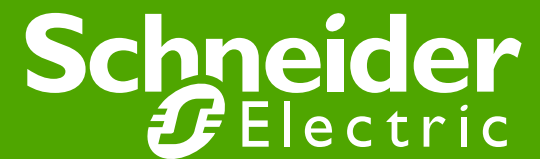


Investors Presentation

June 2008



Disclaimer

All forward-looking statements are Schneider Electric management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

04	Overview
12	Strategy & Business Update
24	Outlook

Overview



Schneider Electric is the global specialist in Energy Management

We make energy...

Safer

More reliable

More efficient

More productive

We offer...

Protection to people & assets

Ultra secured power for critical applications

Energy efficiency

- Open & integrated systems for optimised Capex and Opex
- Automation everywhere
- Connectivity everywhere
- Services at every phase of the lifecycle

Help our customers make the most of their energy

With a unique business portfolio

We make energy...

Safer

More reliable

More efficient

More productive

Thanks to leading positions in...

Power & Control

1

Critical power

1

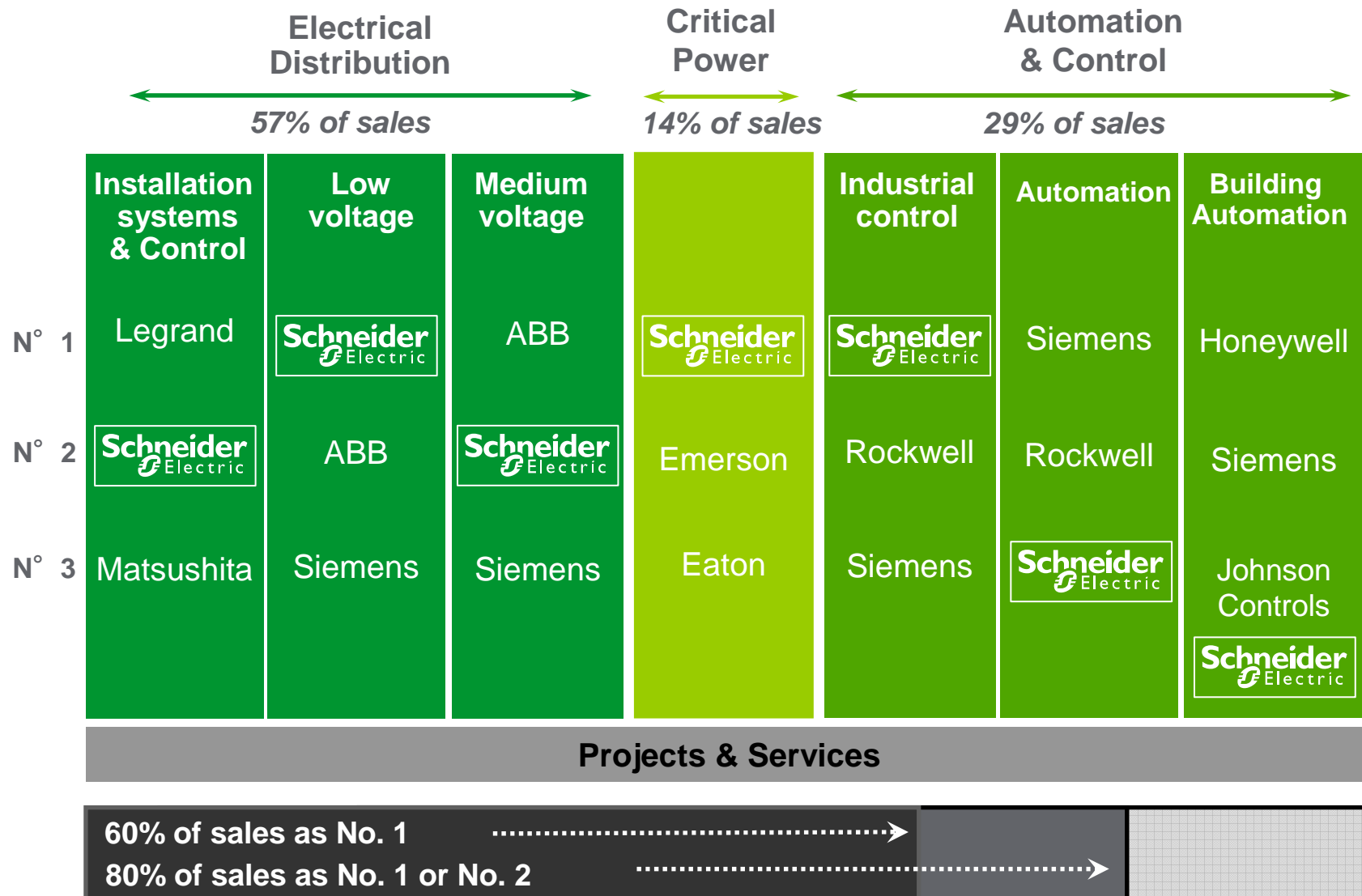
Energy Efficiency

1

