This supplement ("First Prospectus Supplement") is supplemental to, and should be read in conjunction with, the Base Prospectus dated 25 June 2013 (the “Base Prospectus”) prepared in relation to the €7,500,000,000 Euro Medium Term Note Programme of Schneider Electric SA (the “Issuer”). The Base Prospectus as supplemented constitutes a base prospectus for the purpose of the Directive 2003/71/EC (which includes the amendments made by Directive 2010/73/EU) (the “Prospectus Directive”). The Autorité des marchés financiers (the “AMF”) has granted visa no.13-299 on 25 June 2013 on the Base Prospectus.

Application has been made for approval of the First Prospectus Supplement to the AMF in its capacity as competent authority pursuant to Article 212-2 of its Règlement Général which implements the Prospectus Directive.

This First Prospectus Supplement constitutes a supplement to the Base Prospectus for the purposes of Article 16 of the Prospectus Directive and has been prepared for the purposes of incorporating recent events in connection with the Issuer. As a result, certain modifications to front page, the sections “Summary”, “Résumé en Français (Summary)”, “Documents Incorporated by Reference” and “Recent Developments” of the Base Prospectus have been made.

Save as disclosed in this First Prospectus Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is material in the context of the Programme since the publication of the Base Prospectus.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this First Prospectus Supplement.

To the extent that there is any inconsistency between (a) any statement in this First Prospectus Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Copies of this First Prospectus Supplement (a) may be obtained, free of charge, from the registered office of the Issuer during normal business hours, (b) will be available from the website of the Issuer (www.schneider-electric.com), (c) will be available on the website of the AMF (www.amf-france.org) and (d) will be available during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for collection at the offices of each Paying Agent(s) so long as any of the Notes are outstanding.

This First Prospectus Supplement has been prepared pursuant to Article 16.1 of the Prospectus Directive and Article 212-25 of the AMF’s Règlement Général for the purpose of giving information with regard to the Issuer and the Notes to be issued under the Programme additional to the information already contained or incorporated by reference in the Base Prospectus.
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PROSPECTUS SUPPLEMENT ................................................................. 14
AMENDMENTS TO THE RATINGS OF THE ISSUER

The following amendments are made to the Base Prospectus:

FRONT PAGE

The paragraph starting with “As of the date of this Base Prospectus” is deleted in its entirety and hereby replaced by the following paragraph:

On 17 July 2013, Standard & Poor’s Ratings Services (“S&P”) has placed the long-term corporate rating of the Issuer of A- on credit watch negative. Tranches of Notes issued under the Programme may be rated or unrated. The credit ratings included or referred to in this Base Prospectus or in any Final Terms have been or will be, as the case may be, issued by one or more credit rating agencies established in the European Union, registered under Regulation (EC) No. 1060/2009 on credit rating agencies (the “CRA Regulation”), as amended by Regulation (EU) No 513/2011 and included in the list of credit agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority (www.esma.europa.eu/page/List-registered-and-certified-CRAs) as of the date of this Base Prospectus). The relevant Final Terms will specify whether or not credit ratings are issued by a credit rating agency.

SUMMARY

The first sentence of the section B.17 entitled “Credit ratings assigned to the Issuer or its debt securities” appearing on page 10 of the Base Prospectus under the heading “SUMMARY” is deleted in its entirety and hereby replaced by the following sentence:

On 17 July 2013, Standard & Poor’s Ratings Services (“S&P”) has placed the long-term corporate rating of the Issuer of A- on credit watch negative.

RESUME EN FRANCAIS (SUMMARY)

The first sentence of the section B.17 “Notation assignée à l’Emetteur ou à ses titres d’emprunt” appearing on page 27 of the Base Prospectus under the heading “RESUME EN FRANCAIS (SUMMARY IN FRENCH)” is deleted in its entirety and hereby replaced by the following sentence:

Le 17 juillet 2013 Standard & Poor’s Ratings Services (“S&P”) a placé la notation à long terme A- de l’Emetteur sous surveillance avec implication negative.
DOCUMENTS INCORPORATED BY REFERENCE

The section Documents Incorporated by Reference appearing on pages 48 to 52 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

“This Base Prospectus should be read and construed in conjunction with the sections set out in the cross-references tables below from the following documents which have been filed with the AMF:

- the *document de référence* in the French language of the Issuer which received n° D.13-0196 from the AMF on 21 March 2013, except for the third paragraph of the section “Responsables du document de référence” on page 313 (the “2012 Reference Document”);
- the *document de référence* in the French language of the Issuer which received n° D.12-0198 from the AMF on 22 March 2012, except for the third paragraph of the section “Responsables du document de référence” on page 273 (the “2011 Reference Document”); and

Any reference in this Base Prospectus, in the 2012 Reference Document or in the 2011 Reference Document to the registration documents and/or annual reports (either 2012 or 2011) shall be deemed to exclude the above-mentioned excluded sections.

