recoverable amount. Impairment losses recognized on goodwill are irreversible.

2.8 Property, plant and equipment

Land, buildings, machinery and equipment, and other fixed assets are carried at cost less accumulated depreciation and any accumulated impairment losses. Impairment tests are performed annually and whenever events or changes in circumstances indicate that the assets' carrying amount may not be recoverable.

Assets acquired under lease agreements that transfer substantially most of the risks and rewards of ownership to the Group are capitalized on the basis of the present value of future minimum lease payments and are depreciated over the shorter of the lease contract period and the asset's useful life determined in accordance with Group policies (see below).

Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets; the most commonly adopted useful lives are the following:

Light buildings	25 years
Standard buildings	40 years
Machinery and equipment	8 to 10 years
Tooling	5 years
Office furniture and equipment	5 to 10 years

The depreciable amount of assets is determined after deducting their residual value when the amounts involved are material.

Each part of an item of property, plant and equipment with a useful life that is significantly different to the useful lives of other parts is recorded separately.

Assets held for sale are measured at the lower of their carrying amount and fair value less disposal costs.

2.9 Inventories

Inventories are measured at the lower of cost (of acquisition or production) or net realizable value, with cost determined principally on a first-in, first-out (FIFO) basis. The production cost of finished goods and work in progress

comprises raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Impairment provisions are recognized when inventories are considered wholly or partially obsolete, and for finished goods inventories when their net realizable value is lower than their net book value.

2.10 Deferred taxes

In accordance with IAS 12, deferred taxes are recognized for temporary differences between the tax bases of assets and liabilities and their carrying amount in the consolidated balance sheet. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.
Deferred tax assets and deferred tax liabilities are offset when the entity has a legally enforceable right of offset and they relate to income taxes levied by the same taxation authority.

2.11 Revenue recognition

Revenues from the sale of goods are recognized when all of the following conditions have been satisfied: (i) the significant risks and rewards of ownership of the goods have been transferred to the buyer; (ii) the seller retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (iii) the amount of revenue can be measured reliably; (iv) it is probable that the economic benefits associated with the transaction will flow to the seller; and (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably. For the Group, this policy results in the recognition of revenue when ownership title and the risk of loss are transferred to the buyer, which is generally upon shipment.

The Group offers some sales incentives to customers, consisting primarily of volume rebates and cash discounts. Volume rebates are typically based on three, six, and twelve-month arrangements with customers, and rarely extend beyond one year. Based on the trade of the current period, such rebates are recognized on a monthly basis as a reduction in revenue from the underlying transactions that reflect progress by the customer towards earning the rebate, with a corresponding deduction from the customer’s trade receivables balance.

Revenues are also presented net of product returns which are strictly limited by sales conditions defined on a country by country basis.

2.12 Valuation of financial instruments

2.12.1 Hierarchical classification of financial instruments

Under the amended IFRS 7, financial instruments are classified in a three-level hierarchy based on the inputs used to measure their fair value, as follows:

- level 1: quoted prices for similar instruments;
- level 2: inputs based on observable market data;
- level 3: inputs not based on observable market data.

2.12.2 Assessing the fair value of financial instruments

The carrying amounts of cash, short-term deposits, accounts receivable, accounts payable, accrued expenses and short-term borrowings approximate their fair value because of these instruments' short maturities. For short-term investments, comprised of marketable securities, fair value corresponds to the securities' market price. The fair value of long-term borrowings is estimated on the basis of interest rates currently available for issuance of debt with similar terms and remaining maturities. The fair value of interest rate swap agreements is the estimated amount that the counterparty would receive or pay to terminate the agreements, and is calculated as the present value of the estimated future cash flows.

2.12.3 Non-derivative financial instruments designated as hedges

Under IAS 39, non-derivative financial instruments may be designated as hedges only when they are used to hedge foreign currency risk and provided that they qualify for hedge accounting.

Accordingly, in the case of hedges of a net investment in a foreign operation, the portion of the gain or loss on the hedging instrument that is deemed to be an effective hedge is recognized in equity, as required under paragraph 102 of IAS 39.

2.12.4 Derivatives

Group policy consists of not entering into any transaction of a speculative nature involving financial instruments. All transactions in these instruments are entered into exclusively for the purpose of managing or hedging currency or interest rate risks, and changes in the prices of raw materials. For this purpose, and when it does not benefit from natural hedging, the Group periodically enters into contracts such as swaps, caps, options, futures and forward contracts, according to the nature of its exposure.

Accounting treatment of derivative instruments

Derivatives are initially recognized at fair value at the contract inception date and are subsequently remeasured at fair value at each reporting date. The method of recognizing the resulting gain or loss depends on whether the derivative qualifies for hedge accounting, and if so, the nature of the item being hedged.

Put on non-controlling interests

In the particular case of puts written on non-controlling interests without any transfer of risks and benefits, the contractual obligation to purchase these equity instruments is recognized as a liability by adjusting equity in application of IAS 32. Any subsequent changes in the liability are recorded in equity.

Other derivative instruments

In the case of other derivative instruments, the Group analyzes the substance of each transaction and recognizes any changes in fair value in accordance with IAS 39.

The fair values of derivative instruments used for hedging purposes are disclosed in Note 23.

2.13 Share-based payment transactions

Share-based payment plans have been implemented, which are settled in either equity or cash.

2.13.1 Equity-settled share-based payment transactions

The cost of stock options or performance shares is measured at the fair value of the award on the grant date, using the Black & Scholes option pricing model or the binomial model, and is recognized in the income statement under “Employee benefits expense” on a straight-line basis over the vesting period with a corresponding adjustment to equity. Changes in the fair value of stock options after the grant date are not taken into account.

The expense recognized by crediting equity is adjusted at each period-end during the vesting period to take into account changes in the number of shares that are expected to be delivered to employees when the performance shares vest or the stock options are exercised.

2.13.2 Cash-settled share-based payment transactions

When granting long-term employee benefits plans indexed to the share price, the value of the awarded instruments is estimated according to the conditions defined at the plan’s inception. This value is remeasured at each period-end and the resulting increase or decrease in expense is recognized as an adjustment to provisions.

2.14 Transfers and use of financial assets

In accordance with IAS 39, financial assets are derecognized when the associated cash flows and substantially all the related risks and rewards have been transferred.

2.15 Post employment benefit obligations and other long-term employee benefits

2.15.1 Pension obligations

Group companies operate various pension plans. The plans are funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has both defined contribution and defined benefit plans.

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Contributions are recognized as an expense for the period of payment.

The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in current and prior periods.

Defined benefit plans

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and end-of-career salary.

The liability recognized in the balance sheet for defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date, less the fair value of plan assets. The past service cost arising from changes to pension benefit plans is expensed in full as incurred.

The Group recognizes all actuarial gains and losses outside profit or loss, in the Statement of Recognized Income and Expense (Statement of Comprehensive Income), as allowed under IAS 19, paragraph 120C (revised).

Defined benefit obligations are calculated using the projected unit credit method. This method takes into account estimated years of service at retirement, final salaries, life expectancy and staff turnover, based on actuarial assumptions. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of investment grade corporate bonds that are denominated in the currency in which the benefits will be paid and have terms to maturity approximating the period to payment of the related pension liability.

2.15.2 Other post-employment benefit obligations

Some Group companies provide post-employment healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining with the company up to retirement age and completion of a minimum service period.

The benefits are treated as post-employment benefits under the defined benefit scheme.

2.15.3 Other long-term employee benefits

The Group has implemented plans providing long-term employee benefits to employees, which are recognized in provisions in accordance with IAS 19.

2.16 Segment information

The Group is organized for management purposes by countries grouped into geographical segments.
Hence, allocation of resources to the various segments and assessement of each segment's performance are performed by Group management on a country basis.

2.17 Basic and diluted earnings per share

Basic earnings per share are calculated by dividing net profit attributable to equity holders of Legrand by the weighted number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated according to the treasury stock method, by dividing profit attributable to equity holders of Legrand by the weighted average number of ordinary shares outstanding during the period, plus

the number of dilutive potential ordinary shares. The weighted average number of ordinary shares outstanding used in these calculations is adjusted for the share buybacks and sales carried out during the period and does not take into account shares held in treasury.

2.18 Short- and long-term borrowings

Short- and long-term borrowings mainly comprise bonds and bank loans. They are initially recognized at fair value, taking into account any transaction costs directly attributable to the issue, and are subsequently measured at amortized cost, using the effective interest method.

2.19 Borrowing costs

In accordance with the revised version of IAS 23, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of that asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.
Other borrowing costs are recognized as an expense for the period in which they were incurred.

2.20 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that are reflected in the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events, and are believed to be reasonable under the circumstances.

2.20.1 Impairment of goodwill and intangible assets

Trademarks with indefinite useful lives and goodwill are tested for impairment at least once a year and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, in accordance with the accounting policies presented in Notes 2.6.4 and 2.7.2.
Intangible assets with finite useful lives are amortized over their estimated useful lives and are tested for impairment when there is any indication that their recoverable amount may be less than their carrying amount.

Future events could cause the Group to conclude that evidence exists that certain intangible assets acquired in a business combination are impaired. Any resulting impairment loss could have a material adverse effect on the Group's consolidated financial statements and in particular on the Group's operating profit. The discounted cash flow estimates used for impairment tests on goodwill and trademarks with indefinite useful lives are based to a significant extent on management's judgment.

2.20.2 Accounting for income taxes

As part of the process of preparing the consolidated financial statements, the Group is required to estimate income taxes in each of the jurisdictions in which it operates. This involves estimating the actual current tax exposure and assessing temporary differences resulting from differing treatment of items such as deferred revenue or prepaid expenses for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are reported in the consolidated balance sheet.

The Group must then assess the probability that deferred tax assets will be recovered from future taxable profit. Deferred tax assets are recognized only when it is probable that sufficient taxable profit will be available, based on management-approved taxable profit forecasts.

The Group has not recognized all of its deferred tax assets because it is not probable that some of them will be recovered before they expire. The amounts involved mainly concern operating losses carried forward and foreign income tax credits. The assessment is based on estimates of future taxable profit by jurisdiction in which the Group operates and the period over which the deferred tax assets are recoverable.

2.20.3 Other assets and liabilities based on estimates

Other assets and liabilities based on estimates include provisions for pensions and other post-employment benefits, impairment of trade receivables, inventories and financial assets, share-based payments, provisions for contingencies and charges, capitalized development costs, and any annual volume rebates offered to customers.

Note 3 - Changes in the scope of consolidation

The contributions to the Group's consolidated financial statements of companies acquired since January 1, 2014 were as follows:

2014	March 31	June 30	September 30	December 31
Lastar inc.	Balance sheet only	3 months' profit	6 months' profit	9 months' profit
Neat	Balance sheet only	Balance sheet only	7 months' profit	10 months' profit
SJ Manufacturing		Balance sheet only	Balance sheet only	7 months' profit

2015	March 31	June 30
Lastar inc.	3 months' profit	6 months' profit
Neat	3 months' profit	6 months' profit
SJ Manufacturing	3 months' profit	6 months' profit
Valrack	Balance sheet only	Balance sheet only
IME		Balance sheet only

All of these companies are fully consolidated.