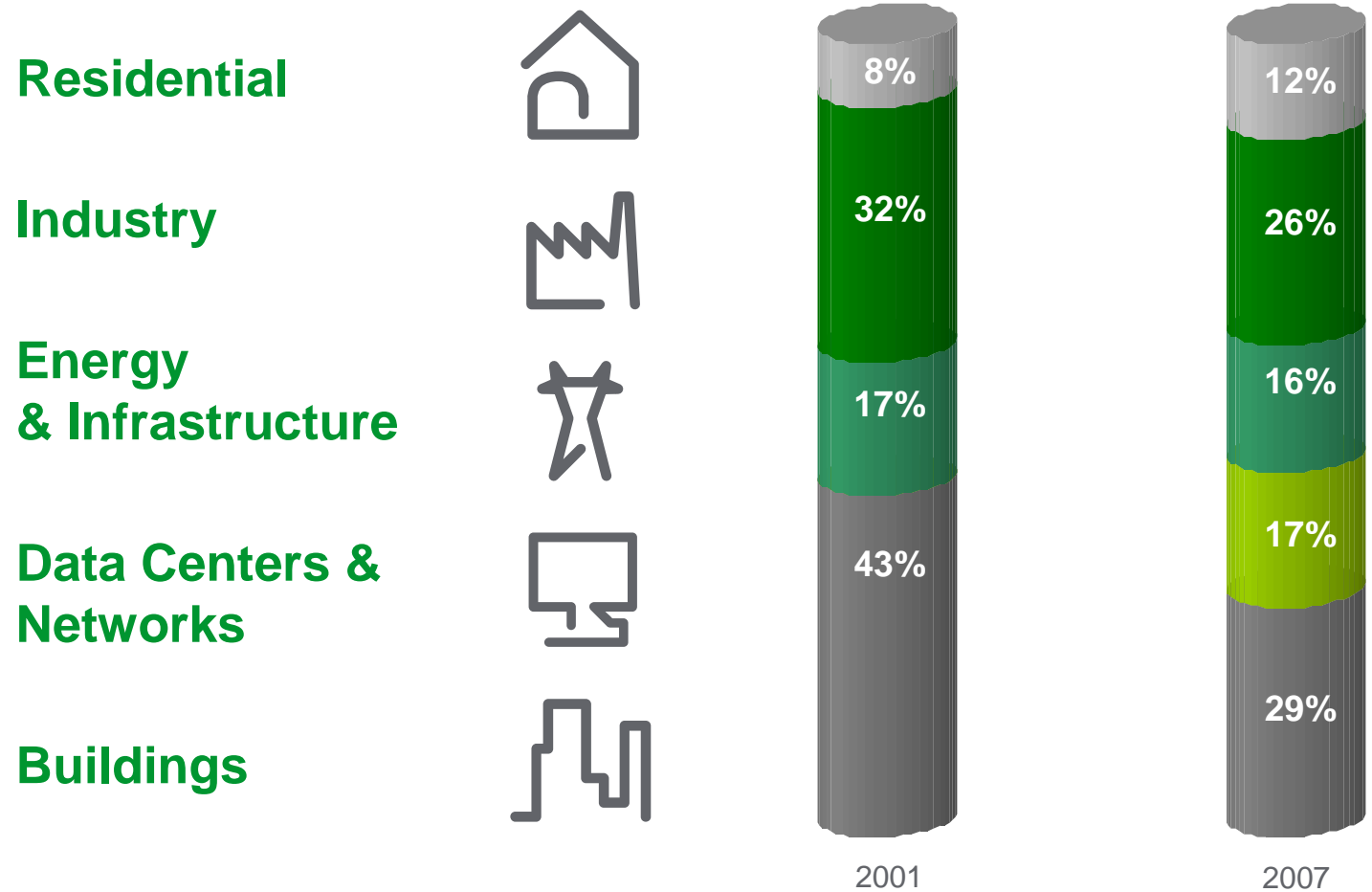
Automation Everywhere

Top **3**

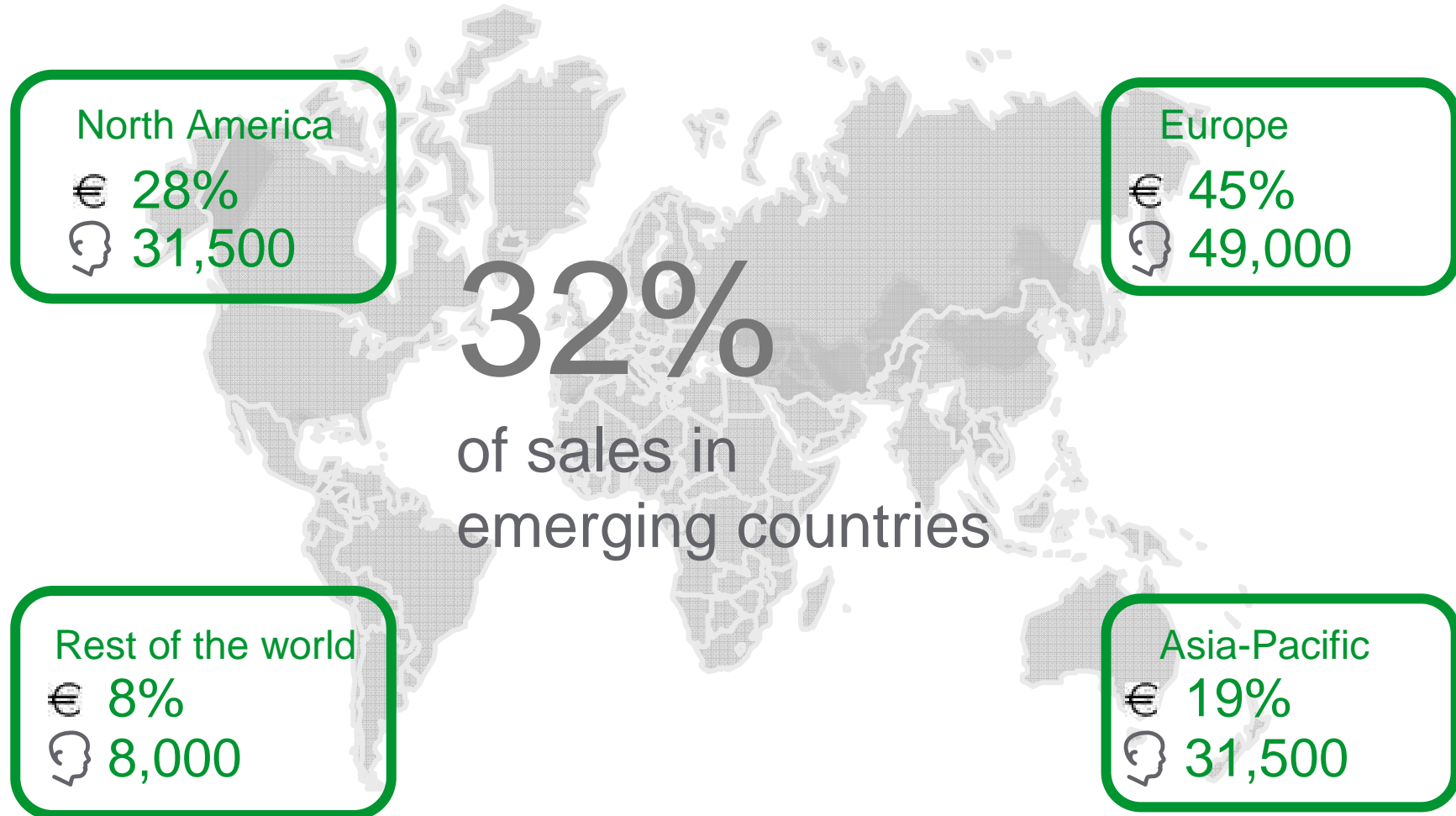
And leading positions worldwide



A diversified, well balanced end market exposure



A global geographical exposure and a very strong presence in emerging countries



2007: a key year of transformation

Significant increase in earnings, acceleration in H2

- Record organic sales growth in 2007: 13.9%, far outperforming end-markets
- Strong contribution of new businesses and particularly energy efficiency
- Acceleration in pricing (+2.2%), more than offsetting raw material increases
- Rebalancing of production in emerging countries well on track
- High free cash flow generation: €1.5bn, up 38%

Successful APC integration & turnaround with margin catching up Group level

2007 Key figures

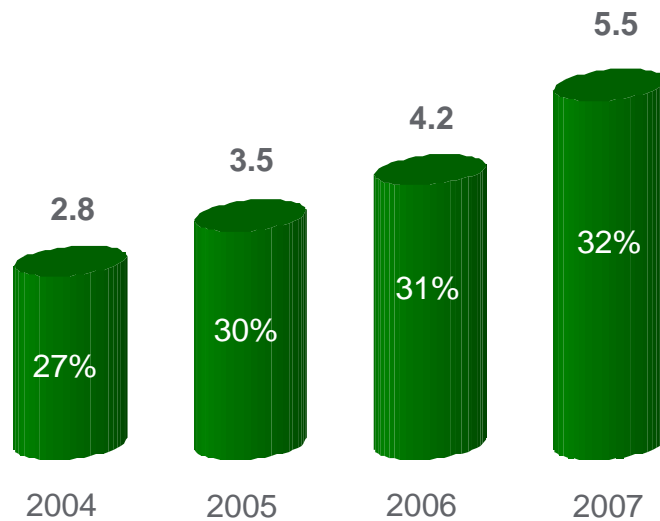
€m	2007	Change
Sales	17,309	+26%
EBITDA	3,114	+24%
EBITA	2,562	+27%
Net income	1,583	+21%
EPS (€)	6.78	+14%
Dividend (€)	3.30	+10%
Free cash flow	1,530	+38%