This Base Prospectus should be read and construed in conjunction with, the 2013 HYFR, the 2012 Reference Document and the 2011 Reference Document.

Any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus may be obtained, free of charge, from (i) the registered office of the Issuer, (ii) the website of the Issuer (www.schneider-electric.com) and/or (iii) at the offices of each Paying Agent set out at the end of this Prospectus during normal business hours.


The information incorporated by reference in this Base Prospectus shall be read in connection with the cross-reference list below.

Any information not listed in the cross-reference list below but included in the documents incorporated by reference shall not form part of this Base Prospectus and is not relevant for investors.
### 2. STATUTORY AUDITORS

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Names and addresses of the Issuer’s auditors for the period covered by the historical financial information (together with their membership in a professional body)</td>
<td>N/A</td>
<td>314</td>
<td></td>
</tr>
<tr>
<td>2.2 If auditors have resigned, been removed or reappointed during the period covered by the historical financial information, details if material.</td>
<td>N/A</td>
<td>314</td>
<td></td>
</tr>
</tbody>
</table>

### 3. SELECTED FINANCIAL INFORMATION

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Selected historical financial information regarding the issuer, presented, for each financial year for the period covered by the historical financial information, and any subsequent interim financial period, in the same currency as the financial information. The selected historical financial information must provide key figures that summarise the financial condition of the issuer.</td>
<td>N/A</td>
<td>8-10</td>
<td></td>
</tr>
<tr>
<td>3.2 If selected financial information for interim periods is provided, comparative data from the same period in the prior financial year must also be provided, except that the requirement for comparative balance sheet data is satisfied by presenting the year end balance sheet information.</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

### 4. RISK FACTORS

Prominent disclosure of risk factors that may affect the Issuer’s ability to fulfil its obligations under the securities to investors in a section headed “Risk Factors”

N/A | 33-40 | |

### 5. INFORMATION ABOUT THE ISSUER

### 5.1 History and development of the Issuer

N/A | 22-24 | |

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.5 any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer’s solvency</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>6.3 The basis for any statements made by the Issuer regarding its competitive position.</td>
<td>N/A</td>
<td>18-19</td>
<td></td>
</tr>
<tr>
<td>7. ORGANISATIONAL STRUCTURE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.1 If the issuer is part of a group, a brief description of the group and of the issuer’s position within it.</td>
<td>N/A</td>
<td>30-31</td>
<td></td>
</tr>
<tr>
<td>7.2 If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>8. TREND INFORMATION</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.1 Include a statement that there has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements. In the event that the issuer is unable to make such a statement, provide details of this material adverse change.</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>8.2 Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer’s prospects for at least the current financial year.</td>
<td>N/A</td>
<td>26, 157</td>
<td></td>
</tr>
<tr>
<td>9. PROFIT FORECASTS AND ESTIMATES</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>9.1 A statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate. There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; the assumptions must be readily understandable by investors, be specific and precise and not relate to the general accuracy of the estimates underlying the forecast.</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>9.2 A report prepared by independent accountants or auditors must be included stating that in the opinion of the independent accountants or auditors the forecast or estimate has been properly compiled on the basis stated and that the basis of accounting used for the profit forecast or estimate is consistent with the accounting policies of the issuer.</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>9.3 The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>10. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.1 Names, business addresses and functions in the Issuer of the members of the administrative, management and supervisory bodies, and an indication of the principal activities performed by them outside the Issuer where these are significant with respect to the Issuer-</td>
<td>N/A</td>
<td>6-7</td>
<td></td>
</tr>
<tr>
<td>10.2 Statement that there are no conflicts of interest</td>
<td>N/A</td>
<td>130</td>
<td></td>
</tr>
<tr>
<td>11. BOARD PRACTICES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11.1 Details relating to the Issuer's audit committee</td>
<td>N/A</td>
<td>124-127</td>
<td></td>
</tr>
<tr>
<td>11.2 A statement as to whether or not the Issuer complies with its country’s of incorporation corporate governance</td>
<td>N/A</td>
<td>148</td>
<td></td>
</tr>
</tbody>
</table>
12. MAJOR SHAREHOLDERS

<table>
<thead>
<tr>
<th>12.1 To the extent known to the Issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.</th>
<th>N/A</th>
<th>10, 259</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.2 A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.</td>
<td>N/A</td>
<td>255</td>
</tr>
</tbody>
</table>

