

## Financial Press Release

### Record organic growth of 13.9% for full-year 2007 Reported annual sales growth of 26.1%

- Organic sales growth of 13.9% in the fourth quarter
- Strong contribution from emerging countries (50% of the Group's growth)
- Another robust performance in Europe
- Sustained growth in North America
- Organic growth target for 2008 confirmed at 6% to 8%

Rueil Malmaison, January 22, 2008 – Schneider Electric sales for full-year 2007 rose **26.1%** to **€17,309 million** on a current structure and exchange rate basis, double the Group's sales in 2003. Organic growth for the full year set a **new record** at **13.9%**.

In the **fourth quarter of 2007**, sales increased **25.2%** on a current structure and exchange rate basis from the year-earlier period to **€4,587 million**

Acquisitions contributed €576 million (or 15.8%). This primarily included APC, for €485 million, and Pelco, a world leader in video security systems, for €89 million (consolidated since October 16, 2007). The divestment of MGE's small systems as of November 1, 2007 reduced sales by €34 million. The currency effect had a negative impact of €140 million (or 4.5%).

On a constant structure and exchange rate basis, sales grew by a record **13.9%** in the fourth quarter, on a par with previous quarters. Operations in emerging countries continued to fuel Group growth, with an increase of **21%**.

The breakdown of sales by geographical region was as follows:

€ million	Sales Q4 2007	% change Q4 constant	Sales Full-year 2007	% change Full-year constant
Europe	2,112	+11.1%	7,846	+12.0%
North America	1,203	+14.3%	4,770	+13.1%
Asia-Pacific	875	+18.1%	3,233	+16.0%
Rest of the World	397	+21.1%	1,460	+23.3%
<b>Total</b>	<b>4,587</b>	<b>+13.9%</b>	<b>17,309</b>	<b>+13.9%</b>



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*“Schneider Electric’s strong organic growth over the past four years and the new record achieved in 2007 reflect the transformation of our growth profile,”* noted Jean-Pascal Tricoire, Chairman of the Management Board and CEO. *“In-depth repositioning of our business portfolio has allowed us to develop unique positions in businesses experiencing structural growth, such as energy efficiency, and to diversify our exposure by enhancing our presence in promising markets that are less sensitive to economic cycles. Assuming current conditions in its end markets, Schneider Electric confirms its organic sales growth target of between 6% and 8% for 2008.”*

### Growth by region

In **Europe**, sales continued to grow at a robust pace of **11.1%** in the fourth quarter, thanks in particular to development of new services and energy efficiency businesses.

Demand was most vibrant in the energy & infrastructure and tertiary buildings markets, lifting sales in Eastern Europe by nearly 30%. In Western Europe, the Group continued to perform very well despite softer conditions in the residential markets. Growth was quite uniform among the main countries (France, Spain, United Kingdom, Italy and Germany).

Operations in **North America** enjoyed sustained growth of **14.3%**, confirming their ability to amply offset lower demand in the residential market. This performance reflects the Group’s repositioning in attractive market segments (data centers, water treatment, hospitals and power supply), the high demand for energy efficiency solutions and the significant volume of project orders in previous quarters.

Sales in **Asia-Pacific** rose **18.1%** in the fourth quarter, outpacing growth in the first nine months. Top performers were China (up 20%), Southeast Asia and India. Across the region, the very favorable economic environment is generating a high level of investment in infrastructure and construction.

Demand remained high in the **Rest of the World**, with sales up **21.1%**. Schneider Electric’s offerings in Electrical Distribution, Automation & Control and Critical Power & Cooling benefit from buoyant markets across the Middle East, Africa and South America due to the substantial revenues these regions are making from natural resources.

### Growth by business

Organic growth in Electrical Distribution (56% of sales) was higher than in Automation & Control (29% of sales) due to the more powerful momentum in the construction and energy markets.

The Critical Power & Cooling business, with attractive growth prospects, accounted for 15% of Group sales in the fourth quarter.