The main acquisitions carried out in first-half 2015 were as follows:

- the Group acquired Valrack, an Indian player specialized in racks, Voice-Data-Image cabinets and related products. Valrack has annual sales of under €10 million;
- the Group acquired IME, a leading Italian and European specialist in measuring electrical installation parameters. IME has annual sales of around €23 million.

In all, acquisitions of subsidiaries (net of cash acquired) came to a total of €42.8 million in first-half 2015 (plus €1.8 million for acquisitions of ownership interests without gain of control), versus €108.5 million in first-half 2014 (plus €7.0 million for acquisitions of ownership interests without gain of control).

Furthermore, in June 2015, the Group announced the acquisition of Raritan inc., subject to standard conditions precedent. This acquisition was not closed at the publication date of the present document.
Raritan inc. is a frontrunner in intelligent PDUs and KVM switches in North America and has annual sales of around $114 million.

Note 4 - Impacts of IFRIC 21 – Levies

In May 2013, the IFRS Interpretation Committee issued IFRIC 21 – Levies which aims to clarify the trigger event for the provisioning for all taxes other than income taxes.

The main impact of IFRIC 21 is to account for the provision of certain taxes for their full amount as soon as the trigger event occurred (in this case, the liability to pay a levy), instead of recognizing this amount gradually over the year.

In June 2014, IFRIC 21 was adopted by the European Union, with mandatory application for annual periods beginning on or after June 17, 2014. Therefore, this interpretation has been applied by the Group from January 1, 2015.

This change in accounting policy has been applied retrospectively in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The comparable financial information has been restated for significant amounts (which concern only France).

Adjustments between the consolidated statement of income reported for the period ended June 30, 2014 and the one presented on page 14 may be analyzed as follows:

(in € millions)	**Published**	**IFRIC 21 Restatements**	**Restated**
Revenue	**2,224.6**		**2,224.6**
Operating expenses			
Cost of sales	(1,070.5)	(1.5)	(1,072.0)
Administrative and selling expenses	(602.2)	(2.9)	(605.1)
Research and development costs	(95.6)	(0.1)	(95.7)
Other operating income	(19.9)		(19.9)
Operating profit	**436.4**	**(4.5)**	**431.9**
Total net financial expense	(38.2)		(38.2)
Profit before tax	**398.2**	**(4.5)**	**393.7**
Income tax expense	(125.6)	1.5	(124.1)
Profit for the period	**272.6**	**(3.0)**	**269.6**
Of which:			
- **Net income excluding minorities**	**271.5**	**(3.0)**	**268.5**
- **Minority interests**	**1.1**		**1.1**
Basic earnings per share *(euros)*	1.021	(0.011)	1.010
Diluted earnings per share *(euros)*	1.007	(0.011)	0.996

Adjustments between the consolidated statement of comprehensive income reported for the period ended June 30, 2014 and the one presented on page 14 may be analyzed as follows:

(in € millions)	**Published**	**IFRIC 21 Restatements**	**Restated**
Profit for the period	272.6	(3.0)	269.6
Comprehensive income for the period	300.4	(3.0)	297.4
Attributable to:			
- Legrand	298.7	(3.0)	295.7
- Minority interests	1.7		1.7

Adjustments between the consolidated balance sheet reported for the period ended December 31, 2014 and the one presented on pages 15 and 16 may be analyzed as follows:

(in € millions)	**Published**	**IFRIC 21 Restatements**	**Restated**
Total current assets	**2,064.9**		**2,064.9**
Non-current assets			
Intangible assets	1,853.3		1,853.3
Goodwill	2,563.7		2,563.7
Property, plant and equipment	556.6		556.6
Other investments	0.9		0.9
Deferred tax assets	93.7	(1.3)	92.4
Other non-current assets	3.1		3.1
Total non-current assets	**5,071.3**	**(1.3)**	**5,070.0**
Total Assets	**7,136.2**	**(1.3)**	**7,134.9**

(in € millions)	**Published**	**IFRIC 21 Restatements**	**Restated**
Current liabilities			
Short-term borrowings	71.4		71.4
Income tax payable	15.0		15.0
Trade payables	481.8		481.8
Short-term provisions	86.6		86.6
Other current liabilities	461.5	(3.8)	457.7
Other current financial liabilities	0.4		0.4
Total current liabilities	**1,116.7**	**(3.8)**	**1,112.9**
Total non-current liabilities	**2,463.6**		**2,463.6**
Equity			
Share capital	1,065.4		1,065.4
Retained earnings	2,761.9	2.5	2,764.4
Translation reserves	(281.8)		(281.8)
Equity attributable to equity holders of Legrand	**3,545.5**	**2.5**	**3,548.0**
Minority interests	10.4		10.4
Total equity	**3,555.9**	**2.5**	**3,558.4**
Total Liabilities and Equity	**7,136.2**	**(1.3)**	**7,134.9**

Adjustments between the consolidated statement of cash flows reported for the period ended June 30, 2014 and the one presented on page 17 may be analyzed as follows:

(in € millions)	**Published**	**IFRIC 21 Restatements**	**Restated**
Profit for the period	272.6	(3.0)	269.6
Adjustments for non-cash movements in assets and liabilities	93.7		93.7
Changes in operating assets and liabilities:			
– Inventories	(25.9)		(25.9)
– Trade receivables	(97.1)		(97.1)
– Trade payables	12.3		12.3
– Other operating assets and liabilities	(22.2)	3.0	(19.2)
Net cash from operating activities	**233.4**		**233.4**
Net cash from investing activities	**(157.3)**		**(157.3)**
Net cash from financing activities	**(142.7)**		**(142.7)**
Effect of exchange rate changes on cash and cash equivalents	1.0		1.0
Increase (decrease) in cash and cash equivalents	**(65.6)**		**(65.6)**
Cash and cash equivalents at the beginning of the period	602.8		602.8
Cash and cash equivalents at the end of the period	**537.2**		**537.2**
Free cash flow	**183.9**		**183.9**

Adjustments between the normalized free cash flow reported in information by geographical segment for the period ended June 30, 2014 and the one presented on page 68 may be analyzed as follows:

(in € millions)	**Published**	**IFRIC 21 Restatements**	**Restated**
Normalized free cash flow	314.0	(3.0)	311.0
Normalized free cash flow as % of sales	14.1%	(0.1%)	14.0%

The impacts of IFRIC 21 for the six months ended June 30, 2015 are equivalent to the impacts shown above for the six months ended June 30, 2014.

Note 5 - Intangible assets (Note 2.6)

Intangible assets are as follows:

(in € millions)	June 30, 2015	December 31,2014
Trademarks with indefinite useful lives	1,408.0	1,408.0
Trademarks with finite useful lives	269.4	265.8
Developed technology	2.8	3.3
Other intangible assets	157.5	176.2
	1,837.7	**1,853.3**

The Legrand and Bticino brands represent close to 98% of the total value of trademarks with indefinite useful lives.
Trademarks can be analyzed as follows:

(in € millions)	June 30, 2015	December 31,2014
Gross value at the end of the period	1,851.9	1,827.1
Less accumulated amortization and impairment at the end of the period	(174.5)	(153.3)
Net value at the end of the period	**1,677.4**	**1,673.8**

To date, no impairment has been recognized for these trademarks.

Trademarks with indefinite useful lives are tested for impairment annually and whenever events or changes in circumstances indicate that their carrying amount may exceed their recoverable amount.

There was no evidence of events or changes in circumstances requiring to recognize impairment losses in first-half 2015.

The following impairment testing parameters were used in the period ended December 31, 2014:

		Value in use	
Recoverable amount	**Carrying amount of trademarks with indefinite useful lives**	**Discount rate (before tax)**	**Growth rate to perpetuity**
Value in use	1,408.0	10.4 to 13.1%	2.8 to 3.2%

No impairment was recognized in the period ended December 31, 2014.

Developed technology can be analyzed as follows:

(in € millions)	June 30, 2015	December 31, 2014
Gross value at the end of the period	590.3	585.8
Less accumulated amortization and impairment at the end of the period	(587.5)	(582.5)
Net value at the end of the period	**2.8**	**3.3**

To date, no impairment has been recognized for developed technology.

Other **intangible assets** can be analyzed as follows:

(in € millions)	**June 30, 2015**	**December 31, 2014**
Capitalized development costs	302.8	289.8
Software	96.2	96.6
Other	80.1	88.4
Gross value at the end of the period	**479.1**	**474.8**
Less accumulated amortization and impairment at the end of the period	(321.6)	(298.6)
Net value at the end of the period	**157.5**	**176.2**

To date, no material impairment has been recognized for these items.

Note 6 - Goodwill (Note 2.7)

Goodwill can be analyzed as follows:

(in € millions)	**June 30, 2015**	**December 31, 2014**
France	686.5	676.0
Italy	387.2	366.8
Rest of Europe	274.9	270.2
USA/Canada	546.2	507.1
Rest of the World	778.5	743.6
	2,673.3	**2,563.7**

For impairment testing purposes, goodwill has been allocated to various countries, grouping cash-generating units (CGU) which represent the lowest level at which goodwill is monitored.

France, Italy and USA/Canada are each considered to be a single CGU, whereas the Rest of Europe and Rest of the World segments are made up of several CGUs.

In the “Rest of Europe” and “Rest of the World” regions, no final amount of goodwill allocated to a CGU represents more than 10% of total goodwill.

The geographic allocation of goodwill is based on the acquired company’s value, determined as of the date of the business combination, taking into account synergies with other Group companies.

Changes in goodwill can be analyzed as follows:

(in € millions)	**June 30, 2015**	**December 31, 2014**
Gross value at the beginning of the period	2,601.0	2,447.5
- Acquisitions	41.9	60.2
- Adjustments	(1.9)	(6.4)
- Reclassifications	1.9	0.0
- Translation adjustments	68.7	99.7
Gross value at the end of the period	**2,711.6**	**2,601.0**
Impairment value at the beginning of the period	(37.3)	(35.8)
- Impairment losses	0.0	0.0
- Translation adjustments	(1.0)	(1.5)
Impairment value at the end of the period	**(38.3)**	**(37.3)**
Net value at the end of the period	**2,673.3**	**2,563.7**

Adjustments correspond to the difference between provisional and final goodwill.

CGUs are tested for impairment annually, and whenever events or changes in circumstances indicate that their value may be impaired, by comparing their carrying amount, including goodwill, to their value in use.
Value in use corresponds to the present value of the future cash flows expected to be derived from the subsidiaries included in the CGU.

There was no evidence of events or changes in circumstances requiring to recognize impairment losses in first-half 2015.