Strategy & Business Update

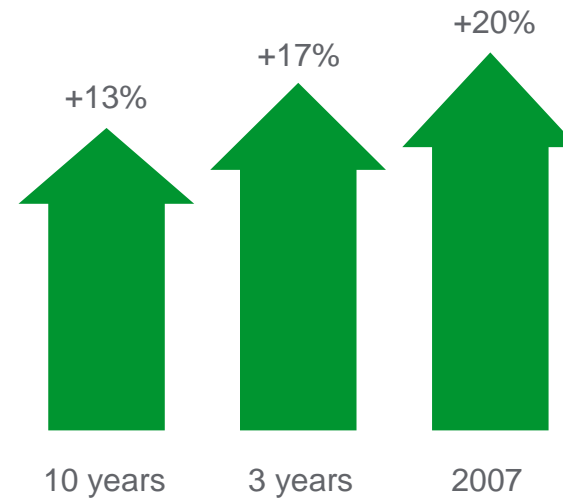


Accelerating growth in emerging countries

Emerging countries sales
(€ bn and share in Group)

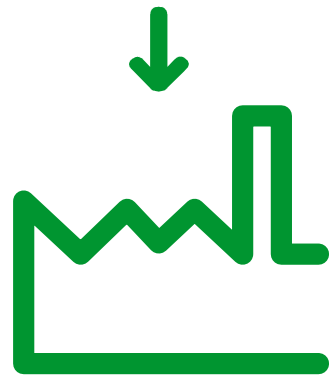


Emerging countries
average organic growth



- Sales in emerging countries doubled over the past 3 years up to €5.5 bn
- Emerging countries grew in average by 13% annually over the past 10 years, with acceleration driven by infrastructures and natural resources

Schneider Electric addresses 72% of the world energy consumption



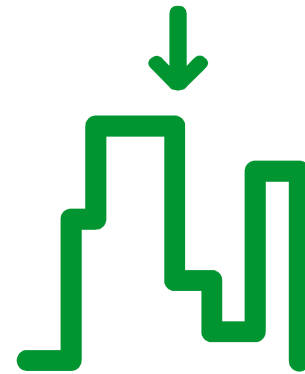
33%

Industry



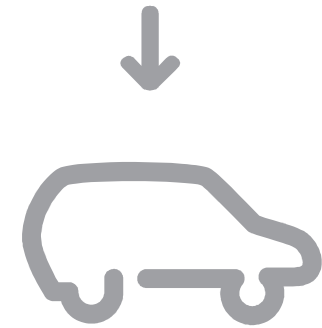
21%

Residential



18%

Building



28%

Transportation

- Main energy consumption is for heating, cooling, motors, lighting, electronics and appliances

Energy Efficiency: a €3.6 bn business, growing at 15%

Up to 30% energy savings now everywhere

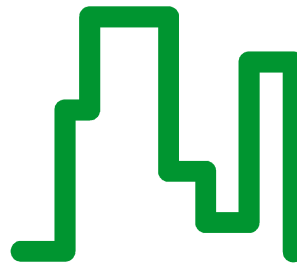
Industry & Infrastructure



Electric motor systems
Power metering
Energy management systems
Automation solutions

Average facility can reduce consumption by 20% to 30%

Buildings



HVAC & climate control
Lighting control
Building management systems
Power factor correction

Renovation can yield up to 30% of energy savings

Residential



Lighting control
Climate control
Heating monitoring
Shutter control

EE products may save 10% to 40% in electricity

Energy Efficiency: the 4 sustainability steps

1 Measure

- Energy meters
- Power quality meters

2 Use efficient devices

- Low consumption devices
- Power quality
- Power reliability

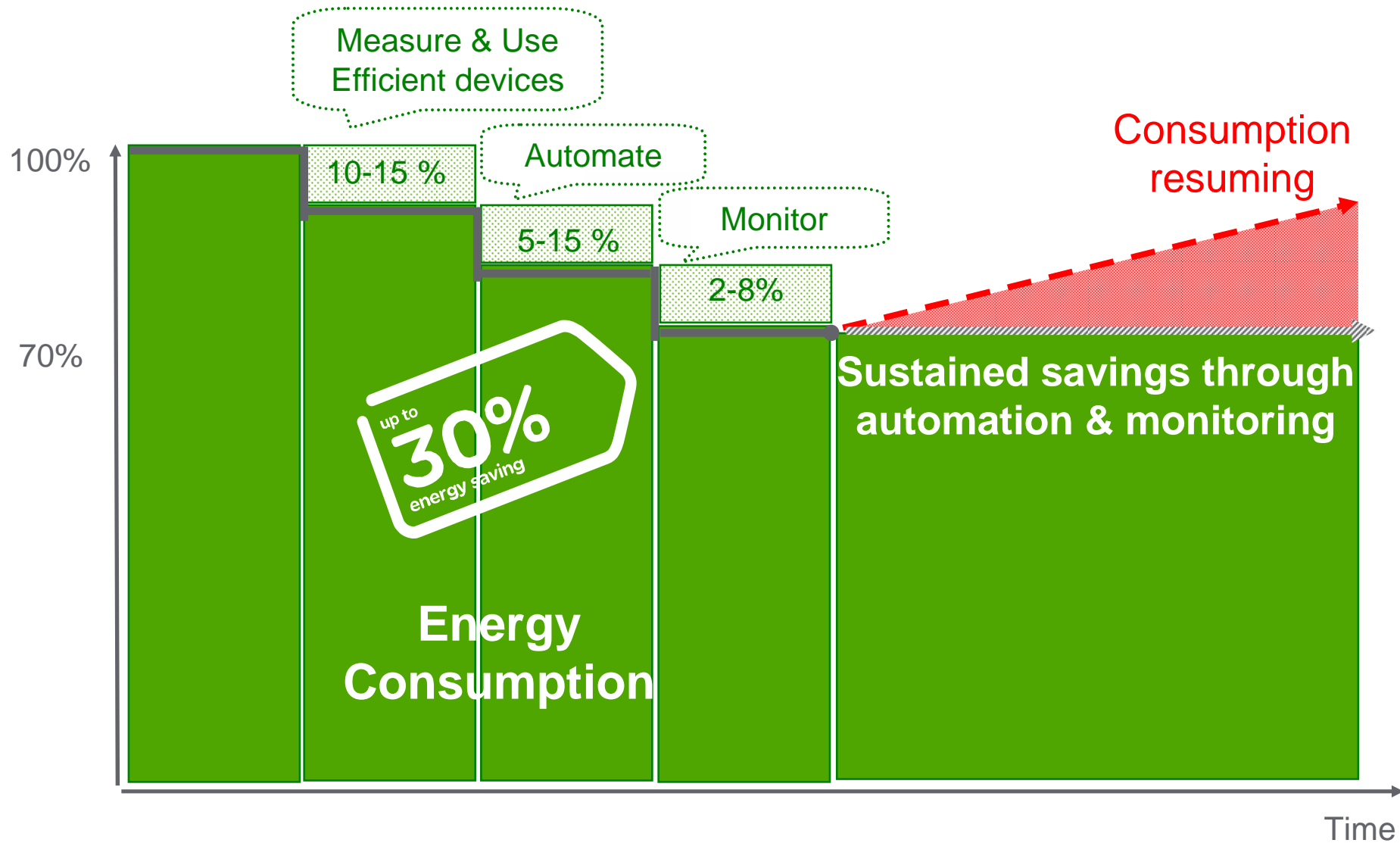
3 Automate

- Building Management Systems
- Lighting Control Systems
- Motor control systems
- Home control systems
- Variable speed drives

