

JP Morgan European Capital Goods CEO Conference

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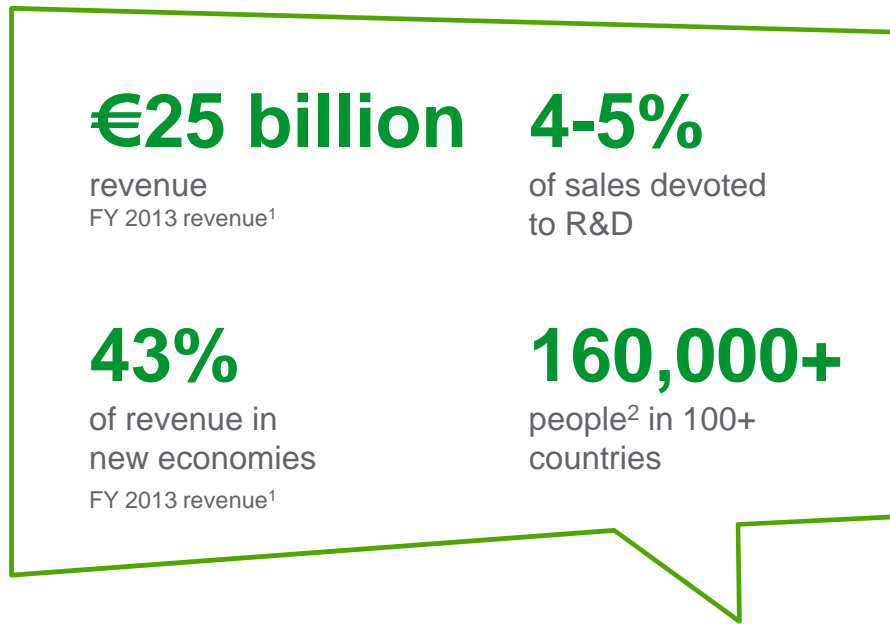
Disclaimer

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

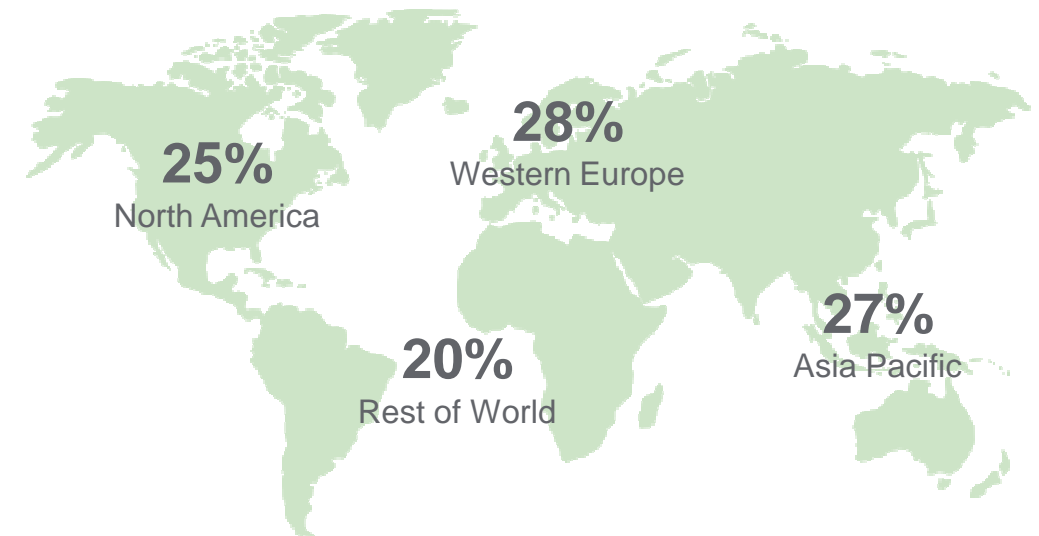
This presentation includes information pertaining to the our markets and our competitive positions therein. Such information is based on market data and our actual revenues in those markets for the relevant periods. We obtained this market information from various third party sources (industry publications, 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.

