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. For a detailed description of these factors and uncertainties, please refer to the section “Risk Factors” in our Annual Registration Document (which is available on [www.schneider-electric.com](http://www.schneider-electric.com)). Schneider Electric undertakes no obligation to publicly update or revise any of these forward-looking statements.

This presentation includes information pertaining to our markets and our competitive positions therein. Such information is based on market data and our actual revenues in those markets for the relevant periods. We obtained this market information from various third-party sources (industry publications, surveys, and forecasts) and our own internal estimates. We have not independently verified these third-party sources and cannot guarantee their accuracy or completeness and our internal surveys and estimates have not been verified by independent experts or other independent sources.

Disclaimer
The Building business is the backbone of Schneider Electric

A solid business
A global and highly profitable leader with a unique combination of low voltage and building automation

Our value proposition
The largest network of partners, highly recognized brands, strong innovation, and scale advantage

Future ready
A leader in energy and operational efficiency with unique platform range to capture IoT opportunities
Urbanization is making building efficiency crucial

**+2.5 bn**
People in cities by 2050

**Electricity consumption in buildings will grow by**
Up to **80%** by 2040
Source: IEA, 4 Degree Scenario

We are a leader in energy and operational efficiency, with a complete portfolio to cover buildings’ needs

**82%**
untapped energy efficiency potential in the buildings

**75%**
of a building’s lifetime costs go to maintenance and operations
Source: US Department of Energy, August 2010
We bring **life** to homes and buildings

combining an **unparalleled portfolio** of core **electrical** offers with **digital** innovation

powered by the most **trusted** partner **global ecosystem**
Connecting the most sustainable office building in the world
The Edge – Deloitte’s headquarters in the Netherlands
We are a global leader in low voltage and building automation
BUSINESS FACTS

€12bn
45% of group's 2015 revenues

18%
Adj. EBITA margin

#1
Worldwide
Low voltage & building automation

(% OF REVENUE)

BUSINESS MODELS

| Products | 72% |
| Systems & Services | 28% |
KEY SEGMENTS

- Office & public buildings\(^1\)
- Data centers
- Industry
- Residential
- Commercial buildings\(^2\)
- Utilities & Infrastructure

1 Including hospitals and educational institutions
2 Including retail and hotels

(% OF REVENUE)

BUSINESS MODELS

<table>
<thead>
<tr>
<th>Mature</th>
<th>New economies</th>
</tr>
</thead>
<tbody>
<tr>
<td>59%</td>
<td>41%</td>
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</table>
Our growth story so far…

2001: ~€5bn
4% in new economies

2015: €12BN
40% in new economies

MAIN ACQUISITIONS

Combination of organic growth and targeted acquisitions
New go-to-market + new technologies

Core low voltage

Retail / Residential

Core low voltage

Building automation
Unique combination of a core low-voltage business and home/building automation

A COMPREHENSIVE PORTFOLIO

Core low-voltage offers

Building/Home automation

CHANNELS

Distributors
Electricians
Panel builders & contractors
OEMs
System integrators, EcoXperts
End users

MARKET POSITION

#1 market share
>2x the 2nd player
In top 4
Leader in healthcare
Unique innovation portfolio
Unique scale, portfolio, go-to-market, and end-market exposure drive our leadership position
Five strong competitive advantages (1/2)

1. PRODUCT EXCELLENCE
   • Unique combination of low voltage and home/building automation
   • Fitting all standards in all geographies
   • Strong innovation: safety, ease of use, efficiency, connectivity…

2. DIGITAL
   • Full ecosystem for Digital Customer Experience
   • E-commerce capabilities
   • Product connectivity and digitally managed services

3. STRONG BRAND(S) RECOGNITION
   • Schneider Electric flagship brand and 10 associated retail brands
   • A coverage of the entry-range market with Delixi, Luminous, and Himel
Five strong competitive advantages (2/2)

4. LARGEST PARTNER NETWORK

- ~€10bn sales with global distribution (> x2 vs. next one)
- 500K electricians engaged with Schneider Electric
- Best partner of panel builders, specifiers, and system integrators

5. SIZE AND SCALE

- Commercial coverage in over 100 countries
- Manufacturing footprint – purchasing power
- R&D global and local
- Price leadership
We will further enhance our leadership in the building business
STRATEGIC INITIATIVES

Enhance our leadership in products
- Leverage digitization to enhance partner intimacy
- Bring differentiated offers through innovation
- Drive growth in mid-market through adapted offers

Grow our 3 innovative platforms
- Wiser, the IoT-powered platform
- EcoStruxure for Power redefines power distribution
- EcoStruxure for Building, the building’s digital hub
Move to the next generation of partnership with distributors

MOVING TO OMNI CHANNEL PROFESSIONAL DISTRIBUTION

Digital marketing campaign with historical distributors

Order connector between our website and distributors

Continuous channel sales growth and customer-base expansion

DEVELOPING DISTRIBUTOR-FRIENDLY SOLUTIONS

Make life easier for electricians with online inventory tracking
Our electrician digital journey: we make things easy for them
Increase partner intimacy throughout the full project life cycle

Slide intentionally omitted
Bring differentiated offers through innovation on the retail market
Sustained innovation path with 200+ new offers in the coming 3 years

CONVENIENCE

Resi 9

Easy renovation

VISIBLE SAFETY
AND ENERGY MONITORING

PowerTag

Tag it!