13. FINANCIAL INFORMATION CONCERNING THE ISSUER’S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

13.1 Historical Financial Information

- Audited historical financial statements/information

13.2 Consolidated financial statements

- Consolidated financial statements: 151-217 | 159-230

13.3 Auditing of historical annual financial information

- 217, 234-235 | 229-230

13.5 Interim and other financial information

- Consolidated Statement of Income relating to the above: 3
- Consolidated Statement of Cash Flow relating to the above: 5
- Consolidated Balance Sheet relating to the above: 6-7
- Consolidated Statement of Changes in Equity: 8
- Notes relating to the above: 9-32
- Accounting Principles relating to the above: 9-10
- Auditors’ report relating to the above: 44

13.6 Legal and arbitration proceedings

- N/A | 38-39

13.7 Significant change in the Issuer’s financial or trading position

- N/A | N/A

14. ADDITIONAL INFORMATION

14.1 Share Capital

- The amount of the issued capital, the number and classes of the shares of which it is composed with details of their principal characteristics, the part of the issued capital still to be paid up, with an indication of the number, or total nominal value, and the type of the shares not yet fully paid up, broken down where applicable according to the extent to which they have been paid up. | N/A | 255 |

14.2 Memorandum and Articles of Association

- The register and the entry number therein, if applicable, and a description of the issuer's objects and purposes and where they can be found in the memorandum and articles of association. | N/A | 252 |
15. MATERIAL CONTRACTS

| A brief summary of all material contracts that are not entered into in the ordinary course of the Issuer’s business, which could result in any group member being under an obligation or entitlement that is material to the Issuer’s ability to meet its obligation to security holders in respect of the securities being issued. | N/A | 217 |

16. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

| 16.1 Where a statement or report attributed to a person as an expert is included in the Registration Document, provide such person’s name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer’s request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part of the Registration Document. | N/A | N/A |

| 16.2 Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, the issuer shall identify the source(s) of the information | N/A | N/A |

17. DOCUMENTS ON DISPLAY

| A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected: |

(a) the memorandum and articles of association of the Issuer; |
(b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer’s request any part of which is included or referred to in the registration document; |
(c) the historical financial information of the issuer or, in the case of a group, the historical financial information of the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document. |
An indication of where the documents on display may be inspected, by physical or electronic means. | N/A | N/A |

The EMTN Previous Conditions are incorporated by reference in this Base Prospectus for the purpose only of further issues of Notes to be assimilated (assimilées) and form a single series with Notes already issued with the relevant EMTN Previous Conditions.

<table>
<thead>
<tr>
<th>EMTN Previous Conditions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2008 EMTN Conditions</td>
<td>Pages 30 to 57</td>
</tr>
<tr>
<td>2009 EMTN Conditions</td>
<td>Pages 31 to 58</td>
</tr>
<tr>
<td>EMTN Conditions</td>
<td>Pages</td>
</tr>
<tr>
<td>--------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>2010</td>
<td>38 to 64</td>
</tr>
<tr>
<td>2011</td>
<td>35 to 60</td>
</tr>
<tr>
<td>2012</td>
<td>36 to 64</td>
</tr>
</tbody>
</table>

Information contained in the Documents Incorporated by Reference other than information listed in the table above is for information purposes only.
Financial information

Statement regarding Invensys plc

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

THIS ANNOUNCEMENT IS NOT AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CITY CODE ON TAKEOVERS AND Mergers (THE “CODE”) AND THERE CAN BE NO CERTAINTY THAT ANY SUCH OFFER WILL BE MADE NOR AS TO THE TERMS ON WHICH ANY SUCH OFFER WOULD BE MADE.

For immediate release

Rueil-Malmaison (France), July 11th, 2013 – Further to the announcement made today by Invensys plc (“Invensys” or the “Company”), Schneider Electric confirms that it is in the early stages of discussions with the Board of Directors of Invensys regarding a possible offer for the entire issued and to be issued share capital of the Company.

Schneider Electric believes that the strategic and financial rationale for this transaction, if consummated, is compelling. Schneider Electric is considering making an offer for Invensys in order to increase its focus on the attractive industry automation sector. The enlarged group would significantly expand its access to key electro-intensive segments where Schneider Electric offers leading low and medium voltage as well as energy management solutions. It would also gain a leading position in the fast-growing software business for industrial operational efficiency.

In addition, Schneider Electric believes that the transaction, if consummated, would create an opportunity to realise significant cost savings through enhanced efficiencies as well as revenue synergies across Schneider Electric’s and Invensys’s established global customer bases.