The following impairment testing parameters were used in the period ended December 31, 2014:

			Value in use	
	Recoverable amount	**Carrying amount of goodwill**	**Discount rate (before tax)**	**Growth rate to perpetuity**
France		676.0	9.4%	2%
Italy		366.8	14.6%	2%
Rest of Europe	Value in use	270.2	8.5 to 20.6%	2 to 5%
USA/Canada		507.1	9.8%	3%
Rest of the World		743.6	8.8 to 21.1%	2 to 5%
		2,563.7		

No goodwill impairment losses were identified in the period ended December 31, 2014.

Goodwill arising on partial acquisitions has been measured using the partial goodwill method (Note 2.7.1).

For business combinations, the fair values of the identifiable assets acquired and of liabilities and contingent liabilities assumed are determined on a provisional basis. As a result, the related goodwill is subject to adjustment during the year following the provisional allocation.

Acquisition prices for the six months ended June 30, 2015 and the 12 months ended December 31, 2014 have been allocated as follows:

(in € millions)	**6 months ended June 30, 2015**	**12 months ended December 31, 2014**
- Trademarks	0.9	29.3
- Deferred taxes on trademarks	(0.2)	(1.1)
- Developed technology	0.0	0.0
- Deferred taxes on developed technology	0.0	0.0
- Other intangible assets	0.0	6.0
- Deferred taxes on other intangible assets	0.0	0.0
- Goodwill	41.9	60.2

Note 7 - Property, plant and equipment (Note 2.8)

Net value of property, plant and equipment at the end of the period can be analyzed as follows:

	June 30, 2015				
(in € millions)	Land	Buildings	Machinery and equipment	Assets under construction and other	Total
Gross value at the end of the period	56.3	589.6	1,690.1	291.1	2,627.1
Depreciation and impairment at the end of the period	(8.8)	(381.1)	(1,471.5)	(208.6)	(2,070.0)
Net value at the end of the period	**47.5**	**208.5**	**218.6**	**82.5**	**557.1**

To date, no material impairment has been recognized for these items.

Total property, plant and equipment includes €9.1 million corresponding to assets held for sale, which are measured at the lower of their carrying amount and fair value less disposal costs.

Net value of property, plant and equipment at the end of the previous period was analyzed as follows:

	December 31, 2014				
(in € millions)	Land	Buildings	Machinery and equipment	Assets under construction and other	Total
Gross value at the end of the period	53.9	582.8	1,644.6	288.3	2,569.6
Depreciation and impairment at the end of the period	(8.6)	(369.4)	(1,427.1)	(207.9)	(2,013.0)
Net value at the end of the period	**45.3**	**213.4**	**217.5**	**80.4**	**556.6**

Note 8 - Inventories (Note 2.9)

Inventories are as follows:

(in € millions)	**June 30, 2015**	**December 31, 2014**
Purchased raw materials and components	252.5	234.2
Sub-assemblies, work in progress	88.9	85.9
Finished products	459.5	408.0
	800.9	728.1
Less impairment	(106.3)	(105.4)
Net value at the end of the period	**694.6**	**622.7**

Note 9 - Trade receivables (Note 2.5)

In 2014, the Group derived the large majority of its revenue from sales to distributors of electrical equipment. The two largest distributors accounted for approximately 23% of consolidated net revenue. The Group estimates that no other distributor accounted for more than 5% of consolidated net revenue.

(in € millions)	**June 30, 2015**	**December 31, 2014**
Trade accounts and notes receivable	721.0	568.5
Less impairment	(70.8)	(68.1)
Net value at the end of the period	**650.2**	**500.4**

The factoring contract terms qualify the receivables for derecognition under IAS 39. The amount derecognized as of June 30, 2015 was €81.0 million (€63.5 million as of December 31, 2014).

Past-due trade receivables can be analyzed as follows:

(in € millions)	**June 30, 2015**	**December 31, 2014**
Less than 3 months past due	84.6	91.3
From 3 to 12 months past due	27.7	26.0
More than 12 months past due	29.9	27.8
	142.2	**145.1**

Provisions for impairment of past-due trade receivables amounted to €62.9 million as of June 30, 2015 (€60.3 million as of December 31, 2014). These provisions break down as follows:

(in € millions)	**June 30, 2015**	**December 31, 2014**
Provisions for receivables less than 3 months past due	11.0	9.8
Provisions for receivables 3 to 12 months past due	22.0	22.7
Provisions for receivables more than 12 months past due	29.9	27.8
	62.9	**60.3**

Note 10 - Other current assets

Other current assets are as follows:

(in € millions)	**June 30, 2015**	**December 31, 2014**
Employee advances	4.2	3.6
Other receivables	40.9	34.0
Prepayments	30.0	24.7
Prepaid and recoverable taxes other than income tax	89.1	89.8
	164.2	**152.1**

These assets are valued at historical cost and there are no events or special circumstances indicating that they may be impaired.

Note 11 - Cash and cash equivalents (Note 2.4)

Cash and cash equivalents totaled €612.9 million as of June 30, 2015 and corresponded primarily to deposits with an original maturity of less than three months. Out of this amount, about €6.6 million were not available in the short term for the Group.

Note 12 - Share capital and earnings per share (Note 2.17)

Share capital as of June 30, 2015 amounted to €1,066,595,244 represented by 266,648,811 ordinary shares with a par value of €4 each, for 266,648,811 voting rights.

As of June 30, 2015, the Group held 159,445 shares in treasury, versus 493,806 shares as of December 31, 2014, i.e. 334,361 less shares consequently to:

- the acquisition of 810,000 shares out of the liquidity contract;
- the transfer of 783,861 shares to employees under performance share plans;
- the cancellation of 400,000 shares (refer to 12.1); and
- the net purchase of 39,500 shares under the liquidity contract (refer to 12.2.2).

As of June 30, 2015, among the 159,445 shares held in treasury by the Group, 94,945 shares have been allocated according to the allocation objectives described in 12.2.1 and 64,500 shares are held under the liquidity contract.

12.1 Changes in share capital

Changes in share capital in first-half 2015 were as follows:

	Number of shares	Par value	Share capital (euros)	Premiums (euros)
As of December 31, 2014	266,357,615	4	1,065,430,460	1,101,130,101
Exercise of options under the 2007 plan	101,793	4	407,172	2,157,907
Exercise of options under the 2008 plan	111,730	4	446,920	1,852,297
Exercise of options under the 2009 plan	98,544	4	394,176	898,626
Exercise of options under the 2010 plan	379,129	4	1,516,516	6,755,806
Cancellation of shares	(400,000)	4	(1,600,000)	(16,810,653)
Repayment of paid-in capital*	-		-	(45,030,719)
As of June 30, 2015	266,648,811	4	1,066,595,244	1,050,953,365

** Portion of dividends distributed in June 2015 deducted from the premium account.*

On May 6, 2015, the Board of Directors decided the cancellation of 400,000 shares acquired under the share buyback program (shares bought back in June 2014). The €16,810,653 difference between the buy-back price of the cancelled shares and their par value was deducted from the premium account.

In first-half 2015, 691,196 shares were issued under the 2007 to 2010 stock option plans, resulting in a capital increase representing a total amount of €14.5 million (premiums included).

12.2 Share buyback program and transactions under the liquidity contract

As of June 30, 2015, the Group held 159,445 shares in treasury (553,245 as of June 30, 2014, out of which 468,806 under the share buyback program and 84,439 under the liquidity contract) which can be detailed as follows:

11.2.1 Share buyback program

In first-half 2015, the Group acquired 810,000 shares, at a cost of €39,332,839.

As of June 30, 2015, the Group held 94,945 shares, acquired at a total cost of €3,108,749. These shares are being held for the following purposes:

- for allocation upon exercise of performance share plans (90,024 shares purchased at a cost of €2,986,118); and
- for allocation upon sale to employees who choose to re-invest their profit-shares in the Company stock through a corporate mutual fund (4,921 shares purchased at a cost of €122,631).

12.2.2 Liquidity contract

On May 29, 2007, the Group appointed a financial institution to maintain a liquid market for its ordinary shares on the Euronext™ Paris market under a liquidity contract complying with the Code of Conduct issued by the AMAFI (French Financial Markets Association) approved by the AMF on March 22, 2005. €15.0 million in cash was allocated by the Group to the liquidity contract.

As of June 30, 2015, the Group held 64,500 shares under this contract, purchased at a total cost of €3,272,646.

During first-half 2015, transactions under the liquidity contract led to a cash outflow of €1,271,375 corresponding to net puchases of 39,500 shares.

12.3 Earnings per share

Basic and diluted earnings per share, calculated on the basis of the average number of ordinary shares outstanding during the period, are as follows:

		June 30, 2015	June 30, 2014 *
Profit attributable to equity holders of Legrand (*in € millions)*	A	283.4	268.5
Average number of shares (excluding shares held in treasury)	B		
Average dilution from:		266,146,125	265,826,478
Performance shares		*1,117,104*	*1,359,194*
Stock options		*1,962,685*	*2,452,473*
Average number of shares after dilution (excluding shares held in treasury)	C	269,225,914	269,638,145
Number of stock options and performance share grants outstanding at the period end		3,908,078	5,277,486
Sales (buybacks) of shares and transactions under the liquidity contract (net during the period)		(849,500)	(1,996,939)
Shares allocated during the period under performance share plans		783,861	814,221
Basic earnings per share *(euros)* (Note 2.17)	A/B	1.065	1.010
Diluted earnings per share *(euros)* (Note 2.17)	A/C	1.053	0.996
Dividend per share *(euros)*		1.100	1.050

** Restated comparative data for the six months ended June 30, 2014 (see Note 4).*

As above-mentioned, during first-half 2015, the Group:

- issued 691,196 shares under the stock option plans;
- transferred 783,861 shares under performance share plans, out of the 810,000 shares bought back for this purpose in first-half 2015; and
- acquired a net 39,500 shares under the liquidity contract.

These movements were taken into account on an accrual basis in the computation of the average number of ordinary shares outstanding during the period, in accordance with IAS 33. If the shares had been issued and bought back on January 1, 2015, earnings per share and diluted earnings per share would have amounted to €1.063 and €1.049 respectively for the six months ended June 30, 2015.

During first-half 2014, the Group:

- issued 1,308,483 shares under the stock option plans;
- transferred 814,221 shares under performance share plans, out of the 2,020,000 shares bought back for this purpose in first-half 2014; and
- bought back a net 23,061 shares under the liquidity contract.

These movements were taken into account on an accruals basis in the computation of the average number of ordinary shares outstanding during the period, in accordance with IAS 33. If the shares had been issued and bought back on January 1, 2014, basic earnings per share and diluted earnings per share would have amounted to €1.011 and €0.994 respectively for the six months ended June 30, 2014.