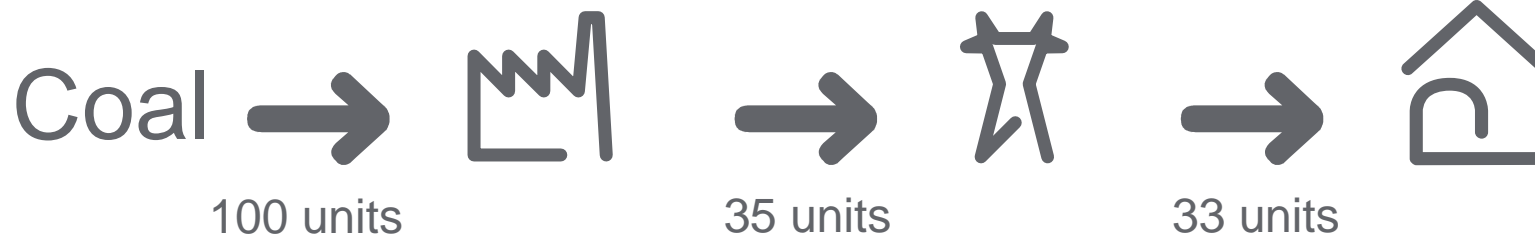
4 Monitor

- Energy management software
- Remote monitoring systems

Each step contributes to the total savings

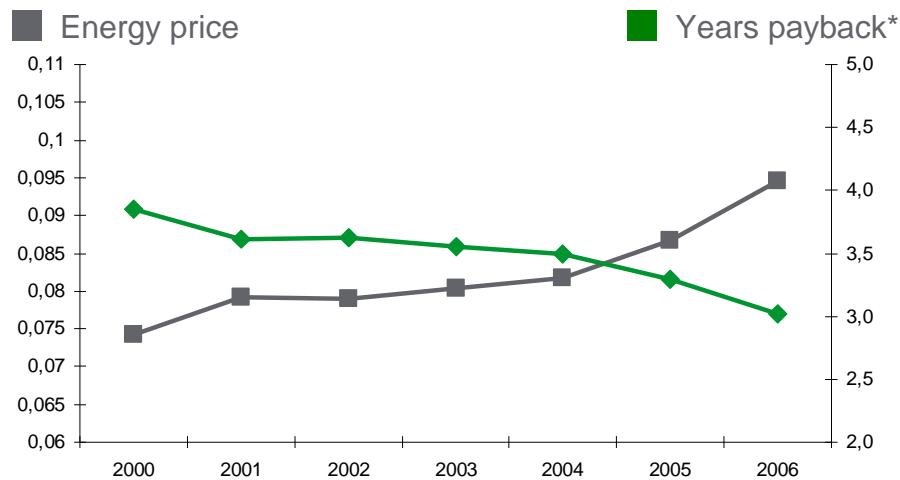


Energy efficiency is the key driver to reduce energy consumption



1 unit saved
at home or office

3 units saved
at the power plant



Payback time has decreased
by 30% in 5 years
due to higher energy prices

* Example based on a US commercial building project

Global legislation on energy efficiency changes consumer and business behavior

Europe: Energy Performance of Building Directive

- 16 M homes per year must have an Energy Performance Diagnosis
- If (on average) 20% of diagnosed homes invest 1,000€ to improve energy performance

Schneider Electric accessible market

+ €3.2bn /year

United States: Energy Policy Act of 2005

- Reduce energy consumption in federal facilities by 2% / year by 2015
- In 2003 US government spent \$ 4bn on energy for buildings in federal facilities and targets a 12 years payback

+ \$1bn /year

China: Top 1000 Industrial Energy Conservation Program

- NDRC* commits 20% saving over 5 years in energy in the 1,000 largest industrial consumers
- These industrial consumers invest € 3bn /year, of which 10% in energy efficiency solutions

+ €300 M /year

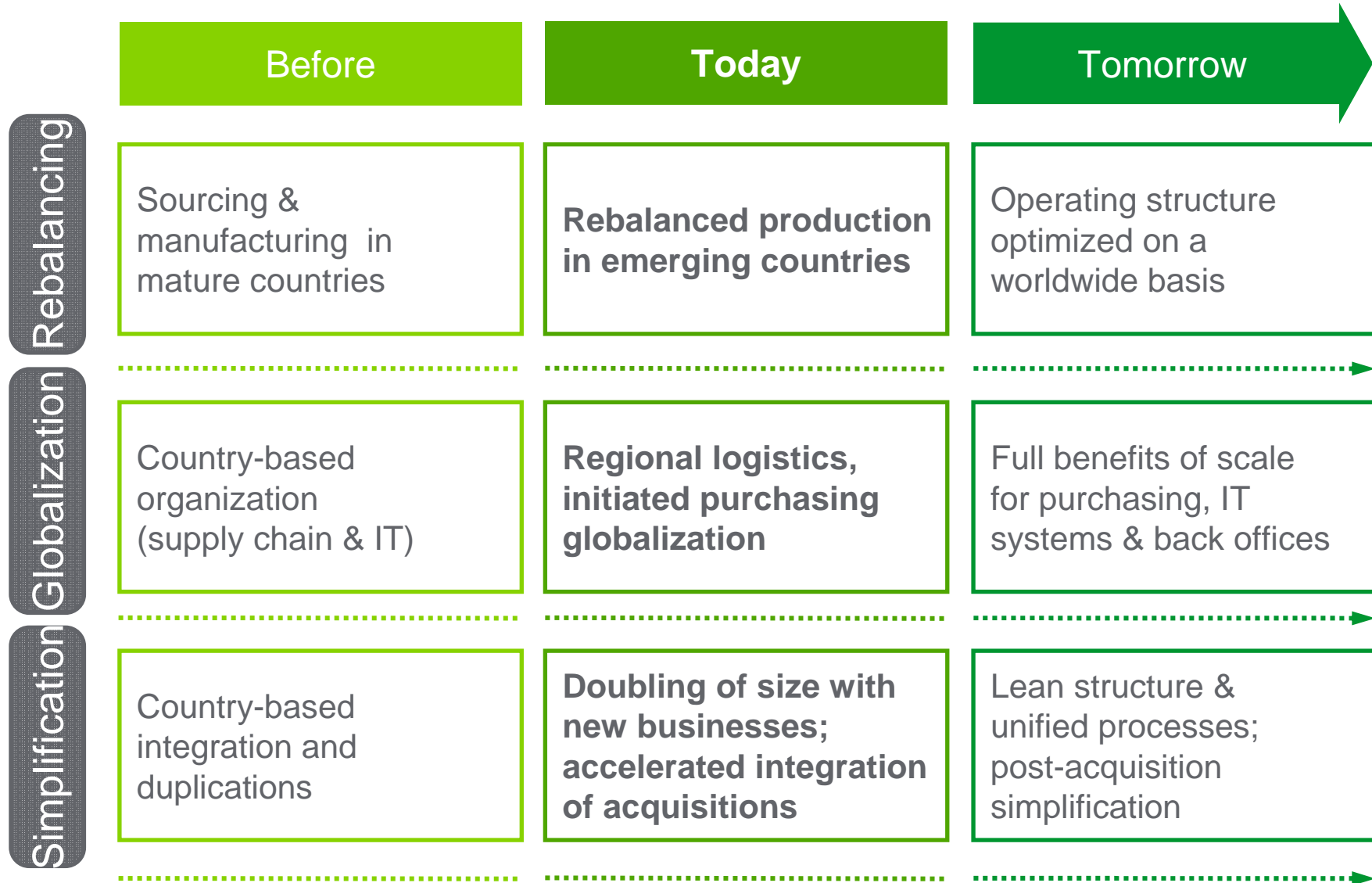
* NRDC: National Development & Reform Commission