Schneider Electric takes a disciplined approach to acquisitions with clearly defined strategic and financial criteria and an offer, if any, would have to meet the historical hurdles of a rapid EPS accretion and of a Return On Capital Employed beating the Group’s WACC in year 3, while maintaining a strong balance sheet.

A further announcement will be made in due course.
For the avoidance of doubt, the Invensys announcement was made without the agreement of Schneider Electric.

In accordance with Rule 2.6(a) of the Code, Schneider Electric is now required, by not later than 5:00 pm on August 8th, to either announce a firm intention to make an offer for Invensys under Rule 2.7 of the Code or announce that it does not intend to make an offer for Invensys, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline will only be extended with the consent of the UK Takeover Panel in accordance with Rule 2.6(c) of the Code.

Nothing in this announcement is intended to be a profit forecast and the statements in this announcement should not be interpreted to mean that the earnings per Schneider Electric share for the current or future financial periods will necessarily be greater than those for the relevant preceding financial period.

In accordance with Rule 2.10 of the Code, Schneider Electric confirms that as at the date of this announcement, it has in issue 552,399,123 shares of EUR4 nominal value each. The International Securities Identification Number (ISIN) of the shares is FR0000121972.

A copy of this announcement will be available on the Schneider Electric website at www.schneider-electric.com

Enquiries:

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BofA Merrill Lynch +44 (0)20 7628 1000
Philip Noblet
Geoff Iles
Peter Brown (Corporate Broking)

Deutsche Bank AG is authorised under German Banking Law (competent authority: BaFin - Federal Financial Supervisory Authority) and authorised and subject to limited regulation by the Financial Conduct Authority. Deutsche Bank is acting as financial adviser to Schneider Electric and no one else in connection with the contents of this announcement and will not be responsible to anyone other than Schneider Electric for providing the protections afforded to its clients or for providing advice in connection with the contents of this announcement or any matter referred to herein.

Merrill Lynch International (‘BofA Merrill Lynch’), a subsidiary of Bank of America Corporation, is acting exclusively for Schneider Electric in connection with the possible offer for Invensys and will not be responsible to anyone other than Schneider Electric for providing the protections afforded to its clients nor for providing advice in connection with the possible offer for Invensys or any matter referred to herein.

This announcement does not constitute an offer to purchase any securities, or an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any offer to purchase or sell securities in any jurisdiction in
which such offer, solicitation or sale would be unlawful. The release, distribution or publication of this announcement in jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about and observe any applicable requirements.

Important disclosure

If any transaction occurs and is structured as an offer for the securities of Invensys, a company incorporated under the laws of England, it would be made in the United States in compliance with Section 14(e) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Regulation 14E thereunder. Such an offer would be made in the United States by Schneider Electric and no one else. Such an offer would be subject to disclosure and procedure requirements of England which are different from those of the United States. In addition to any such offer, Schneider Electric, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Invensys outside such offer during the period in which such offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made they would be made outside the United States and would comply with applicable law, including the Exchange Act.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3:30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3:30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3:30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel’s website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel’s Market Surveillance Unit on +44 (0)20 7638 0129.
About Schneider Electric

As a global specialist in energy management with operations in more than 100 countries, Schneider Electric offers integrated solutions across multiple market segments, including leadership positions in Utilities & Infrastructure, Industries & Machines Manufacturers, Non-residential Building, Data Centres & Networks and in Residential. Focused on making energy safe, reliable, efficient, productive and green, the Group's 140,000 plus employees achieved sales of 24 billion euros in 2012, through an active commitment to help individuals and organizations make the most of their energy.

www.schneider-electric.com
Financial information

Schneider Electric to reinforce its position in industrial automation and electro-intensive segments through the acquisition of Invensys plc

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION.

Rueil-Malmaison (France), July 31, 2013 – The board of Schneider Electric S.A. (“Schneider Electric”) announced today that it has reached an agreement on the terms of a recommended offer by Schneider Electric to acquire the entire issued and to be issued share capital of Invensys plc (“Invensys” or “the Company”) (the “Offer”).

Key highlights

A response to Schneider Electric clients’ continual search for higher efficiency

- Schneider Electric is the global specialist of solutions integrating power and automation technologies to help customers manage energy and drive efficiency.
- Operational efficiency is further driven by software, as Information Technologies (“IT”) and Operational Technologies (“OT”) converge.