Note 13 - Stock option plans and performance share plans (Note 2.13)

13.1 Performance share plans

13.1.1 Performance share plans 2011 and 2012

The following performance share plans were approved by the Company's Board of Directors in previous years:

	2011 Plan[1]	2012 Plan[2]
Date approved by shareholders	May 27, 2010	May 26, 2011
Grant date	March 3, 2011	March 7, 2012
Total number of share rights granted	1,592,712[3]	985,656[3]
o/w to Executive Directors	*127,888*[3]	*30,710*[3]
•Gilles Schnepp	65,737[3]	30,710[3]
•Olivier Bazil	62,151[3]	
End of vesting period	French tax residents: March 4, 2013 Non-residents: March 4, 2015	French tax residents: March 8, 2014 Non-residents: March 8, 2016
End of lock-up period	French tax residents: March 5, 2015 Non-residents: March 4, 2015	French tax residents: March 9, 2016 Non-residents: March 8, 2016
Number of shares acquired as of June 30, 2015	(1,494,132)	(386,295)
Number of share rights cancelled or forfeited	(98,580)	(40,250)
Share rights outstanding as of June 30, 2015	**0**	**559,111**

(1) **2011 Plan**: This plan concerns performance share rights granted in 2011 in respect of 2010 performance. The Board of Directors set the 2010 economic earnings* target for the 2011 Plan at the start of 2010. Based on the Group's actual economic earnings compared with the target, Gilles Schnepp and Olivier Bazil were awarded a certain number of performance share rights determined by the Board of Directors at its March 3, 2011 meeting. In addition, a second set of performance conditions decided by the Board of Directors applied to substantially all of the performance share rights to be granted to executive directors. They included an external performance condition (consolidated net margin compared with the margins reported by Legrand's peer group over a four-year period) and two internal performance conditions (economic earnings* and economic margin performance over successive four-year periods). In summary, shares granted to executive were subject to two sets of performance conditions, one applicable at the date of grant and the other at the end of the vesting period. The vesting period for performance share rights granted to the executive directors of the Company ended in 2013. Therefore, at its meeting of March 6, 2013, the Board of Directors reviewed the related performance conditions and, noting that these conditions had been met in full, determined that all of the performance share rights initially granted to the executive directors had vested.

(2) **2012 Plan:** For this plan, which concerns 2011 performance, the Board of Directors set the 2011 economic earnings* target at the start of 2011. At its March 7, 2012 meeting, the Board of Directors granted 30,710 performance share rights to Gilles Schnepp based on actual 2011 economic earnings* compared with the target. In addition, on the recommendation of the Nominations and Compensation Committee, the Board decided to adjust the vesting conditions by setting an additional performance objective. If this objective was not met, some or all of the performance shares could not vest. As a matter of fact, the shares in the initial grant would not vest in their entirety unless value creation over the long term had been demonstrated by achieving growth in economic earnings* over the four-year period immediately preceding the vesting date. However, if this first condition was not met, Mr. Schnepp could still retain the right to some of the shares based on a second condition, i.e. whether the Group's economic margin performance exceeded that of the companies in its peer group over the same period. The vesting

period for performance share rights granted to Mr. Schnepp ended in 2014. Therefore, at its meeting of March 5, 2014, the Board of Directors reviewed the related performance conditions and, noting that the first performance condition had been met, determined that all of the performance share rights initially granted to Mr. Schnepp, i.e. 30,710, had vested.

(3) *Given the dividend distribution features approved at the General Meeting of Shareholders on May 29, 2015, the number of remaining performance shares will be adjusted to take into account the impact of this transaction on the interests of performance share beneficiaries,in accordance with article L.228-99 of the Commercial Code.*

** Adjusted operating profit minus cost of capital employed.*

13.1.2 Performance share plan 2015

The following performance share plan was also approved by the Company's Board of Directors:

	2015 Plan
Date approved by shareholders	May 24, 2013
Grant date	May 29, 2015
Total number of share rights initially granted	390,844[(1)]
o/w to Executive Directors	*23,864*[(1)]
End of vesting period	June 17, 2019
End of lock-up period	June 17, 2019
Number of shares acquired as of June 30, 2015	0
Number of share rights cancelled or forfeited	0
Share rights outstanding as of June 30, 2015	390,844

(1) *Given the dividend distribution features approved at the General Meeting of Shareholders on May 29, 2015, the number of attributed performance shares will be adjusted to take into account the impact of this transaction on the interests of performance share beneficiaries, in accordance with article L.228-99 of the Commercial Code.*

The final number of shares granted to beneficiaries is determined based on one service condition and two performance conditions.

The two performance conditions presented below have been set to fully assess the Group's future collective achievements:

Nature of performance conditions	Description of performance conditions	Weighting of performance conditions in the total allocation
"External" performance condition	Comparison between the arithmetic average of Legrand's consolidated EBITDA margin as published in the 2015, 2016 and 2017 consolidated financial statements and the arithmetic average of EBITDA margins achieved by companies in the MSCI World Capital Goods index over the same period.	50% of the initial allocation
"Internal" performance condition	Arithmetic average of the level of normalized free cash flow as a percentage of sales, as published in the 2015, 2016, and 2017 consolidated financial statements, compared to target.	50% of the initial allocation

The number of shares ultimately granted to beneficiaries is calculated as follows:

	Minimum	Target	Maximum
"External" performance condition	• Final allocation of 0% if the difference between the two averages is less than or equal to 4 points in the Company's favor.	• Final allocation of 100% of half of the number of shares initially granted under the plan if the difference between the two averages is equal to 8.3 points in the Company's favor.	• Final allocation of 150% of half of the number of shares initially granted under the plan if the difference between the two averages is equal to 10.5 or more points in the Company's favor.
	Straight-line calculation of the number of performance shares ultimately granted to beneficiaries between 4 and 10.5 points		
	Minimum	Target	Maximum
"Internal" performance condition	• Final allocation of 0% if the average normalized free cash flow as a percentage of sales is equal to 9.4% or less.	• Final allocation of 100% of half of the number of shares initially granted under the plan if the average normalized free cash flow as a percentage of sales is equal to 12.8%.	• Final allocation of 150% of half of the number of shares initially granted under the plan if the average normalized free cash flow as a percentage of sales is equal to 14.5% or more.
	Straight-line calculation of the number of performance shares ultimately granted to beneficiaries between 9.4% and 14.5%.		

If all these shares from 2012 and 2015 plans were to vest (i.e. 949,955 shares), the Company's capital would be diluted by 0.4% as of June 30, 2015.

13.2 Stock option plans

No stock option plans have been implemented since the 2010 Plan.

The following stock option plans were approved by the Company's Board of Directors in previous years:

	2007 Plan	2008 Plan	2009 Plan	2010 Plan
Date approved by shareholders	May 15, 2007	May 15, 2007	May 15, 2007	May 15, 2007
Grant date	May 15, 2007	March 5, 2008	March 4, 2009	March 4, 2010
Total number of options granted	1,639,709[1]	2,017,639[1]	1,187,364[1]	3,259,853[1]
o/w to Executive Directors	*79,544*[1]	*141,700*[1]	*94,276*[1]	*218,367*[1]
• Gilles Schnepp	40,880[1]	72,824[1]	48,460[1]	134,796[1]
• Olivier Bazil	38,664[1]	68,876[1]	45,816[1]	83,571[1]
Start of exercise period	May 16, 2011	March 6, 2012	March 5, 2013	March 5, 2014
Expiry of exercise period	May 15, 2017	March 5, 2018	March 4, 2019	March 4, 2020
Exercise price	€25.12[1] Average closing price over the 20 trading days preceding the grant date	€20.51[1] Average closing price over the 20 trading days preceding the grant date	€13.08[1] Average closing price over the 20 trading days preceding the grant date	€21.75[1] Average closing price over the 20 trading days preceding the grant date
Exercise terms (plans comprising several tranches)	(2) (3)	(2) (4)	(2) (5)	(2) (6)
Number of options exercised as of June 30, 2015	(1,106,690)	(1,232,630)	(677,804)	(1,556,457)
Number of options cancelled or forfeited	(107,421)	(121,239)	(107,612)	(236,589)
Stock options outstanding as of June 30, 2015	**425,598**	**663,770**	**401,948**	**1,466,807**

(1) Given the dividend distribution features approved at the General Meeting of Shareholders on May 29, 2015, the number and exercise price of stock options was adjusted to take into account the impact of this transaction on the interests of stock option beneficiaries, in accordance with article L.228-99 of the Commercial Code.

(2) Options vest after a maximum of four years, except in the event of resignation or termination for willful misconduct.

(3) The 2007 stock options were granted based on the Company's 2006 economic performance. At the beginning of 2006, the Board of Directors set the economic income targets to be met. Based on actual performance compared with those targets, Gilles Schnepp and Olivier Bazil were awarded a number of stock options determined by the Board of Directors at its meeting on May 15, 2007.*

(4) The 2008 stock options were granted based on the Company's 2007 economic performance. At the beginning of 2007, the Board of Directors set the economic income targets to be met. The number of options awarded to Gilles Schnepp and Olivier Bazil was determined by the Board of Directors on March 5, 2008 based on achievement of those targets.*

(5) The 2009 stock options were granted based on the Company's 2008 economic performance. At the beginning of 2008 the Board of Directors set the economic income targets to be met. The number of options awarded to Gilles Schnepp and Olivier Bazil was determined bythe Board of Directors on March 4, 2009 based on achievement of those targets.*

(6) The 2010 stock options were granted based on the Company's 2009 economic performance. At the beginning of 2009, the Board of Directors set the economic income targets to be met. The number of options awarded to Gilles Schnepp and Olivier Bazil was determined by the Board of Directors on March 4, 2010 based on achievement of those targets. The definitve number of options granted was deliberately limited, on beneficiaries' suggestion.*

** Adjusted operating profit minus cost of capital employed.*

The weighted average market price of the Company stock upon exercises of stock options in first-half 2015 was €49.09.

If all these options were to be exercised (i.e. 2,958,123 options), the Company's capital would be diluted at most by 1.1% (this is a maximum dilution as it does not take into account the exercise price of these options) as of June 30, 2015.

13.3 Share-based payments: IFRS 2 charges

In accordance with IFRS 2, a charge of €2.7 million was recorded in first-half 2015 (€5.8 million in first-half 2014) for all of these plans combined. See also Note 17.2 for cash-settled long term employee benefits plans implemented from 2013 (Note 2.13).

Note 14 - Retained earnings and translation reserves

14.1 Retained earnings

Consolidated retained earnings of Legrand and its subsidiaries as of June 30, 2015 amounted to €2,732.3 million.
As of the same date, the parent company – Legrand – had retained earnings including profit for the period of €1,212.0 million available for distribution.

14.2 Translation reserves

As explained in Note 2.3, the translation reserve reflects the effects of currency fluctuations on the financial statements of subsidiaries when they are translated into euros.

The translation reserve records the impact of fluctuations in the following currencies:

(in € millions)	**June 30, 2015**	**December 31, 2014**
US dollar	(18.9)	(73.6)
Other currencies	(167.2)	(208.2)
	(186.1)	**(281.8)**

The Group operates in more than 80 countries. It is mainly exposed to a dozen currencies other than euro and US dollar, out of which the Brazilian real, Indian roupee, Turkish lira, Chilean peso, Australian dollar, Russian rouble and Chinese yuan.