LIFESTYLE

AvatarOn

D-Light
Innovate in connected products and systems to accelerate growth in mature economies

Connected products – MTZ
Major 2016 innovation and change in the breaker ball game

Connected systems – Smart Panels
Grow 3x through additional operational efficiency for our customers

City campus: 31 buildings
Total 2015 energy bill: £1.45M

Smart Panel solution
• Clear visibility of energy consumption
• Trends of time and zones of energy inefficiency
30% savings achieved
Global trends in new economies…

65% of market needs in growing, new economies are unsophisticated

70% of the global residential market will be mass housing

30% of the market is out of reach for our high-end offers

…result in a growing market for mid-range offer and new growth areas for Schneider Electric

Easy architecture

<table>
<thead>
<tr>
<th>Easy 9</th>
<th>Final distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Easy Wiring devices</td>
<td></td>
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</tbody>
</table>

Geographies and range expansion

<table>
<thead>
<tr>
<th>Easypact MVS ACB</th>
<th>EasyPact CVS, EZC MCCB</th>
<th>EasyPact TVS Control relays</th>
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</thead>
<tbody>
<tr>
<td>EasyLogic Metering</td>
<td>EasyCan Power factor correction</td>
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<tr>
<td>Easy Wiring devices</td>
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</tbody>
</table>

Drive growth in mid-market through adapted offers
Building the future with 3 differentiating systems on top of the hardware

From connected products to complete solutions including software

- Connect end users to data & services through simple architectures
- Seamless integration of connected products on these platforms
- Unique solution range on the market
Wiser: the IoT-powered platform
One residential connectivity platform to augment new and existing homes

STRONG COMPETITIVE ADVANTAGES…

World leader in electrical distribution

 Millions of installer visits to homes every day

Full solution: from connected products to complete system

…TO PROVIDE A SIMPLE & INTEGRATED SOLUTION FOR CUSTOMERS AND PARTNERS

Open & scalable technology
• Compatible with key emerging platforms

Simple customer experience
• One device – one app, for 4 applications covering well-being, safety, and efficiency
• Seamless integration by an installer

Enrichment play
• Leverage brand presence and channels
• Push-pull with installers
EcoStruxure for Power Distribution Redefined
A seamlessly integrated power management system redefining power distribution for businesses everywhere

WE RELY ON OUR STRENGTHS...

- Global leadership in power distribution
- 50 years of innovation credentials
- Core expertise in power quality, network management, energy efficiency

...TO UNTAP MARKET OPPORTUNITIES AND LEVERAGE OUR MAJOR INNOVATIONS

- Deliver recurring value from analytics and services
- Maximize value by untapping opportunities in small & medium buildings and brownfield
- Simplify end-to-end integration
  - Seamless integration of our connected products in a cybersecured manner
  - More real-time, more open integration, over the full life cycle
SOLID FOUNDATIONS TO EXPAND OUR SOLUTION…

We are the technology leader

1 million buildings equipped with our products

…LINKING CRITICAL SYSTEMS TO OPTIMIZE OPERATIONAL AND ENERGY PERFORMANCE

Analytics engine to drive building life-cycle services

Building Integration Platform
- Access control
- Power management
- Light & room control
- Space management

Full IP backbone & IoT enabler
- Sensing, control & communication
- Connect building occupants to data & services
- Maximize building value
The smart aquarium
Shedd Aquarium – Chicago
1 in 3 buildings uses our technology

No.1 in Green Quadrant for Building Energy Management Software, October 2015


1 in every 5 homes in our top 18 geographies has a Schneider Electric product

1 in 3 electricians uses a Schneider product in our top 10 countries

3 out of the 5 largest international hotel chains ensure guest comfort and safety with solutions from Schneider Electric

40% of the world’s hospitals provide healthy and safe facilities with Schneider Electric products and solutions

3 of the top 4 hyper-scale cloud providers use Schneider Electric solutions for their data centers
Continued focus to drive margin improvement

FOCUS ON PRICING
• Offer optimization
• Improve offer segmentation to qualitatively price up

DELIVER PRODUCTIVITY
• Tailored Supply Chain
• Leverage digital for next level of productivity
• Design-to-cost initiative
• Higher cost absorption through growth

DRIVE SALES EFFICIENCY
• Relentless focus on customer centricity and satisfaction
• Agile and empowered sales force driving cross-selling
• Enhance resources’ skills and training
Conclusion
The Building business is the backbone of Schneider Electric

Delivering organic and profitable growth to strengthen market leadership

- A very profitable business: €12bn, 18% adj. EBITA margin
- A solid leader with 2x the size of its next competitor
- A unique portfolio of core electrical offers combined with building/home automation
- A key go-to-market for the other businesses of Schneider Electric
- Enhance our leadership in products through go-to-market, innovation, digitization, and branding
- Grow our 3 differentiated systems for connected homes, smart buildings, and power distribution
- Targeting mid-single digit organic revenue growth across the economic cycle