A strategic deal to further boost our positions in integrated industrial automation and electro-intensive segments

- Acquiring a global automation player with large installed base, strong brands and a strong software presence
- Reinforces our coverage of and access to key electro-intensive segments with integrated and complete solutions
- Brings Schneider Electric strong brands and presence in software for customer operational efficiency
- Strengthens our Industry business: more global, more solutions, more resilient
A highly synergistic transaction

- Revenue synergies to generate ~€65m EBITA impact by year 5 (2018)
- Cost savings to generate ~€140m EBITA impact by year 3 (2016)
- Tax benefit embedded and generated by the transaction with a value of ~£400m (~€0.5bn)

Attractive deal terms and value creation for Schneider Electric:

- Implied Offer Price of 502p per Invensys share, or
  - a 14% premium to Invensys shareholders over the last closing price prior to announcement of discussions
  - a 27% premium to Invensys shareholders over the last 3-month VWAP prior to announcement of discussions
- Enterprise value of £2.4bn, corresponding to an EV / EBITDA multiple of 11.9x based on EBITDA of £202m for Invensys continuing operations in FY 03/2013 pro forma for the cost savings of £25m announced following the Rail transaction
- Funded through €2.9bn cash component and €1bn in new Schneider Electric shares (~3% of pro-forma issued share capital) enabling the combined group to retain a sound balance sheet
- Cash EPS impact: low to mid-single digit accretion in 2014 and high-single digit accretion in 2016
- Attractive Return on Capital Employed (“ROCE”) target of 10% to 11% in year 3

1. Response to Schneider Electric clients’ continual search for higher efficiency

Schneider Electric, as the global specialist in energy management, is present in five end-markets. Industrial and Infrastructure end-markets are a key target for the Group. They represent 35% of the world’s energy use with customers who are continually searching for higher efficiency.

In these end-markets, integrated solutions, combining power and automation technologies, drive operational efficiency.

Industrial automation is an attractive growth market per se. The integration of automation and power offerings (supported by low voltage, medium voltage and critical power technologies), a key strength of Schneider Electric, will enable a new level of performance. Such integrated solutions are especially relevant to electro-intensive customers.

Operational efficiency is further driven by software capability and connectivity skills, as IT and OT converge.

2. A strategic deal to further boost our positions in industrial automation and in electro-intensive segments

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1 Including £25m cost savings (by March 2015) already announced by Invensys
2 372p in cash and 0.025955 Schneider Electric share for each Invensys share, valuing each Invensys share at 502p based on Schneider Electric share price of £58.06 and £/€ exchange rate of 1.1592 as at 11 July 2013
3 Based on closing share price of 440p as at 11 July 2013
4 Based on 3-month Volume Weighted Average Price (“VWAP”) of 396p as at 11 July 2013
5 Equity value of £3.353m (based on the Implied Offer Price and a fully diluted number of shares), Invensys net cash position of £581m as at 30th June 2013, adjusted for the final ordinary dividend payment of £23m, positive cash inflow of £5m from stock options exercise, £1m cash outflow related to preferred B-shares, £20m minority interests and £400m tax assets. It includes neither the expected free cash flow generation until closing nor remaining cash outflow related to the Rail disposal
6 Before acquisition and integration costs and before purchase price adjustment impacts
Schneider Electric believes the businesses of Schneider Electric and Invensys to be highly complementary to respond to these business trends, with the combination representing a unique opportunity to create a global leader in industrial automation, advanced software solutions and power solutions. This will enable the enlarged group to offer a broader range of systems and services to new and existing clients.

**Acquiring a global industrial automation player with a large installed base, strong brands and a strong software presence**

Industrial automation is a highly attractive market, characterised by solid growth trends together with a large and scattered customer base and high premium attached to experience and an installed base.

Invensys’ Industrial Automation business is one of the leaders in the provision of process control and safety solutions to some of the world’s largest and most complex industrial plants through its Foxboro (control systems) and Triconex (safety system) brands. Invensys has the third largest base of installed distributed control systems (“DCS”) in the industry, securing recurring revenues from a loyal customer base, but more importantly providing an opportunity to address the larger needs of those customers. Invensys’ safety systems are recognised as one of the market leaders and a critical component of an integrated solution.

**Reinforces Schneider Electric’s coverage of and access to key electro-intensive segments with integrated and complete solutions**

Invensys is a world leader in the provision of automation solutions to electro-intensive industries, deriving 61% of its revenue from these end-markets in FY2013. As at the end of FY2013, Invensys’ customer portfolio included:

- 23 of the top 25 oil and gas companies
- 48 of the top 50 chemicals companies
- 18 of the top 20 pharmaceuticals companies
- All of the top 10 mining companies
- 21 of the top 25 food and beverage companies

The acquisition of Invensys will significantly strengthen Schneider Electric’s position in these end-markets and will complement its existing PlantStruxure PES offering, its software application offering, and its significant power distribution presence with those customers.