As explained in Note 2.12, unrealized foreign exchange gains and losses on US dollar-denominated 8½% Debentures (Yankee bonds) are recognized in the translation reserve. Losses on these bonds recognized in the translation reserve in first-half 2015 amounted to €26.6 million, resulting in a net negative balance of €68.4 million as of June 30, 2015.

In addition, as indicated in Note 2.3, translation gains and losses on receivables or payables are treated as part of a net investment in the related foreign Group entity. Gains recognized in the translation reserve in first-half 2015 amounted to €0.6 million, resulting in a net negative balance of €1.1 million as of June 30, 2015.

Note 15 - Long-term and short-term borrowings (Note 2.18)

15.1 Long-term borrowings

The Group actively manages its debt. Through diversified sources of financing, it increases the resources available to support medium-term business growth while guaranteeing a robust financial position over the long term.

Long-term borrowings can be analyzed as follows:

(in € millions)	**June 30, 2015**	**December 31, 2014**
8 ½% debentures	345.8	318.9
Bonds	1,100.0	1,100.0
Other borrowings*	75.1	102.0
	1,520.9	**1,520.9**
Debt issuance costs	(6.5)	(7.6)
	1,514.4	**1,513.3**

*Including €44.7 million corresponding to private placement notes held by employees through the "Legrand Obligations Privées" corporate mutual fund (€49.7 million as of December 31, 2014).

No guarantees have been given with respect to these borrowings.

Long-term borrowings (excluding debt issuance costs) as of June 30, 2015 can be analyzed by maturity as follows:

(in € millions)	**8 ½% debentures**	**Bonds**	**Other borrowings**
Due in one to two years		300.0	19.7
Due in two to three years		400.0	22.1
Due in three to four years			18.1
Due in four to five years			8.9
Due beyond five years	345.8	400.0	6.3
	345.8	**1,100.0**	**75.1**

Long-term borrowings (excluding debt issuance costs) as of December 31, 2014 can be analyzed by maturity as follows:

(in € millions)	**8 ½% debentures**	**Bonds**	**Other borrowings**
Due in one to two years			37.6
Due in two to three years		300.0	18.8
Due in three to four years		400.0	29.3
Due in four to five years		0.0	9.1
Due beyond five years	318.9	400.0	7.2
	318.9	**1,100.0**	**102.0**

Average interest rates on borrowings are as follows:

(in € millions)	**June 30, 2015**	**December 31, 2014**
8½% debentures	8.50%	8.50%
Bonds	3.91%	3.75%
Other borrowings	2.66%	2.23%

15.1.1 2011 Credit Facility

In October 2011, the Group signed an agreement with six banks to set up a €900.0 million revolving multicurrency facility (2011 Credit Facility) utilizable through drawdowns. The five-year facility may be extended for two successive one-year periods.

In July 2014, the Group signed an agreement that amends and extends the Credit Facility finalized in October 2011 with all banks party to this contract.
This agreement extends the maximum maturity of the €900 million revolving credit line by three years, i.e. up to July 2021, including two successive one-year period extension options, and at improved financing terms compared with October 2011.

Funds drawndown are subject to an interest rate equivalent to Euribor/Libor plus a margin determined on the basis of the Group's credit rating. As of June 30, 2015, this spread was 25 bps. In addition, the 2011 Credit Facility does not contain any covenants.

As of June 30, 2015, the Credit Facility had not been drawn down.

15.1.2 8½% Debentures (Yankee bonds)

On February 14, 1995, Legrand France issued $400.0 million worth of 8½% debentures due February 15, 2025, through a public placement in the United States. Interest on the debentures is payable semi-annually on February 15 and August 15 of each year, beginning August 15, 1995.
The debentures are not subject to any sinking fund and are not redeemable prior to maturity, except upon the occurrence of certain changes in the law requiring the payment of amounts in addition to the principal and interest. Should Legrand France be prevented by law from paying any such additional amounts, early redemption would generally be mandatory or, if such amounts could be paid, Legrand France may, at its option, redeem all – but not part – of the debentures in advance.

In December 2013, a number of debenture holders offered the Group to buy back their securities, also known as Yankee bonds. Acting on this offer, the Group decided to acquire Yankee bonds with an aggregate face value of $6.5 million. The acquired debentures were subsequently cancelled.

15.1.3 Bonds

In February 2010, the Group carried out a €300.0 million 4.25% seven-year bond issue. The bonds will be redeemable at maturity on February 24, 2017.

In March 2011, the Group carried out a €400.0 million 4.375% seven-year bond issue. The bonds will be redeemable at maturity on March 21, 2018.

In April 2012, the Group carried out a €400.0 million 3.375% ten-year bond issue. The bonds will be redeemable at maturity on April 19, 2022.

15.2 Short-term borrowings

Short-term borrowings can be analyzed as follows:

(in € millions)	**June 30, 2015**	**December 31, 2014**
Commercial paper	15.0	15.0
Other borrowings	87.1	56.4
	102.1	**71.4**

Note 16 - Provisions

Changes in provisions in first-half 2015 are as follows:

	June 30, 2015					
(in € millions)	Products guarantee	Claims and litigation	Fiscal and employee risks	Restructuring	Other	Total
At beginning of period	17.6	62.8	11.3	15.6	93.2	200.5
Changes in scope of consolidation	0.0	0.0	0.0	0.0	0.0	0.0
Increases	3.6	7.2	1.3	5.5	24.3	41.9
Utilizations	(2.5)	(3.8)	(1.1)	(8.0)	(2.7)	(18.1)
Reversals of surplus provisions	(1.8)	(3.2)	0.0	(1.2)	(6.6)	(12.8)
Reclassifications	0.0	(2.2)	4.0	0.0	(6.8)	(5.0)
Translation adjustments	0.5	(0.1)	0.2	0.5	(5.5)	(4.4)
At end of period	**17.4**	**60.7**	**15.7**	**12.4**	**95.9**	**202.1**
Of which non-current portion	*5.9*	*37.9*	*7.8*	*1.1*	*47.9*	*100.6*

Other provisions include long term provisions for employee benefits, including mainly a €57.9 million provision for the long-term employee benefits described in Note 17.2 (see also consolidated statement of equity for stocks options plans and performance shares plans previously granted and described in Note 13).

Other provisions also include a €12.6 million provision for environmental risks corresponding mainly to the depollution costs for property assets held for sale.

Changes in provisions in 2014 were as follows:

	December 31, 2014					
(in € millions)	Products guarantee	Claims and litigation	Fiscal and employee risks	Restructuring	Other	Total
At beginning of period	15.8	72.9	15.8	20.6	75.2	200.3
Changes in scope of consolidation	0.3	0.0	0.5	4.9	0.0	5.7
Increases	6.3	20.6	2.3	9.0	41.5	79.7
Utilizations	(3.5)	(6.3)	(4.7)	(17.7)	(5.1)	(37.3)
Reversals of surplus provisions	(2.0)	(26.7)	0.0	(1.7)	(8.1)	(38.5)
Reclassifications	0.0	1.7	(3.1)	(0.1)	(8.2)	(9.7)
Translation adjustments	0.7	0.6	0.5	0.6	(2.1)	0.3
At end of period	**17.6**	**62.8**	**11.3**	**15.6**	**93.2**	**200.5**
Of which non-current portion	*5.6*	*35.9*	*8.0*	*1.2*	*63.2*	*113.9*

Note 17 - Provision for post-employment benefits and other long-term employee benefits (Note 2.15)

17.1 Pension and other post-employment defined benefit obligations

Pension and other post-employment defined benefit obligations can be analyzed as follows:

(in € millions)	June 30, 2015	December 31, 2014
France (Note 17.1.2)	90.0	97.6
Italy (Note 17.1.3)	35.9	39.8
United Kingdom (Note 17.1.4)	15.0	13.4
United States (Note 17.1.5)	12.5	14.2
Other countries	18.5	18.7
Total pension and other post-employment defined benefit obligations	**171.9**	**183.7**
Of which current portion	*4.5*	*6.7*

The total amount of those liabilities is €171.9 million as of June 30, 2015 (€183.7 million as of December 31, 2014) and is analyzed in Note 17.1.1, which shows total liabilities of €360.8 million as of June 30, 2015 (€352.8 million as of December 31, 2014) less total assets of €188.9 million as of June 30, 2015 (€169.1 million as of December 31, 2014).

The provisions recorded in the balance sheet correspond to the portion of the total liability remaining payable by the Group; this amount is equal to the difference between the total obligation recalculated at each balance sheet date, based on actuarial assumptions, and the net residual value of the plan assets at that date.

17.1.1 Analysis of pension and other post-employment defined benefit obligations

The total (current and non-current) obligation under the Group's pension and other post-employment benefit plans, consisting primarily of plans in France, Italy, the United States and United Kingdom, is as follows:

(in € millions)	**June 30, 2015**	**December 31, 2014**
Defined benefit obligation		
Projected benefit obligation at beginning of period	352.8	302.9
Service cost	4.6	9.0
Interest cost	5.3	11.0
Benefits paid or unused	(28.0)	(17.1)
Employee contributions	0.3	0.5
Actuarial loss/(gain)	7.6	30.9
Curtailments, settlements, special termination benefits	0.6	(0.5)
Translation adjustments	17.6	17.1
Other	0.0	(1.0)
Projected benefit obligation at end of period (I)	**360.8**	**352.8**
Fair value of plan assets		
Fair value of plan assets at beginning of period	169.1	142.3
Expected return on plan assets	3.4	6.3
Employer contributions	3.9	10.4
Employee contributions	1.1	0.7
Benefits paid	(6.2)	(12.2)
Actuarial (loss)/gain	2.6	8.5
Translation adjustments	15.0	13.9
Other	0.0	(0.8)
Fair value of plan assets at end of period (II)	**188.9**	**169.1**
Liability recognized in the balance sheet (I) - (II)	**171.9**	**183.7**
Current liability	4.5	6.7
Non-current liability	167.4	177.0

Actuarial losses recognized in equity in first-half 2015 amounted to €5.0 million (€1.9 million after tax).

These €5.0 million actuarial losses resulted from:

- €0.8 million gains from changes in financial assumptions;
- €2.6 million losses from changes in demographic assumptions; and
- €3.2 million experience losses.

The discount rates used are determined by reference to the yield on high quality bonds based on the following benchmark indices:

- Euro zone: iBoxx € Corporates AA 10+;
- United Kingdom: iBoxx £ Corporates AA 15+;
- United States: Citibank Pension Liability Index.

The impact of service costs and interest costs on the profit before tax of the period is as follows:

(in € millions)	**June 30, 2015**	**June 30, 2014**
Service cost	(4.6)	(4.4)
Net interest cost	(1.9)	(2.6)
	(6.5)	**(7.0)**

The weighted-average allocation of pension plan assets is as follows as of June 30, 2015:

(as a percentage)	France	United Kingdom	United States	Weighted total
Equity instruments		44.9	64.5	52.9
Debt instruments		49.1	34.6	42.4
Insurance funds	100.0	6.0	0.9	4.7
	100.0	**100.0**	**100.0**	**100.0**

17.1.2 Provisions for retirement benefits and supplementary pension benefits in France

The provisions recorded in the consolidated balance sheet concern the unvested entitlements of active employees. The Group has no obligation with respect to the vested entitlements of former employees, as the benefits were settled at the time of their retirement, either directly or through payments to insurance companies in full discharge of the liability.