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€ million	Sales Q4 2007	% change Q4 constant
Electrical Distribution	2,601	+15.5%
Automation & Control	1,315	+9.9%
Critical Power & Cooling	671*	NS
<b>Total</b>	<b>4,587</b>	<b>+13.9%</b>

### APC-MGE

The new Critical Power & Cooling Business Unit, combining APC and MGE operations, delivered sales of **\$938 million** in the fourth quarter, for organic growth of **7%\*\*** from the year-earlier period.

The *Enterprise Systems and Services* business continues to be the main growth driver thanks to its integrated power and cooling solutions, which solve the growing issue of energy efficiency for critical applications, notably in data centers.

In the fourth quarter, abnormal level of billings in Europe caused by supply chain problems in 2006 reduced growth by around three points, while the discontinuation of unprofitable *Home & Distributed* product lines had a negative impact of around two points. This latter effect should gradually decline over 2008.

Adjusted for these non-recurring items, sales growth from the Critical Power & Cooling Business Unit was in line with targets at around 12% in the fourth quarter.

\*\*\*\*\*

**The annual financial results for 2007 will be presented on February 20, 2008.**

### **About Schneider Electric**

Schneider Electric, the world's power and control specialist, anticipates and satisfies its customers' requirements in the residential, building, data center and networks, industry, and energy and infrastructure markets. With 112,000 employees and operations in 190 countries, Schneider Electric generated revenue of € 17.3 billion in 2007 through 15,000 distributor outlets.

[www.schneider-electric.com](http://www.schneider-electric.com)

\* Including MGE's small systems business, the divestment of which was finalized on October 31, 2007.

\*\* Given that the entire impact of the APC acquisition is recognized under "Changes in scope of consolidation" until February 14, 2008, these data reflect the Critical Power & Cooling Business Unit's underlying performance in the fourth quarter, not the organic growth consolidated by Schneider Electric.



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### Appendix

Fourth-quarter 2007 sales by region were as follows:

€ million	Sales Q4 2007	% change Q4 constant	Changes in scope of consolidation	Currency effect	% change Q4 current
Europe	2,112	+11.1%	+9.2%	-0.7%	+19.6%
North America	1,203	+14.3%	+28.7%	-12.3%	+30.7%
Asia-Pacific	875	+18.1%	+14.6%	-4.2%	+28.5%
Rest of the World	397	+21.1%	+16.3%	-3.9%	+33.5%
<b>Total</b>	<b>4,587</b>	<b>+13.9%</b>	<b>+15.8%</b>	<b>-4.5%</b>	<b>+25.2%</b>

Full-year 2007 sales by region were as follows:

€ million	Sales Full-year 2007	% change Full-year (constant)	Changes in scope of consolidation	Currency effect	% change Full-year (current)
Europe	7,846	+12.0%	+10.6%	-0.1%	+22.5%
North America	4,770	+13.1%	+25.2%	-9.3%	+29.0%
Asia-Pacific	3,233	+16.0%	+15.7%	-3.1%	+28.6%
Rest of the World	1,460	+23.3%	+12.9%	-5.4%	+30.8%
<b>Total</b>	<b>17,309</b>	<b>+13.9%</b>	<b>+15.7%</b>	<b>-3.5%</b>	<b>+26.1%</b>

Full-year 2007 sales by business were as follows:

€ million	Sales Full-year 2007	% change Full-year (constant)	Changes in scope of consolidation	Currency effect	% change Full-year (current)
Electrical Distribution	9,869	+15.7%	+2.5%	-3.5%	+14.7%
Automation & Control	4,937	+9.4%	+4.9%	-3.5%	+10.8%
Critical Power & Cooling	2,503	NS	NS	NS	NS
<b>Total</b>	<b>17,309</b>	<b>+13.9%</b>	<b>+15.7%</b>	<b>-3.5%</b>	<b>+26.1%</b>



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