Invensys’ presence in segments driven by process automation is therefore very complementary to Schneider Electric’s Industry business’ historical presence in segments driven by discrete and hybrid automation. The enlarged group will enjoy optimal coverage of all key industry segments and drive pull-through across their customer bases.

Schneider Electric’s low and medium voltage and critical power solutions will be combined with Invensys’ operation and asset management systems and will allow the enlarged group to significantly strengthen its new business proposition.
Brings Schneider Electric strong brands and presence in software for industrial operational efficiency

Invensys’ Software division features a number of leading industrial operational efficiency brands including Wonderware, SimSci and Avantis, with an installed base of over 750,000 software licences, generating significant recurring revenue:

- A leading position for Manufacturing Execution Systems ("MES"), which act as an intermediary between companies’ ERP and factories’ automation systems
- Wonderware technology will allow Schneider Electric to reinforce its presence in Human Machine Interface ("HMI"). This software will complete Schneider Electric's offering by broadening its visualization and real-time monitoring capabilities
- Invensys’ strong position globally in the MES and Enterprise Asset Management ("EAM") segments through its Operations & Asset Management business will enable Schneider Electric to achieve a critical size in a fragmented market, notably with Avantis and Wonderware software
- SimSci is a leading software for the design, simulation and optimisation of production processes.

The acquisition of Invensys will position the enlarged group as one of the major players in software for industry worldwide and should enable Schneider Electric to benefit from both strong topline growth and high operating margins in this segment.

Strengthening Schneider Electric’s Industry business: more global, more solutions, more resilient

Schneider Electric plans to combine Invensys with its existing Industry division. The Industry division will benefit from a broadened geographical footprint, a balanced offering of Products and Solutions (including increased presence in software and services) and a more balanced exposure to short and long-cycle industries.

A significant proportion of Invensys’ business is derived from systems and services offered to clients. The integration of Invensys within Schneider Electric’s Industry business will increase the share of revenues derived from solutions and services from 24% to 40%\(^7\), increasing the share of recurring and high added-value revenues for the business.

The transaction will also balance geographically Schneider Electric’s Industry division, with an increased exposure to North America.

The acquisition will balance the cyclical profile of the Industry business, increasing significantly the share of revenues generated in long-cycle activities.

3. A highly synergistic transaction

Schneider Electric believes the combination of complementary systems, service offerings and customer bases will form the foundation for pull-through opportunities and the realisation of future revenue synergies. Furthermore, Schneider Electric believes there are benefits to be derived from the optimisation of the cost and tax structure across the enlarged group.

\(^7\) Assuming Invensys’ Industrial Automation and Software businesses are integrated within Schneider Electric’s Industry business
Consequently, Schneider Electric expects the transaction to generate significant benefits:

- Revenue synergies of ~€400m per annum by 2018 as a result of enlarged offerings, complementary customer bases and additional scale from the integration within Schneider Electric. The estimated impact on EBITA is of ~€65m per annum by 2018.

- Cost savings of ~€140m per annum by 2016\(^8\) derived from structural and administrative cost savings, efficiency gains at country and regional levels and synergies on procurement and production costs.

- Schneider Electric expects tax savings valued at around £400m (~€0.5bn including ~€80m p.a. over the first 5 years), consisting mainly of utilising existing tax credits at Invensys.

Integration costs related to the transaction are estimated at ~€150m\(^9\) over 2014-15.

4. Deal terms

Under the terms of the Offer, Invensys shareholders will be entitled to receive, for each Invensys share:

- 372 pence in cash, and
- 0.025955 new Schneider Electric shares

Based on the closing price per Schneider Electric Share and £/€ exchange rate on 11 July 2013, the consideration for the Offer represents a value of 502 pence per Invensys Share, or £3.4bn in aggregate:

- Representing a premium of 14% to the closing price of 440 pence per Invensys share on 11 July 2013 (being the last business day prior to announcement of discussions).
- Representing a premium of 27% to Invensys shareholders over the last 3-month VWAP of 396 pence per Invensys share prior to announcement of discussions.

The Offer represents an Enterprise value of £2.4bn\(^10\), corresponding to an EV / EBITDA multiple of 11.9x based on EBITDA of £202m for Invensys continuing operations in FY 03/2013 pro forma for the cost savings of £25m announced following the Rail transaction.

The Offer will include a Mix and Match facility, so that Invensys shareholders will be able to elect to vary the proportions of cash and new Schneider Electric shares they receive, subject to the elections made by other Invensys shareholders.

5. Impacts and value creation for Schneider Electric

Transaction funding is composed of:

- ~€2.9bn cash component

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\(^8\) Including £25m cost savings (by March 2015) already announced by Invensys.