The main defined benefit plan applicable in France concerns statutory length-of-service awards, under which all retiring employees are eligible for a lump-sum payment calculated according to their length of service. This payment is defined either in the collective bargaining agreement to which their company is a party or in a separate company-level agreement, whichever is more advantageous to the employee. The amount generally varies depending on the employee category (manager/non-manager).

In France, provisions recorded in the consolidated balance sheet amount to €90.0 million as of June 30, 2015 (€97.6 million as of December 31, 2014) corresponding to the difference between the projected benefit obligation of €91.6 million as of June 30, 2015 (€99.5 million as of December 31, 2014) and the fair value of the related plan assets of €1.6 million as of June 30, 2015 (€1.9 million as of December 31, 2014).

The projected benefit obligation is computed on the basis of staff turnover and mortality assumptions, estimated rates of salary increases and an estimated discount rate. In France, the calculation was based on a salary increase rate of 2.75%, a discount rate and an expected return on plan assets of 2.0% (respectively 2.75% and 2.0% in 2014).

17.1.3 Provisions for termination benefits in Italy

In Italy, a termination benefit is awarded to employees regardless of the reason for their departure.
Since January 1, 2007, these benefits have been paid either into an independently managed pension fund or to the Italian social security service (INPS). As from that date, the Italian termination benefit plans have been qualified as defined contribution plans under IFRS. Termination benefit obligations arising prior to January 1, 2007 continue to be accounted for under IFRS as defined benefit plans, based on revised actuarial estimates that exclude the effect of future salary increases.

The resulting provisions for termination benefits, which correspond to the obligation as of December 31, 2006 plus the ensuing actuarial revisions, amounted to €35.9 million as of June 30, 2015 (€39.8 million as of December 31, 2014).

The calculation was based on a discount rate of 2.13% (1.49% in 2014).

17.1.4 Provisions for retirement benefits and other post-employment benefits in United Kingdom

The UK plan is a trustee-administered plan governed by article 153 of the 2004 Finance Act, and is managed in a legal entity outside of the Group.
Benefits are paid directly out of funds consisting of contributions paid by the company and by plan participants.

Contributions are calculated as a percentage of each participant's salary while he or she is employed by the UK subsidiary. Upon retirement, participants may choose to receive a lump sum representing up to 25% of their total benefit entitlement, and a regular pension whose amount depends on the amount of the lump-sum payment, if any.

The plan's trustees include three people employed by the subsidiary and two former employees who have retired. They are advised by an independent actuary.

The plan has been closed to new entrants since May 2004.

Active plan participants account for 2.3% of the projected benefit obligation, participants who are no longer accumulating benefit entitlements for 44.3% and retired participants for 53.4%.

Plan assets include equities for 44.9%, debt securities for 49.1% and insurance funds for 6.0%. All of these assets are marked to market.

The provisions recorded in the consolidated balance sheet amounted to €15.0 million as of June 30, 2015 (€13.4 million as of December 31, 2014), corresponding to the difference between the projected benefit obligation of €113.5 million (€100.7 million as of December 31, 2014) and the fair value of the related plan assets of €98.5 million (€87.3 million as of December 31, 2014).

The projected benefit obligation is computed on the basis of staff turnover and mortality assumptions, estimated rates of salary increases and an estimated discount rate. The calculation was based on a salary increase rate of 4.1%, a discount rate and an expected return on plan assets of 3.4% (respectively 4.0% and 3.5% in 2014).

17.1.5 Provisions for retirement benefits and other post-employment benefits in the United States

In the United States, the Group provides pension benefits for employees and health care and life insurance for certain retired employees.

The Legrand North America Retirement Plan is covered by a plan document in force since January 2002 that was last amended in January 2008. The minimum funding requirement is determined based on Section 430 of the Internal Revenue Code.
The trustee-administered plan is funded by employer contributions. Benefits for certain salaried plan participants are a percentage of their salary, which varies based on the participant's seniority. Benefits for certain hourly plan participants are a flat dollar amount based on the participant's seniority.

Salaried participants may choose to receive benefits either in a single lump sum payment or as a regular pension. Hourly participants receive benefits as a regular pension.
To meet its obligations under the plan, the Group has set up a trust with Prudential Financial, Inc. The trust assets include several different investment funds.

The current trustee is Legrand North America. The Wiremold Company is the Plan Administrator and the Custodian is Prudential Financial, Inc.

The plan has been closed to new entrants since August 2006 for salaried employees and since April 2009 for hourly employees.

Active plan participants account for 29.1% of the projected benefit obligation, participants who are no longer accumulating benefit entitlements for 13.2% and retired participants for 57.7%.

Plan assets include equities (mainly US companies) for 64.5%, debt securities (mainly US bonds) for 34.6% and insurance funds for 0.9%. All of these assets are marked to market.

The funding policy consists of ensuring that the legal minimum funding requirement is met at all times.

The provisions recorded in the consolidated balance sheet amounted to €12.5 million as of June 30, 2015 (€14.2 million as of December 31, 2014), corresponding to the difference between the projected benefit obligation of €87.8 million (€82.5 million as of December 31, 2014) and the fair value of the related plan assets of €75.3 million (€68.3 million as of December 31, 2014).

The projected benefit obligation is computed on the basis of staff turnover and mortality assumptions, estimated rates of salary increases and an estimated discount rate. The calculation was based on a salary increase rate of 3.5%, a discount rate and an expected return on plan assets of 3.87% (respectively 3.5% and 3.82% in 2014).

17.2 Other long-term employee benefits

The Group implemented cash-settled long-term employee benefits plans, assuming the grantee is still present within the Group after a vesting period of three years.

In addition to the grantee being still present within the Group, the plans can, as the case may be, depend on the Group's future achievement of economic performance with or without indexation on the share price.

Plans with indexation on the share price are cash-settled and thus, in accordance with IFRS 2, the corresponding liability has been recorded in the balance sheet and will be remeasured at each period-end until the transaction is settled.
The other plans qualify as long-term employee benefit plans, with a corresponding provision recognized in compliance with IAS 19.

For the six months ended June 30, 2015, an expense of €18.6 million was recognized in operating profit in respect to these plans. As mentioned in Note 16, the resulting provision amounted to €57.9 million as of June 30, 2015 (including payroll taxes). See also Notes 13.1 and 13.2 for performance shares plans and stock option plans and Note 13.3 for IFRS 2 charges accounted for in the period.

Note 18 - Other current liabilities

Other current liabilities can be analyzed as follows:

(in € millions)	**June 30, 2015**	**December 31, 2014***
Tax liabilities	84.3	66.5
Accrued employee benefits expense	211.5	194.9
Statutory and discretionary profit-sharing reserve	17.0	24.9
Payables related to fixed asset purchases	10.4	14.2
Accrued expenses	78.4	62.3
Accrued interest	24.1	47.0
Deferred revenue	12.1	9.3
Pension and other post-employment benefit obligations	4.5	6.8
Other current liabilities	27.5	31.8
	469.8	**457.7**

** Restated comparative data at December 31, 2014 (see Note 4).*

Note 19 - Analysis of certain expenses

19.1 Analysis of operating expenses

Operating expenses include the following main categories of costs:

(in € millions)	**June 30, 2015**	**June 30, 2014**
Raw materials and component costs	(779.6)	(715.2)
Personnel costs	(639.6)	(585.8)
Depreciation expense	(47.7)	(46.7)
Amortization expense	(35.9)	(31.1)

As of June 30, 2015 the Group had 33,047 employees on the payroll (June 30, 2014: 34,000).

19.2 Analysis of other operating income and expense

(in € millions)	**June 30, 2015**	**June 30, 2014**
Restructuring costs	(12.8)	(10.9)
Goodwill impairment	0.0	0.0
Other	(15.5)	(9.0)
	(28.3)	**(19.9)**

Other operating income and expense primarily include impairment losses and reversals on trade receivables (Note 9) and inventories (Note 8) and provisions for contingencies (Note 16).

Note 20 - Total net financial expense

20.1 Exchange gains and losses

(in € millions)	**June 30, 2015**	**June 30, 2014**
Exchange gains and losses	1.0	(0.1)

20.2 Net financial expense

(in € millions)	**June 30, 2015**	**June 30, 2014**
Financial income	5.7	4.2
Change in fair value of financial instruments	0.2	0.0
Total financial income	5.9	4.2
Financial expense	(45.6)	(42.3)
Change in fair value of financial instruments	0.0	0.0
Total financial expense	(45.6)	(42.3)
Net financial expense	**(39.7)**	**(38.1)**

Financial expense corresponds essentially to interest costs on borrowings (Note 15).

Note 21 - Income tax expense (Note 2.10)

Income tax expense consists of the following:

(in € millions)	**June 30, 2015**	**June 30, 2014***
Current taxes:		
France	(35.7)	(40.9)
Outside France	(98.4)	(94.1)
	(134.1)	(135.0)
Deferred taxes:		
France	0.2	3.5
Outside France	0.1	7.4
	0.3	10.9
Total income tax expense:		
France	(35.5)	(37.4)
Outside France	(98.3)	(86.7)
	(133.8)	**(124.1)**

** Restated comparative data for the six months ended June 30, 2014 (see Note 4).*

The reconciliation of total income tax expense for the period to income tax calculated at the standard tax rate in France is as follows, based on profit before tax of €417.9 million in first-half 2015 versus €393.7 million in first-half 2014 (restated data as explained in Note 4):

(Tax rate)	**June 30, 2015**	**June 30, 2014***
Standard French income tax rate	**34.43%**	**34.43%**
Increases (reductions):		
- Additional contributions in France	0.40%	0.71%
- Effect of foreign income tax rates	(4.87%)	(4.78%)
- Non-taxable items	(0.08%)	(1.24%)
- Income taxable at specific rates	(0.01%)	0.41%
- Other	2.75%	2.61%
	32.62%	32.14%
Impact on deferred taxes of:		
- Changes in tax rates	(0.01%)	(0.07%)
- Recognition or non-recognition of deferred tax assets	(0.59%)	(0.55%)
Effective tax rate	**32.02%**	**31.52%**

** Restated comparative data for the six months ended June 30, 2014 (see Note 4).*

Short and long-term deferred taxes can be analyzed as follows:

(in € millions)	**June 30, 2015**	**December 31, 2014***
Deferred taxes – short term	82.7	75.6
Deferred taxes – long term	(649.2)	(641.8)
	(566.5)	**(566.2)**

** Restated comparative data at December 31, 2014 (see Note 4).*

Tax losses carried forward break down as follows:

(in € millions)	**June 30, 2015**	**December 31, 2014**
Recognized operating losses carried forward	**36.6**	**31.3**
Recognized deferred tax assets	10.0	8.0
Unrecognized operating losses carried forward	**142.4**	**149.7**
Unrecognized deferred tax assets	35.4	38.5
Total net operating losses carried forward	**179.0**	**181.0**

The recognized deferred tax assets are expected to be utilized no later than five years from the period-end.