Complete solutions for attractive verticals

	Data Centers & Networks	Natural Resources*	Utilities
Sales 2007 in €bn	3.0	1.0	1.0
Market CAGR 2007-2010	+8% -12%	+8%	+7%
Drivers	<ul style="list-style-type: none"> • Higher availability • Better flexibility • Lower Total Cost of ownership 	<ul style="list-style-type: none"> • Price of commodities & energy cost • Time to market • Continuity of service 	<ul style="list-style-type: none"> • Security of supply • Growing demand with ageing infrastructure • Environmental issues

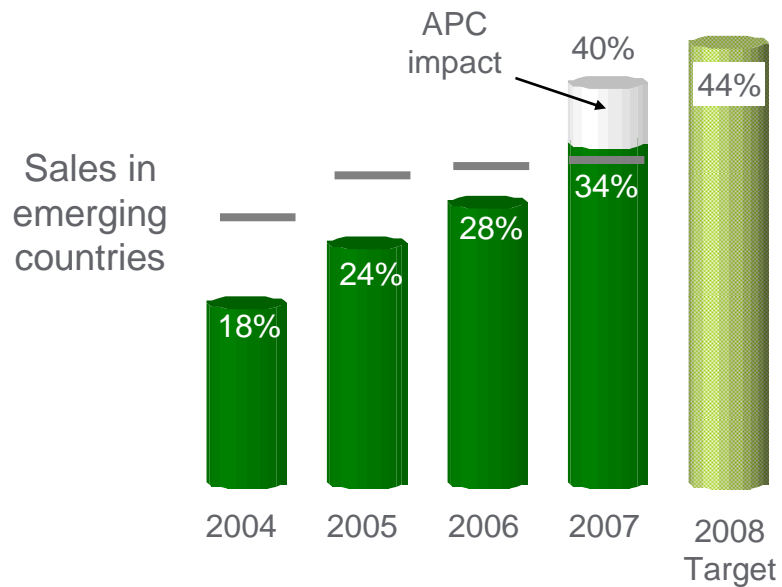
*Natural resources : water and waste water, oil & gas, mining minerals & metals

Tapping new efficiency reservoirs to generate sustainable productivity

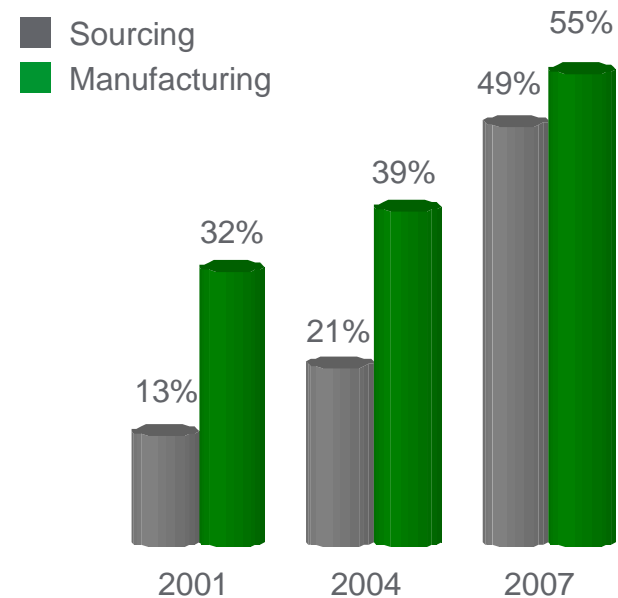


Deploying a strong sourcing and manufacturing base in emerging countries

COGS
in low cost countries



Production base
in low cost countries



- Cost rebalancing already achieved in 2007, 2008 target to be beaten with 44% of COGS in low-cost countries including APC
- € / \$ transaction risk eliminated: negligible impact on EBITA margin from 2008

Securing a sustainable gain above 2 pts in EBITA margin

Efficiency initiatives

- Rebalancing of production to low-cost countries
- Purchasing productivity
- Rationalization of logistics
- Lean Manufacturing
- Optimization of support function costs
- Pricing management
- Consolidation of R&D

2005-2007 savings

€ 222m

€ 351m

48 logistics centers closed

€ 166m

SFC / Sales = - 210 bp

€ 540 m price increase

Outlook



2008: taking advantage of new profile

Organic sales guidance confirmed at +6% to +8%:

- Solid order intake driven by emerging countries and energy efficiency
- Allocation of resources to fast growing markets and key verticals
- Conservative assumptions for H2 in mature countries

EBITA margin expected at 15%:

- Benefits of rebalancing to low cost countries, neutral currency exposure
- Flexible and highly outsourced model
- Leaner and globalized structure

Strong organic growth in first quarter 2008

Sales organic growth by region

	Q1 2008
Europe	+7.1%
North America	+6.7%
Asia-Pacific	+13.6%
Rest of the World	+22.9%
Group	+9.5%
<i>Group adjusted from business days</i>	<i>+11.0%</i>
Inc. Emerging countries*	+17%

Breakdown of sales current growth

	Q1 2008
Organic growth	+9.5%
Perimeter effect	+6.9%
Currency effect	-5.7%
Current growth	+10.7%

* Emerging countries: Eastern Europe + Asia-Pacific + Rest of the World

Appendices



Strong increase of earnings

In m€	Reported figures		
	FY 2006	FY 2007	Change
Sales	13,730	17,309	+26.1%
Gross profit	5,679	7,099	+25.0%
<i>Margin %</i>	41.4%	41.0%	-0.4pt
EBITDA	2,506	3,114	+24.3%
<i>Margin %</i>	18.3%	18.0%	-0.3pt
EBITA*	2,019	2,562**	+26.9%
<i>Margin %</i>	14.7%	14.8%	+0.1pt
Net financial expense	(121)	(266)	
Income tax	(535)	(600)	
Net income	1,309	1,583	+20.9%
<i>Earnings per share</i>	5.95	6.78	+13.9%

* Before amortization of purchase accounting intangibles of €78m in 2007 (€18m in 2006) and including restructuring costs & impairment of €138m in 2007 (€116m in 2006)