A company with strong foundations, an integrated portfolio and a global footprint

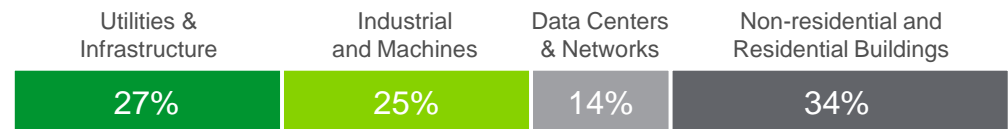
Schneider Electric: the global specialist in energy management and efficiency technologies



Balanced geographies – FY 2013 revenue¹



Diversified end markets – FY 2013 revenue¹



1: Pro-forma basis including LTM Sep 2013 revenue from Invensys

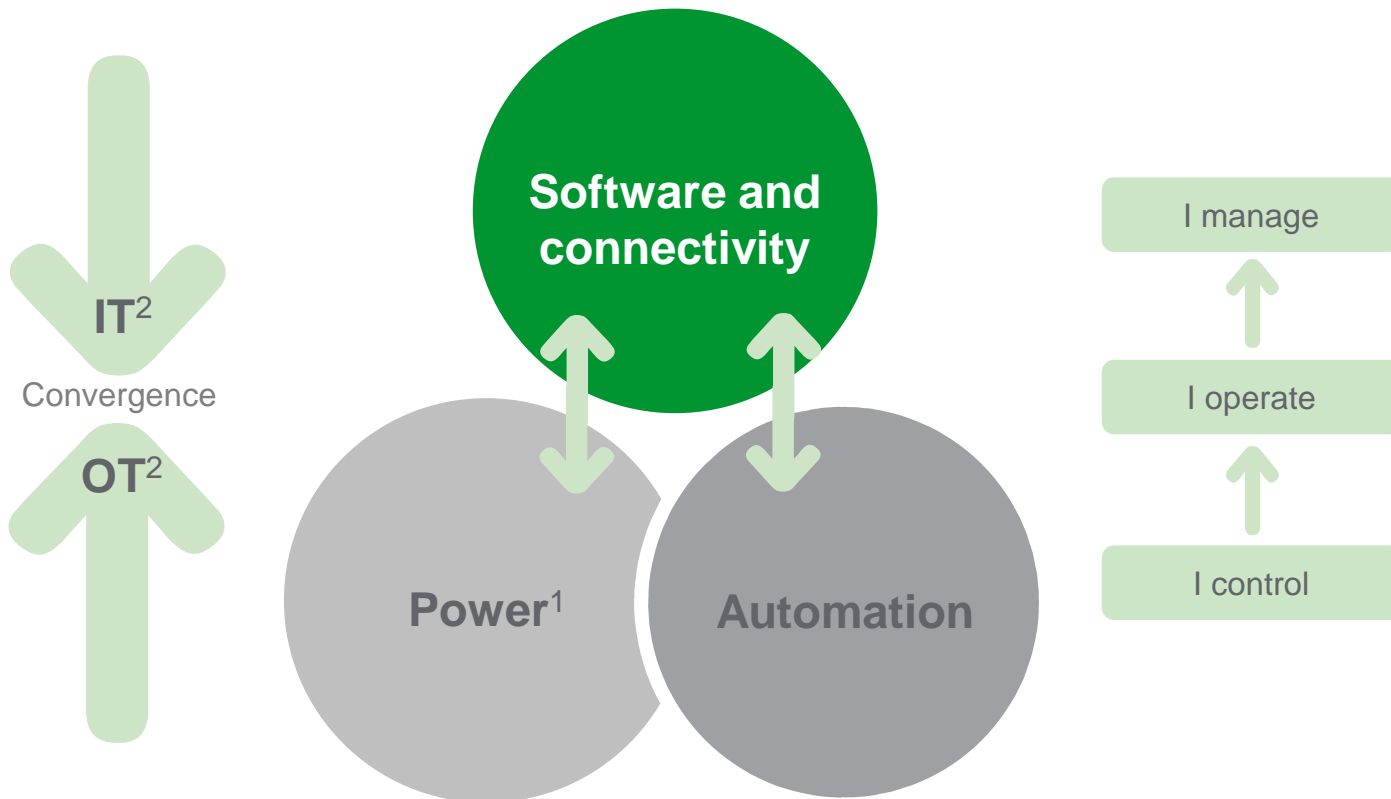
2: As of February 2014 (including Invensys)

Worldwide leadership in four sizable and integrated businesses

| | Buildings & Partner | Infrastructure | Industry | IT |
|------------------------------------|------------------------------------|--------------------------------|---------------------------------------|--------------------------|
| Key technology | Low Voltage & Building Automation | Medium Voltage Grid Automation | Discrete & Process Automation | Critical Power & Cooling |
| FY 2013 revenue¹ | €10.2 billion (40%) | €5.7 billion (22%) | €6.0 billion (24%) | €3.4 billion (14%) |
| Worldwide position | #1 | #1 | #2 (Discrete) #4 (Process) | #1 |
| Worldwide competitors | ABB Eaton Legrand Siemens | ABB Siemens | ABB Emerson Rockwell Siemens | Eaton Emerson |