\(^9\) Excluding acquisition costs of ~€60m.

\(^10\) Equity value of £3.353bn (based on the Implied Offer Price and a fully diluted number of shares), Invensys net cash position of £581m as at 30 June 2013, adjusted for the final ordinary dividend payment of £23m, positive cash inflow of £6m from stock options exercise, £1m cash outflow related to preferred B-shares, £20m minority interests and £400m tax assets. It includes neither the expected free cash-flow generation until closing nor remaining cash outflow related to the Rail disposal.
• ~€1bn in new Schneider Electric shares, representing the issuance of ~17.3m new Schneider Electric shares, or ~3% of the pro forma issued share capital

This financing structure will enable the combined group to retain a sound balance sheet and is consistent with Schneider Electric’s long-term policy to retain a strong credit rating targeting A-/A3, while being ready to accept a 1-notch lower rating on a temporary basis.

At the same time, this financing structure meets Schneider Electric’s stringent financial criteria with an expected low to mid single-digit cash EPS accretion in 2014 and high single-digit accretion in 2016\(^{11}\).

Given the sound profit generation profile of Invensys, revenue synergies, cost savings and tax savings, the ROCE\(^{12}\) in year 3 is targeted to reach 10% to 11%.

Next Steps

The Board of Invensys unanimously recommends Invensys shareholders to vote in favour of the Offer, as they have undertaken to do in respect of their own beneficial shareholdings.

The Offer is structured as a Scheme of Arrangement. It is expected that the Scheme Document will be published as soon as reasonably practicable and that a Court Meeting and a General Meeting will be held subsequently.

The transaction is subject to antitrust approval in various jurisdictions, to approval by Invensys EGM and to other customary closing conditions.

The transaction is expected to close in the fourth quarter of 2013.

Jean-Pascal Tricoire, Chairman and CEO of Schneider Electric, commented:

“We are delighted to announce the combination of Invensys and Schneider Electric in what is an exciting day for the stakeholders of both companies. The addition of Invensys’ businesses will considerably strengthen Schneider Electric’s overall offering to its industrial and infrastructure customer base, reinforcing us as a global leader in energy management solutions integrating power and automation, as well as leading software for customer efficiency. The transaction will allow Schneider Electric to benefit from increased scale and realise substantial synergy benefits from the combination. We believe our offer is compelling to Invensys shareholders who will realise significant value for their holdings while having the opportunity to participate in the future strengths of the combined business.

We warmly welcome Invensys’ team and believe that the combined business will provide new and larger growth opportunities for employees and customers as well as offering Schneider Electric’s shareholders significant future value creation.”

Sir Nigel Rudd, Chairman of Invensys, commented:

“Following the recent disposal of Invensys Rail, the agreement with the Pension Trustees and the re-organisation of the Group, the Invensys Directors believe that Invensys is strongly positioned to execute on its growth strategy going forward.

\(^{11}\) Before acquisition and integration costs and before purchase price adjustment impacts

\(^{12}\) ROCE calculated using after-tax EBITA post tax benefits
However, the Invensys Directors believe that the offer from Schneider Electric represents an attractive value for Invensys Shareholders and reflects the future growth prospects of the business and a significant proportion of the benefits which are expected to accrue from the strong strategic fit between Invensys and Schneider Electric.

Combined with the disposal of Invensys Rail and return of £625 million to shareholders, this represents a very attractive result for Invensys Shareholders. Furthermore, the members of the Invensys Pension Scheme will benefit from the ongoing support of a significantly larger, leading, global automation business."

A copy of this announcement will be available on the Schneider Electric website at www.schneider-electric.com

List of advisers:

Schneider Electric is advised in this transaction by:

- Bank of America Merrill Lynch and Deutsche Bank as lead financial advisers
- BNP Paribas and Morgan Stanley as financial advisers
- Linklaters and Bredin Prat as legal advisers
- Accuracy as accounting adviser
- Aon Hewitt as pensions adviser
- PwC/Landwell as tax adviser
- Shearman and Sterling as tax and financing advisors
- RLM Finsbury as PR adviser

Invensys is advised in this transaction by:

- Barclays and J.P. Morgan Cazenove as financial advisers
- Freshfields Bruckhaus Deringer as legal advisers
- FTI Consulting as PR adviser

Important information

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or solicitation of any offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction. The new Schneider Electric Shares are not being offered to the public by means of this announcement. This announcement is an advertisement and is for information purposes only and does not constitute a prospectus or prospectus equivalent document.
The Offer will be made solely by means of the formal offer document to be sent to Invensys shareholders in due course which will contain the full terms and conditions of the Offer, including details of how to vote in respect of the acquisition. The prospectus in relation to the new Schneider Electric Shares will be published by Schneider Electric on the date on which the formal offer document is posted, and will contain information about Schneider Electric and the new Schneider Electric Shares. Schneider Electric draws the public’s attention to the “risk factors” section to be included in the prospectus that will be submitted to the approval (visa) of the French Autorité des marchés financiers (AMF).