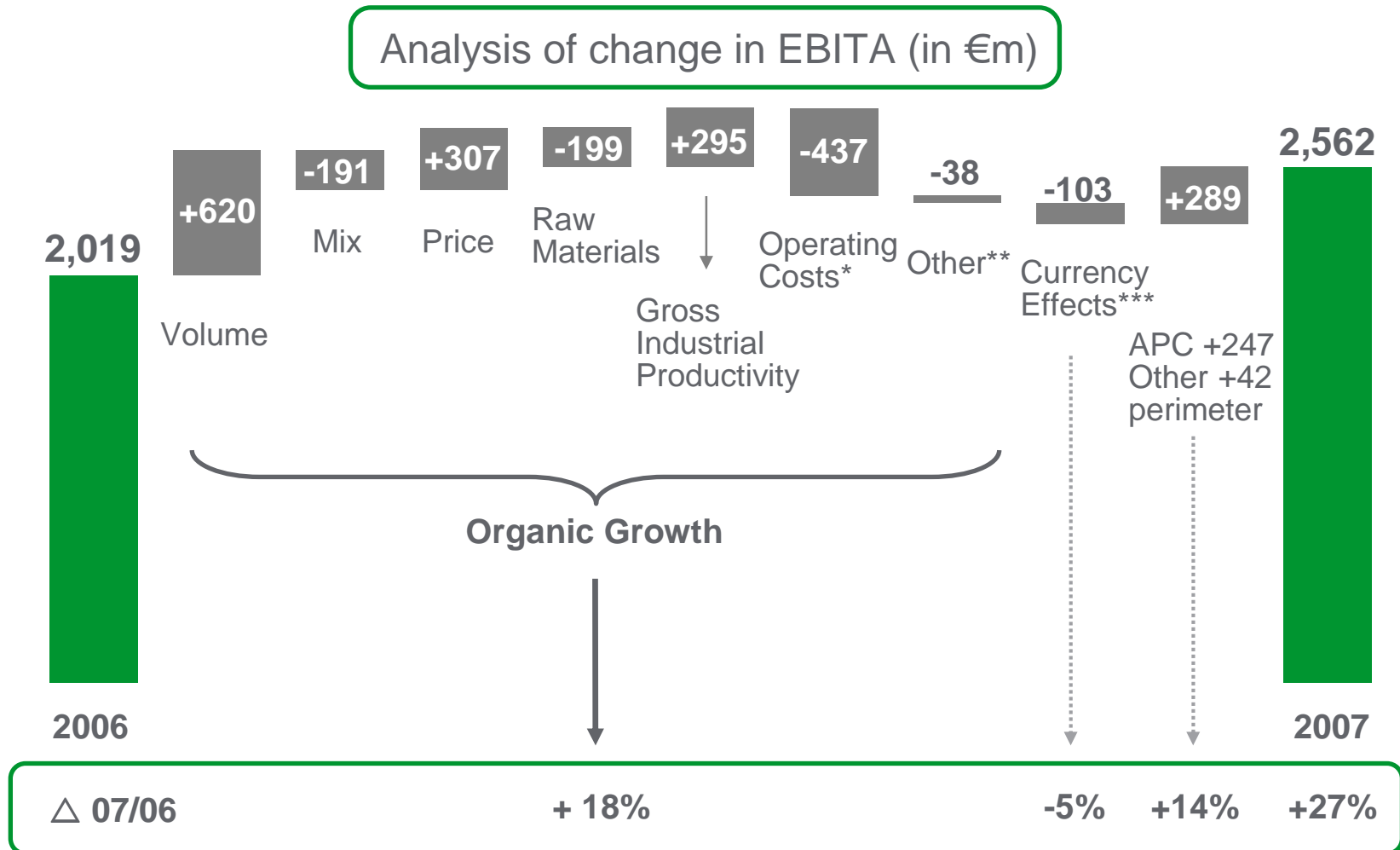
** Including capital gain on MGE Small Systems divestment of €60m and provisions on IT systems upgrade of €72m

Profitability enhanced by APC turnaround

In m€	Comparable figures		
	FY 2006*	FY 2007	Change
Sales	15,469	17,309	+11.9%
Gross profit	6,319	7,099	+12.3%
<i>Margin %</i>	40.8%	41.0%	+0.2pt
EBITDA	2,633	3,114	+18.3%
<i>Margin %</i>	17.0%	18.0%	+1.0pt
EBITA	2,103	2,562	+21.8%
<i>Margin %</i>	13.6%	14.8%	+1.2pt

*Including APC on a proforma basis since February 15, 2006

Strong volume leverage driven by investments in high growth markets



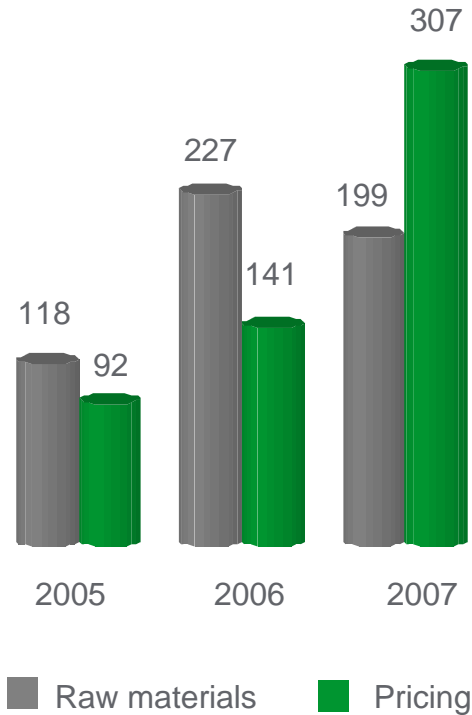
* Of which Production Labour & Other Costs: -83, SG&A/R&D costs: -354

** Of which IFRS impacts: -30

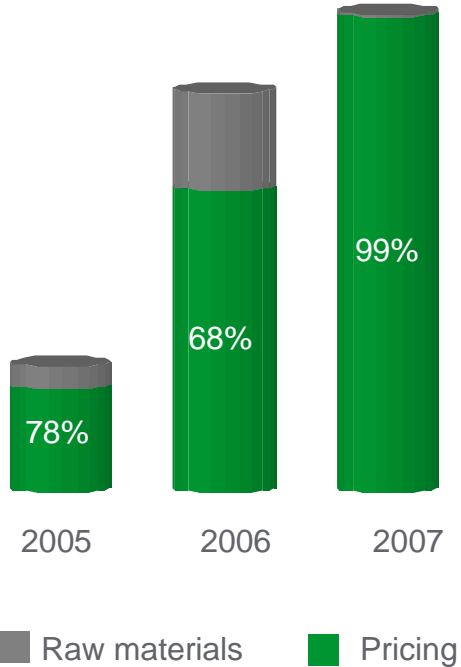
***Of which translation: -63, transaction: -40

Strong pricing dynamics

Raw materials & Pricing annual impact



Pricing vs Raw materials on a cumulative basis



Solid productivity gains in line with target

Breakdown of productivity gains (in €m)

	2006	2007
Purchasing	91	124
Lean Manufacturing	50	55
Rebalancing	81	72
Other plans	70	44
Gross industrial productivity	292	295
<i>As % of products' cost of sales*</i>	<i>4.5%</i>	<i>4.0%</i>

*Excluding cost of sales for services and related businesses

Solid profitability improvement throughout the different regions

Breakdown by region
(before corporate costs*)

	Europe	North America	Asia Pacific	Rest of World
<i>Sales breakdown</i>	45%	28%	19%	8%
EBITA** (€m)	1,349 +16%	787 +30%	440 +21%	232 +21%
EBITA Margin**	17.2% +0.4pt	16.5% +3.0pts	13.6% +0.7pt	15.9% +0.4pt

* Corporate costs of -1.4% of sales in 2007 (-1.4% in 2006)

** Compared to 2006 EBITA including APC on a proforma basis since February 15, 2006

Profitability improvement led by Electrical Distribution and Critical Power

Breakdown by business
(before corporate costs*)

	Electrical Distribution	Automation & Control	Critical Power***
<i>Sales breakdown</i>	57%	29%	14%
EBITA** (€m)	1,789 +20%	700 +7%	319 +80%
EBITA Margin**	18.1% +0.8pt	14.2% -0.5pt	12.7% +5.4pts