Note 22 - Off-balance sheet commitments and contingent liabilities

22.1 Specific transactions

Specific commitments are discussed in the following note:

- Note 17: Provision for post-employment benefits and other long-term employee benefits.

22.2 Routine transactions

22.2.1 Financial guarantees

(in € millions)	**June 30, 2015**	**December 31, 2014**
Guarantees given to banks	169.3	172.0
Guarantees given to other organizations	61.9	48.6
	231.2	**220.6**

Most of these guarantees are given by the Company to banks for Group subsidiaries located outside of France.

22.2.2 Operating leases

The Group uses certain facilities under lease agreements and leases certain equipment. There are no special restrictions related to these operating leases. Future minimum rental commitments amount to:

(in € millions)	**June 30, 2015**	**December 31, 2014**
	198.7	**195.2**

22.2.3 Commitments to purchase property, plant and equipment

Commitments to purchase property, plant and equipment amounted to €21.8 million as of June 30, 2015.

22.3 Contingent liabilities

The Group is involved in a number of claims and legal proceedings arising in the normal course of business. In the opinion of management, all such matters have been adequately provided for or are without merit, and are of such nature that, should the outcome nevertheless be unfavorable to the Group, they should not have a material adverse effect on the Group's consolidated financial position or results of operations.

Note 23 - Financial instruments and management of financial risks

23.1 Financial instruments

23.1.1 Derivatives

	June 30, 2015			
(in € millions)	**Financial income and expense, net**	**Equity**	**Book value**	**IFRS designation**
Exchange rate derivatives				
Forwards and options designated as fair value hedges	12.4		(1.4)	FVH*
Forward contracts designated as net investment hedges				NIH**
Commodity derivatives				
Futures and options				FVH*
Interest rate derivatives				
Interest rate caps				FVH*
	12.4		**(1.4)**	

**Fair Value Hedge*

*** Net Investment Hedge*

All financial instruments are classified in Level 2 of the fair value hierarchy described in Note 2.12.

23.1.2 Impact of financial instruments

	6 months ended June 30, 2015			
	Impact on financial income and expense, net	**Impact on equity**		
(in € millions)		**Fair value**	**Translation adjustment**	**Other**
Trade receivables				
Trade payables				
Borrowings	(39.7)		(26.6)	
Derivatives	12.4			
	(27.3)		**(26.6)**	

Debentures denominated in US dollars ("Yankee bonds") are designated as hedges of the foreign currency risk associated with the net investment in the United States (see discussion of net investment hedges in Note 2.12).

23.1.3 Breakdown of balance sheet items by type of financial instrument

	June 30, 2015					December 31, 2014
	Type of financial instrument					
(in € millions)	Carrying amount	Fair value	Instruments designated at fair value through profit or loss	Receivables, payables and borrowings at amortized cost	Derivatives	Carrying amount
ASSETS						
Current assets						
Trade receivables	650.2	650.2		650.2		500.4
Other current financial assets	0.0	0.0			0.0	0.6
Total current assets	**650.2**	**650.2**		**650.2**	**0.0**	**501.0**
EQUITY AND LIABILITIES						
Current liabilities						
Short-term borrowings	102.1	102.1		102.1		71.4
Trade payables	553.9	553.9		553.9		481.8
Other current financial liabilities	1.4	1.4			1.4	0.4
Total current liabilities	**657.4**	**657.4**		**656.0**	**1.4**	**553.6**
Non-current liabilities						
Long-term borrowings	1,514.4	1,634.3		1,514.4		1,513.3
Total non-current liabilities	**1,514.4**	**1,634.3**		**1,514.4**		**1,513.3**

Only items classified as “Other current financial assets and liabilities” are measured at fair value. In accordance with IFRS 13, fair value measurement of other current financial assets takes counterparty default risk into account.
In light of the Group’s credit rating, the measurement of other current financial liabilities is subject to insignificant credit risk.

23.2 Management of financial risks

The Group’s cash management strategy is based on overall financial risk management principles and involves taking specific measures to manage the risks associated with interest rates, exchange rates, commodity prices and the investment of available cash. The Group does not conduct any trading in financial instruments, in line with its policy of not carrying out any speculative transactions. All transactions involving derivative financial instruments are conducted with the sole purpose of managing interest rate, exchange rate and commodity risks and as such are limited in duration and value.

This strategy is centralized at Group level. Its implementation is deployed by the Financing and Treasury Department who recommends appropriate measures and implements them after they have been validated by the Corporate Finance Department and Group management. A detailed reporting system has been set up to enable permanent close tracking of the Group's positions and effective oversight of the management of the financial risks.

This strategy, which is described in the notes to the consolidated financial statements for the year ended December 31, 2014, was not significantly changed during first-half 2015.

Note 24 - Information relating to corporate officers

The only individuals qualifying as related parties within the meaning of IAS 24 are the corporate officers who serve on the Executive Committee.

Compensation and benefits provided to the members of the Board of Directors for their services are detailed in the following table:

(in € millions)	**June 30, 2015**	**June 30, 2014**
Compensation (amounts paid during the period)		
Fixed compensation	1.9	1.7
Variable compensation	2.0	2.0
Other short-term benefits [1]	0.0	0.0
Pension benefits and other post-employment benefits [2]	**(9.4)**	**1.5**
Other long-term benefits (charge for the period) [3]	**2.4**	**1.1**
Termination benefits (charge for the period)	**0.0**	**0.0**
Share-based payments (charge for the period) [4]	**0.2**	**0.5**

[1] Other short-term benefits include benefits in kind.

[2] Change in the obligation's present value (in accordance with IAS 19).

[3] As per the long-term employee benefits plans described in Note 17.2.

[4] As per the performance share plans and the stock option plans described in Note 13.

Note 25 - Information by geographical segment (Note 2.16)

The information by geographical segment presented below corresponds to the information used by Group management to allocate resources to the various segments and to assess each segment's performance. It is extracted from the Group's consolidated reporting system.

6 months ended June 30, 2015	Geographical segments					Items not allocated to segments	
	Europe			USA/	Rest of		
(in € millions)	France	Italy	Others	Canada	the world		Total
Revenue to third parties	**524.3**	**268.7**	**405.4**	**555.3**	**658.0**		**2,411.7**
Cost of sales	(190.8)	(92.9)	(230.2)	(271.7)	(367.8)		(1,153.4)
Administrative and selling expenses, R&D costs	(206.6)	(82.7)	(106.0)	(193.8)	(184.3)		(773.4)
Other operating income (expense)	(8.5)	(0.2)	(7.4)	(2.9)	(9.3)		(28.3)
Operating profit	**118.4**	**92.9**	**61.8**	**86.9**	**96.6**		**456.6**
- of which 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)
• accounted for in other operating income (expense)							0.0
- of which goodwill impairment							0.0
Adjusted operating profit	**121.6**	**92.9**	**63.1**	**95.7**	**104.8**		**478.1**
- of which depreciation expense	(13.2)	(9.4)	(7.4)	(4.8)	(12.6)		(47.4)
- of which amortization expense	(0.7)	(1.6)	(0.4)	(1.1)	(0.7)		(4.5)
- of which amortization of development costs	(9.7)	(4.3)	0.0	(0.1)	(0.3)		(14.4)
- of which restructuring costs	(4.9)	(0.4)	(2.8)	(0.3)	(4.4)		(12.8)
Net cash provided by operating activities						297.1	297.1
Net proceeds from sales of fixed and financial assets						0.7	0.7
Capital expenditure	(9.6)	(5.6)	(7.7)	(5.9)	(13.6)		(42.4)
Capitalized development costs	(9.4)	(3.4)	(0.1)	0.0	(0.3)		(13.2)
Free cash flow**						**242.2**	**242.2**
Normalized free cash flow***							**326.7**
Normalized free cash flow as % of sales							**13.5%**
Current operating assets excluding taxes	237.9	160.2	291.9	282.7	536.3		1,509.0
Net tangible assets	171.2	108.1	89.6	51.8	136.4		557.1
Current operating liabilities excluding taxes	357.2	192.4	115.9	143.3	316.4		1,125.2

* Amortization of intangible assets remeasured as part of the purchase price allocation process, plus any acquisition-related expense and income.

** Free cash flow is defined as the sum of net cash provided by operating activities and net proceeds from sales of fixed and financial assets minus capital expenditure and capitalized development costs.

*** Normalized free cash flow is defined as the sum of (i) net cash provided by operating activities, 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 semester and (ii) the net proceeds from sales of non-current assets minus (iii) capital expenditure and capitalized development costs.

6 months ended June 30, 2014 (1)	Geographical segments					Items not allocated to segments	Total (1)
	Europe			USA/ Canada	Rest of the world		
(in € millions)	France (1)	Italy	Others				
Revenue to third parties	**539.4**	**276.5**	**393.0**	**407.6**	**608.1**		**2,224.6**
Cost of sales	(195.6)	(99.9)	(223.2)	(202.8)	(350.5)		(1,072.0)
Administrative and selling expenses, R&D costs	(210.8)	(83.1)	(99.7)	(140.0)	(167.2)		(700.8)
Other operating income (expense)	(2.0)	(0.3)	(4.9)	(4.0)	(8.7)		(19.9)
Operating profit	**131.0**	**93.2**	**65.2**	**60.8**	**81.7**		**431.9**
- of which acquisition-related amortization, expense and income*							
• accounted for in administrative and selling expenses, R&D costs	(3.2)	0.0	(1.3)	(5.4)	(7.0)		(16.9)
• accounted for in other operating income (expense)							0.0
- of which goodwill impairment							0.0
Adjusted operating profit	**134.2**	**93.2**	**66.5**	**66.2**	**88.7**		**448.8**
- of which depreciation expense	(13.6)	(10.3)	(7.2)	(4.4)	(11.0)		(46.5)
- of which amortization expense	(1.0)	(1.8)	(0.5)	(1.1)	(0.5)		(4.9)
- of which amortization of development costs	(8.6)	(3.3)	0.1	(0.3)	(0.2)		(12.3)
- of which restructuring costs	(4.0)	(2.5)	(1.5)	(0.4)	(2.5)		(10.9)
Net cash provided by operating activities						233.4	233.4
Net proceeds from sales of fixed and financial assets						0.8	0.8
Capital expenditure	(9.3)	(6.4)	(7.5)	(3.1)	(9.8)		(36.1)
Capitalized development costs	(10.4)	(3.3)	(0.2)	(0.1)	(0.2)		(14.2)
Free cash flow**						**183.9**	**183.9**
Normalized free cash flow***						**311.0**	**311.0**
Normalized free cash flow as % of sales							**14.0%**
Current operating assets excluding taxes	235.5	170.5	273.3	206.0	523.3		1,408.6
Net tangible assets	176.7	119.8	86.8	43.5	123.7		550.5
Current operating liabilities excluding taxes	343.8	183.5	110.2	111.0	267.5		1,016.0

(1) Restated comparative data for the six months ended June 30, 2014 (see Note 4).