The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law. Persons who are not resident in France or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements. Any failure to comply with these requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such requirements by any person.

The Offer relates to shares of a UK company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to proxy solicitation or tender offer rules under the US Securities Exchange Act of 1934 (the “US Exchange Act”). Accordingly, the Offer is subject to the disclosure requirements, rules and practices applicable in the United Kingdom to schemes of arrangement, which differ from the requirements of US proxy solicitation or tender offer rules. However, if Schneider Electric were to elect to implement the acquisition by means of a takeover offer, such takeover offer will be made in compliance with all applicable laws and regulations, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder. Such a takeover would be made in the United States by Schneider Electric and no one else. In addition to any such takeover offer, Schneider Electric, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Invensys outside such takeover offer during the period in which such takeover offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made they would be made outside the United States and would comply with applicable law, including the US Exchange Act. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service of the UKL A and will be available on the London Stock Exchange website: www.londonstockexchange.com.

The new Schneider Electric Shares have not been, and will not be, registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the new Schneider Electric Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States absent registration under the US Securities Act or an exemption therefrom. The new Schneider Electric Shares are expected to be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof. Invensys shareholders who will be affiliates of Schneider Electric after the date the acquisition becomes effective will be subject to certain US transfer restrictions relating to the new Schneider Electric Shares received pursuant to the Offer.

Unless otherwise determined by Schneider Electric or required by the UK Takeover Code, and permitted by applicable law and regulation, the Offer will not be made available, directly or indirectly, in, into or from any jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Offer by any such use, means, instrumentality or form within such a jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction.

**Forward Looking Statements**

This announcement contains statements about Schneider Electric and Invensys that are or may be forward looking statements. All statements other than statements of historical facts included in this announcement may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”,
“may”, “anticipates”, “estimates”, “projects” or words or terms of similar substance or the negative thereof, are forward looking statements. Forward looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Schneider Electric’s or Invensys’ operations and potential synergies resulting from the Offer; and (iii) the effects of government regulation on Schneider Electric’s or Invensys’ business.

Such forward looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward looking statements, which speak only as of the date hereof. Schneider Electric disclaims any obligation to update any forward looking or other statements contained herein, except as required by applicable law.

About Schneider Electric

As a global specialist in energy management with operations in more than 100 countries, Schneider Electric offers integrated solutions across multiple market segments, including leadership positions in Utilities & Infrastructure, Industries & Machines Manufacturers, Non-residential Building, Data Centers & Networks and in Residential. Focused on making energy safe, reliable, efficient, productive and green, the Group’s 140,000 plus employees achieved revenues of 24 billion euros in 2012, through an active commitment to help individuals and organizations make the most of their energy.

www.schneider-electric.com
PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE FIRST PROSPECTUS SUPPLEMENT

In the name of the Issuer

I declare, to the best of my knowledge (having taken all care to ensure that such is the case), that the information contained in this First Prospectus Supplement is in accordance with the facts and contains no omission likely to affect its import.

The auditors’ report relating to the unaudited semi-annual consolidated financial statements for the period ended 30 June 2013 incorporated by reference in this First Prospectus Supplement is in page 44 of the 2013 HYFR and contains one observation.

Schneider Electric SA
35, rue Joseph Monier
92500 Rueil-Malmaison
France

Duly represented by:
Véronique Blanc
Duly authorised

on 31 July 2013

Autorité des marchés financiers

In accordance with Articles L. 412-1 and L. 621-8 of the French Code monétaire et financier and with the General Regulations (Règlement Général) of the Autorité des marchés financiers (“AMF”), in particular Articles 212-31 to 212-33, the AMF has granted to this First Prospectus Supplement the visa No.13-440 on 31 July 2013. This document and the Base Prospectus may only be used for the purposes of a financial transaction if completed by Final Terms. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French Code monétaire et financier, the visa was granted following an examination by the AMF of “whether the document is complete and comprehensible, and whether the information it contains is coherent”. It does not imply that the AMF has verified the accounting and financial data set out in it. This visa has been granted subject to the publication of Final Terms in accordance with Article 212-32 of the AMF’s General Regulations, setting out the terms of the securities being issued.