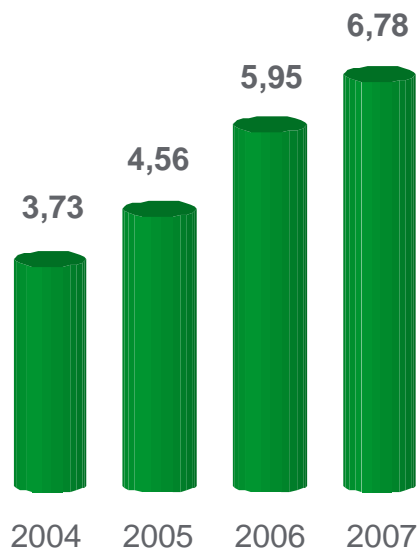
* Corporate costs of -1.4% of sales in 2007 (-1.4% in 2006)

** Compared to 2006 EBITA including APC on a proforma basis since February 15, 2006

*** Including MGE Small Systems business

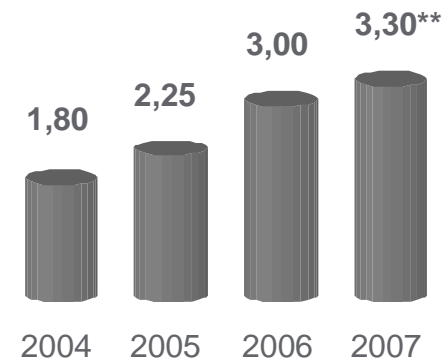
Sustained increase of EPS and dividend

Earnings per share



+22% p. y.

Dividend per share



+22% p. y.

* Subject to shareholder approval, payable in cash on April 30, 2008

Strong free cash flow contributing to APC acquisition financing

Analysis of debt change in €m	2007
Net debt at January 1	(1,835)
Operating cash flow	2,211
Capital expenditure – net*	(560)
Change in operating working capital	(261)
Change in non-operating working capital	140
Free cash flow	1,530
Dividends	(670)
Acquisitions	(5,291)
Capital increase	1,271
Other	59**
Increase in net debt	(3,101)
Net debt at December 31	(4,936)

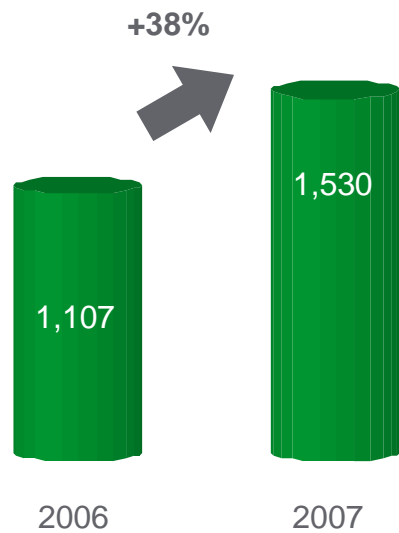
+38%

* Including R&D capitalization of €131m in 2007 (€132m in 2006)

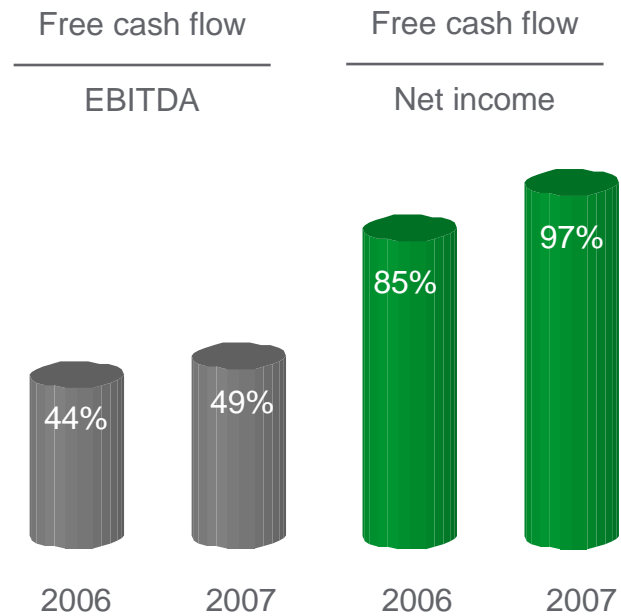
** Including currency effect on debt of €200m