*Amortization of intangible assets remeasured as part of the purchase price allocation process, plus any acquisition-related expense and income.

** Free cash flow is defined as the sum of net cash provided by operating activities and net proceeds from sales of fixed and financial assets minus capital expenditure and capitalized development costs.

*** Normalized free cash flow is defined as the sum of (i) net cash provided by operating activities, 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 semester and (ii) the net proceeds from sales of non-current assets minus (iii) capital expenditure and capitalized development costs.

Note 26 - Quarterly data – unaudited

26.1 Quarterly revenue by geographical segment (billing region)

(in € millions)	**1st quarter 2015**	**1st quarter 2014**
France	250.3	270.7
Italy	137.2	143.4
Rest of Europe	200.4	199.1
USA/Canada	258.2	181.9
Rest of the world	318.6	289.2
Total	**1,164.7**	**1,084.3**

(in € millions)	**2nd quarter 2015**	**2nd quarter 2014**
France	274.0	268.7
Italy	131.5	133.1
Rest of Europe	205.0	193.9
USA/Canada	297.1	225.7
Rest of the world	339.4	318.9
Total	**1,247.0**	**1,140.3**

26.2 Quarterly income statements

(in € millions)	**1st quarter 2015**	**1st quarter 2014***
Revenue	**1,164.7**	**1,084.3**
Operating expenses		
Cost of sales	(565.4)	(519.9)
Administrative and selling expenses	(325.9)	(298.5)
Research and development costs	(53.7)	(49.0)
Other operating income (expense)	(11.2)	(12.9)
Operating profit	**208.5**	**204.0**
Financial expense	(22.6)	(20.9)
Financial income	3.4	2.2
Exchange gains (losses)	(0.6)	(0.5)
Total net financial expense	(19.8)	(19.2)
Profit before tax	**188.7**	**184.8**
Income tax expense	(60.7)	(59.1)
Profit for the period	**128.0**	**125.7**
Of which:		
- Net income excluding minorities	**127.4**	**125.0**
- Minority interests	**0.6**	**0.7**

** Restated comparative data for the three months ended March 31, 2014 (see Note 3 in unaudited consolidated financial information for the three months ended March 31, 2015).*

(in € millions)	**2nd quarter 2015**	**2nd quarter 2014***
Revenue	**1,247.0**	**1,140.3**
Operating expenses		
Cost of sales	(588.0)	(552.1)
Administrative and selling expenses	(338.2)	(306.6)
Research and development costs	(55.6)	(46.7)
Other operating income (expense)	(17.1)	(7.0)
Operating profit	**248.1**	**227.9**
Financial expense	(23.0)	(21.4)
Financial income	2.5	2.0
Exchange gains (losses)	1.6	0.4
Total net financial expense	(18.9)	(19.0)
Profit before tax	**229.2**	**208.9**
Income tax expense	(73.1)	(65.0)
Profit for the period	**156.1**	**143.9**
Of which:		
- Net income excluding minorities	**156.0**	**143.5**
- Minority interests	**0.1**	**0.4**

** Restated comparative data for the three months ended June 30, 2014 (see below).*

(in € millions)	Published	IFRIC 21 Restatements	Restated
Revenue	**1,140.3**		**1,140.3**
Operating expenses			
Cost of sales	(552.9)	0.8	(552.1)
Administrative and selling expenses	(308.1)	1.5	(306.6)
Research and development costs	(46.8)	0.1	(46.7)
Other operating income	(7.0)		(7.0)
Operating profit	**225.5**	**2.4**	**227.9**
Total net financial expense	(19.0)		(19.0)
Profit before tax	**206.5**	**2.4**	**208.9**
Income tax expense	(64.1)	(0.9)	(65.0)
Profit for the period	**142.4**	**1.5**	**143.9**
Of which:			
- **Net income excluding minorities**	**142.0**	**1.5**	**143.5**
- **Minority interests**	**0.4**		**0.4**

Note 27 - List of consolidated companies

The consolidated financial statements comprise the financial statements of Legrand and its 170 subsidiaries.
All Legrand Group subsidiaries are fully consolidated.

The main fully consolidated operating subsidiaries as of June 30, 2015 are those reported in the list of consolidated companies in the consolidated financial statements as of December 31, 2014.

As of June 30, 2015 all subsidiaries were wholly owned except for Alborz Electrical Industries Ltd, Kontaktor, Legrand Polska which are all over 98%-owned, Megapower, which is 80%-owned, Adlec Power, which is 70%-owned, and Neat which is 51%-owned.

Note 28 - Subsequent events

No significant events occurred between June 30, 2015 and the date when the consolidated financial statements were prepared.

3 STATUTORY AUDITORS' REPORT ON INTERIM CONSOLIDATED FINANCIAL STATEMENTS

STATUTORY AUDITORS' REVIEW REPORT ON THE 2015 HALF-YEAR FINANCIAL INFORMATION

For the six-month period ended June 30, 2015

This is a free translation into English of the Statutory Auditors' review report on the half-year financial information issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

LEGRAND
128, avenue du Maréchal de Lattre de Tassigny
87000 Limoges

In compliance with the assignment entrusted to us by your Annual General Meetings and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*) , we hereby report to you on:

- the review of the accompanying half-year consolidated financial statements of LEGRAND, for the period from January 1, 2015 to June 30, 2015 ;
- the verification of the information contained in the half-year management report.

These half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-year consolidated financial statements do not give a true and fair view of the assets and liabilities and of the financial position of the Group as at June 30, 2015, and of the results of its operations for the six-month period then ended, in accordance with IFRSs as adopted by the European Union.

2. Specific verification

We have also verified the information given in the half-year management report commenting the half-year consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the half-year consolidated financial statements.

Neuilly-sur-Seine, July 29, 2015

The Statutory Auditors

PricewaterhouseCoopers Audit	**Deloitte et Associés**
Edouard Sattler	Jean-Marc Lumet

4. RESPONSIBILITY FOR THE HALF-YEARLY FINANCIAL REPORT

4.1 PERSON RESPONSIBLE FOR THE HALF-YEARLY FINANCIAL REPORT

4.1.1 Name and position of the person responsible for the half-yearly financial report

Mr. Gilles Schnepp, Chairman and Chief Executive Officer of Legrand, a French *société anonyme* whose registered office is located at 128 avenue du Maréchal de Lattre de Tassigny, 87000 Limoges, France, registered at the Limoges trade and companies register under the number 421 259 615, hereinafter referred to as "the Company".

4.1.2 Declaration of the person responsible for the half-yearly financial report

"*I hereby certify that, to the best of my knowledge, the full consolidated financial statements for the first half 2015 have been drawn up in accordance with the applicable set of accounting standards and fairly present the assets, the financial position and results of the Company and the businesses within the scope of consolidation and that management report appearing on pages 3 et seq. of the half-yearly financial report fairly presents the material events that occurred in the first six months of the financial year and their impact of the interim accounts, the main related-party transactions as well as a description of the principal risks and uncertainties for the remaining six months of the financial year.*"

Gilles Schnepp
Chairman and Chief Executive Officer

4.2 STATUTORY AUDITORS

4.2.1 Principal Statutory Auditors

PricewaterhouseCoopers Audit
Member of the Versailles Regional Body of Deputy Statutory Auditors
(*Compagnie régionale des commissaires aux comptes de Versailles*)
Represented by Edouard Sattler
Crystal Park, 63, rue de Villiers
92200 Neuilly-sur-Seine, France

Appointed Deputy Statutory Auditors at the Ordinary General Meeting of Shareholders of June 6, 2003, became Principal Statutory Auditors following the merger between Pricewaterhouse and Coopers & Lybrand Audit, and renewed as Principal Statutory Auditors at the Ordinary General Meeting of Shareholders of May 27, 2010 for a term of six financial years. This appointment expires at the end of the Ordinary General Meeting of Shareholders convened to vote on the financial statements for the financial year ended December 31, 2015.

Deloitte & Associés
Member of the Versailles Regional Body of Deputy Statutory Auditors
(*Compagnie régionale des commissaires aux comptes de Versailles*)
Represented by Jean-Marc Lumet
185, avenue Charles-de-Gaulle
92524 Neuilly-sur-Seine Cedex, France

Appointed as Principal Statutory Auditors at the Ordinary General Meeting of Shareholders of December 21, 2005 and renewed as Principal Statutory Auditor at the Ordinary General Meeting of Shareholders of May 26, 2011, for a term of six financial years. This appointment expires at the end of the Ordinary General Meeting of Shareholders convened to vote on the financial statements for the financial year ended December 31, 2016.

4.2.2 Deputy Statutory Auditors

Mr. Yves Nicolas
Member of the Versailles Regional Body of Deputy Statutory Auditors
(*Compagnie régionale des commissaires aux comptes de Versailles*)
Crystal Park, 63, rue de Villiers
92200 Neuilly-sur-Seine, France

Appointed Deputy Statutory Auditor at the Ordinary General Meeting of Shareholders of March 2, 2004 and renewed as Deputy Statutory Auditor at the Ordinary General Meeting of Shareholders of May 27, 2010 for a term of six financial years. This appointment expires at the end of the Ordinary General Meeting of Shareholders convened to vote on the financial statements for the financial year ended December 31, 2015.

BEAS
Member of the Versailles Regional Body of Deputy Statutory Auditors
(*Compagnie régionale des commissaires aux comptes de Versailles*)
195, avenue Charles-de-Gaulle
92200 Neuilly-sur-Seine Cedex, France

Appointed Deputy Statutory Auditor at the Ordinary General Meeting of Shareholders of December 21, 2005 and renewed as Deputy Statutory Auditor at the Ordinary General Meeting of Shareholders of May 26, 2011 for a term of six financial years. This appointment expires at the end of the Ordinary General Meeting of Shareholders convened to vote on the financial statements for the financial year ended December 31, 2016.

4.3 FINANCIAL INFORMATION

4.3.1 Person responsible for financial information

Mr. Antoine Burel
Chief Financial Officer
Address: 82, rue Robespierre, 93170 Bagnolet, France
Tel: + 33 (0) 1 49 72 52 00
Fax: + 33 (0) 1 43 60 54 92

4.3.2 Indicative financial information schedule

The financial information to be disclosed to the public by the Company will be available from the Company's website (www.legrand.com).

As an indication only, the Company's timetable for the publication of financial information should be as follows:

- 2015 nine-month results: November 5, 2015
- 2015 annual results: February 11, 2016
- 2016 first-quarter results: May 4, 2016
- General Meeting of Shareholders: May 27, 2016

www.legrand.com

COMPANY HEADQUARTERS
128, avenue de Lattre de Tassigny
87045 Limoges Cedex, France
+33 (0) 5 55 06 87 87

legrand®