Cash generation significantly enhanced

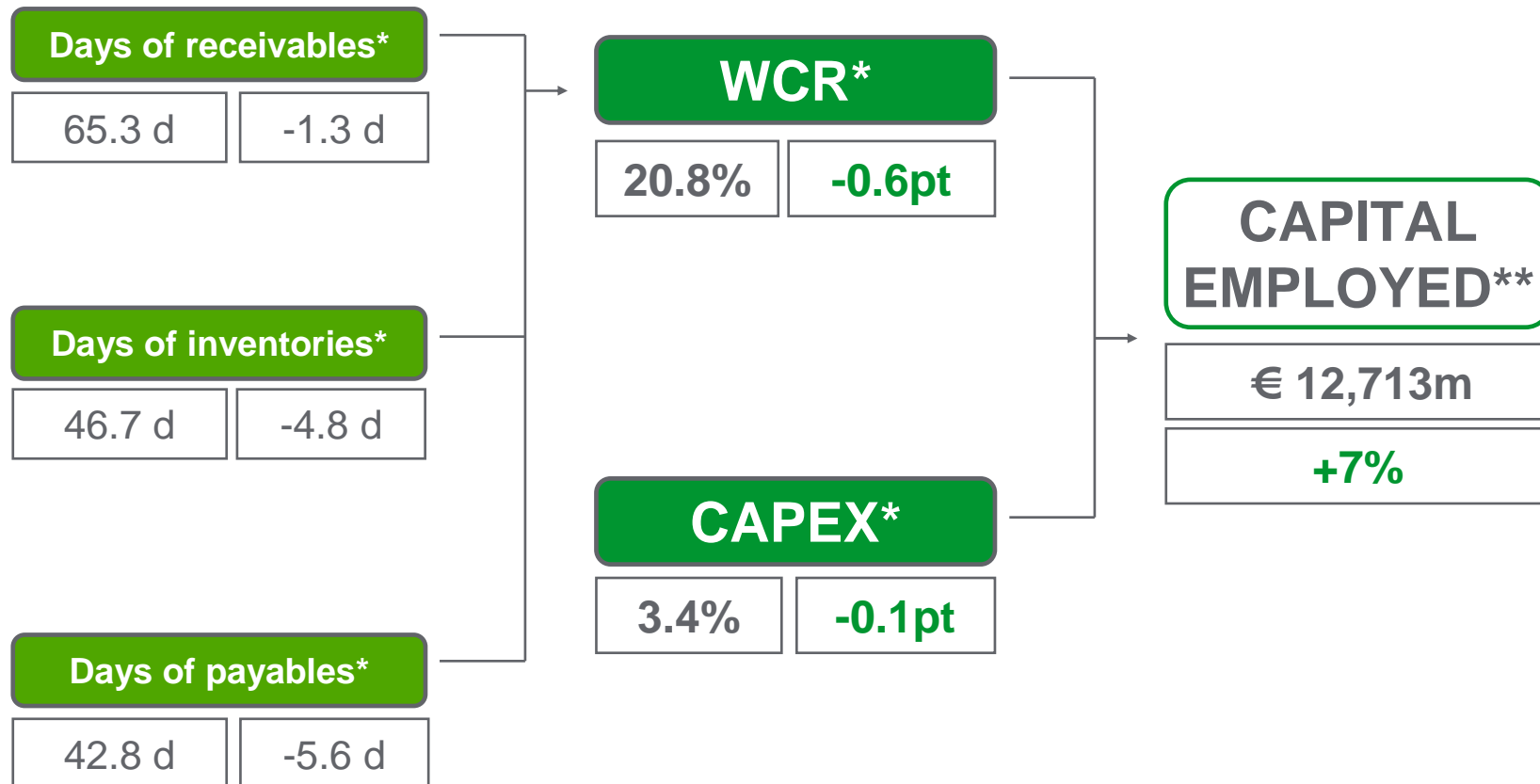
Free cash flow
in € m



Cash conversion indicators



Good control of WCR and CAPEX in a context of high demand

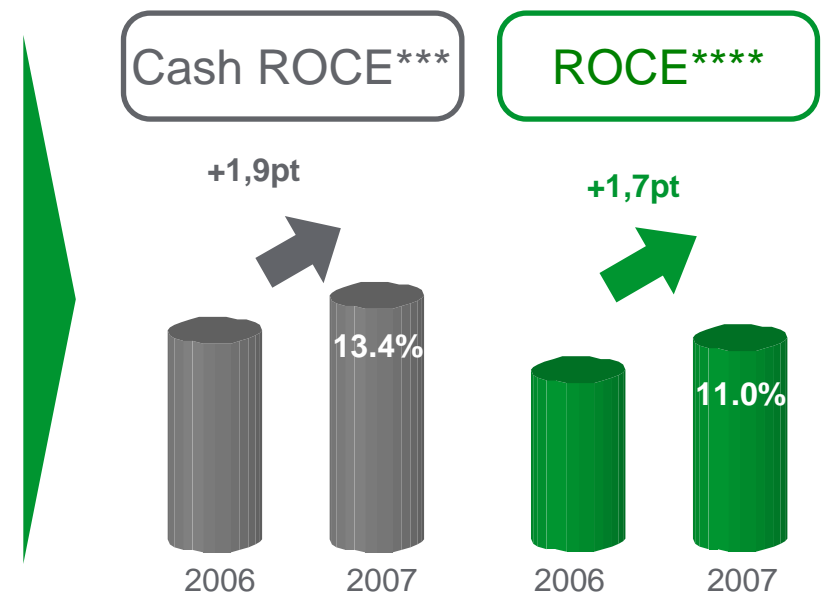


* Days or % of sales, excluding APC

** Shareholders' equity + net debt + provisions, excluding APC

Limitation of capital employed leading to significant ROCE increase

€m	2007	Change*
Capital Employed**	16,956	+4%
EBITDA	3,114	+18%
EBITA	2,562	+22%

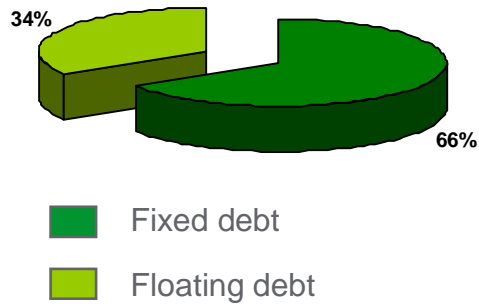


* Change vs 2006 on a pro forma basis including APC acquisition at Dec. 31, 2006 and before capital increase
 ** Shareholders' equity + net debt + provisions
 *** Cash ROCE: After tax EBITDA / Capital Employed
 **** ROCE: After tax EBITA / Capital Employed

A well balanced gross debt structure

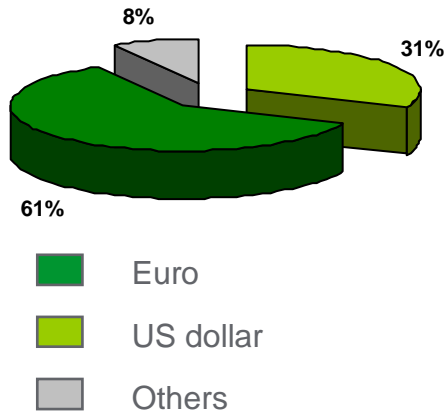
Gross debt structure as of Dec 31, 2007

Fixed debt Vs Floating debt*
100% = €6.2bn



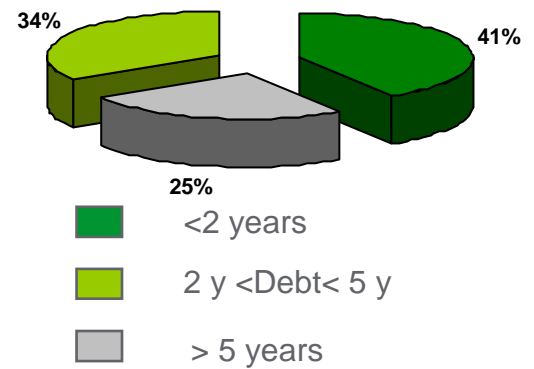
* After SWAP

By currency*
100% = €6.2bn



* After SWAP

By maturity
100% = €6.2bn



- Additional available backup of facilities: €2.5bn
- Average life: 4 years
- Average interest rate 4.45%

Strengthened financial structure

Financial ratios in €m

	2006 Including APC*	2007
Consolidated shareholders' equity	8,838	10,314
Net debt	6,087	4,936
Net debt-to-equity ratio	69%	48%
Interest coverage (EBITDA/Debt costs)	na	13x
Operating cash flow/net debt	32%	45%
Funds from operations/net debt**	27%	38%
S&P rating	BBB+	BBB+

* Including APC acquisition at December 31, 2006 and before capital increase on a pro forma basis

** S&P definition

Doubling of Critical Power EBITA, driven by the turnaround of APC

(in \$m)	2006 Proforma*	2007 Proforma*	Change
Sales	3,023	3,520	+16%
<i>Organic growth</i>			+14%
EBITA before non recurring charges**	209	440	x2.1
<i>Margin %</i>	6.9%	12.5%	+5.6pts
EBITA	150	402	
<i>Margin %</i>	5.0%	11.4%	


- Strong volume increase led by Enterprise Systems & Services
- Termination of unprofitable product lines and project selection
- Optimization of supply chain and support functions

* Results of the business unit on a 12-month basis (without MGE Small Systems business)

** Before non-recurring charges: restructuring costs and assets value adjustments

Critical Power EBITA to nearly double again by 2009

(in \$m)	2006 Proforma*	2007 Proforma*	2009 Target	vs 2007
Sales	3,023	3,520	4,300-4,500	
<i>Organic growth</i>		+14%		+11-13% CAGR
EBITA	150	402	650-750	
<i>Margin %</i>	<i>5.0%</i>	<i>11.4%</i>	<i>15-17%</i>	<i>+4-6pts</i>



Definitions

- EBITDA: EBIT before net depreciation and amortization
- EBITA: EBIT before amortization and depreciation of purchase accounting intangibles
- Capital Employed: Shareholders' equity + net debt + provisions
- ROCE: $\text{After tax EBITA} / \text{Capital Employed}$
- Cash ROCE: $\text{After tax EBITDA} / \text{Capital Employed}$

Contacts & agenda

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Grégoire Rougnon - IR manager - gregoire.rougnon@schneider-electric.com

01 August

2008 Half-Year
Results

Conference call
9:30am

22 October

Q3 2008 Sales

Conference call
9:30am

**Help people make the
most of their energy**