¹: Pro-forma basis including LTM Sep 2013 revenue from Invensys

We integrate power with automation to support our customers' need for efficiency

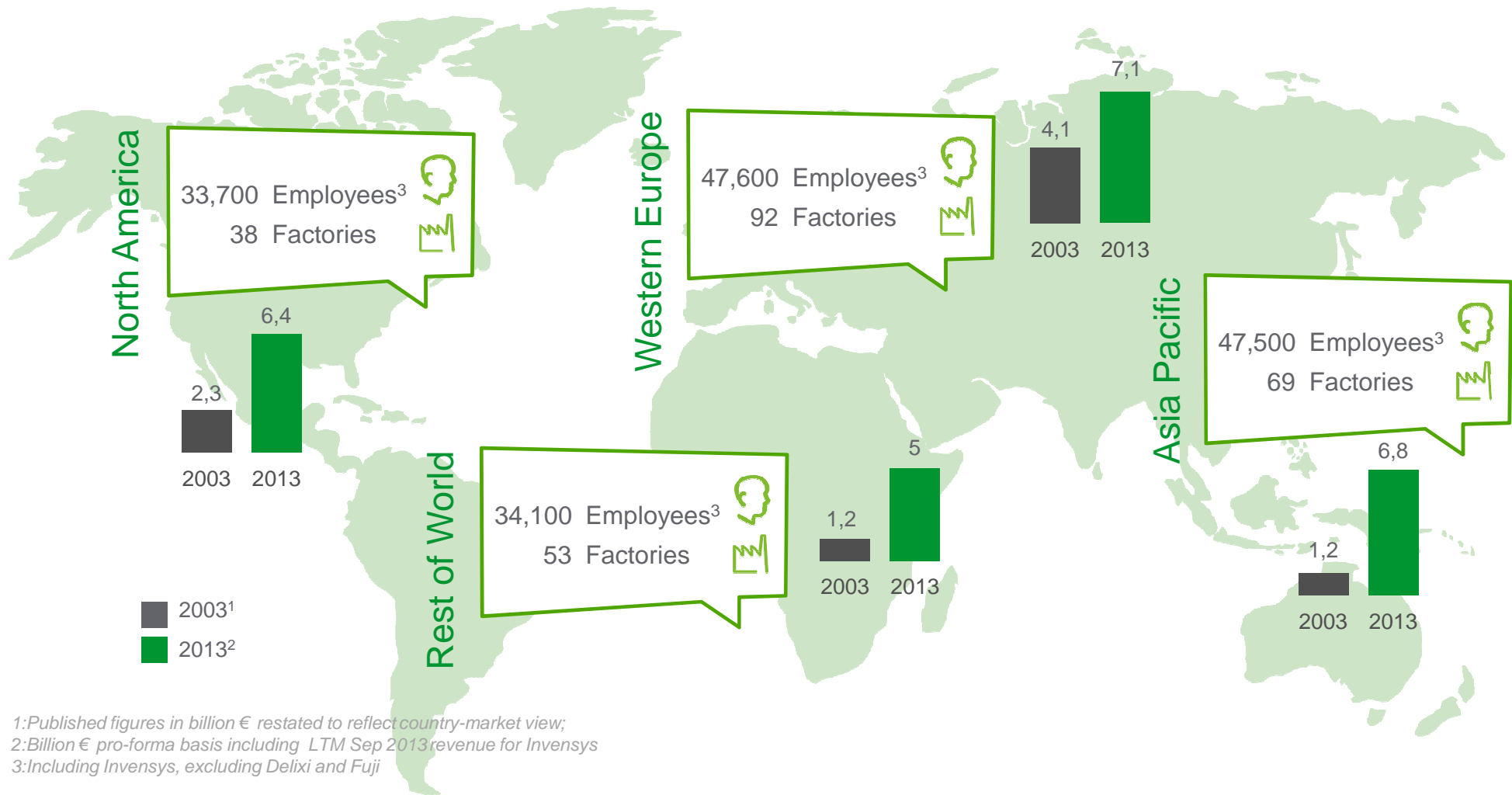


The integration of power and automation is enabling improved reliability, reduced losses, and optimized efficiency

1: Supported by low voltage, medium voltage, and critical power technologies

2: Information technology (IT) and operational technology (OT)

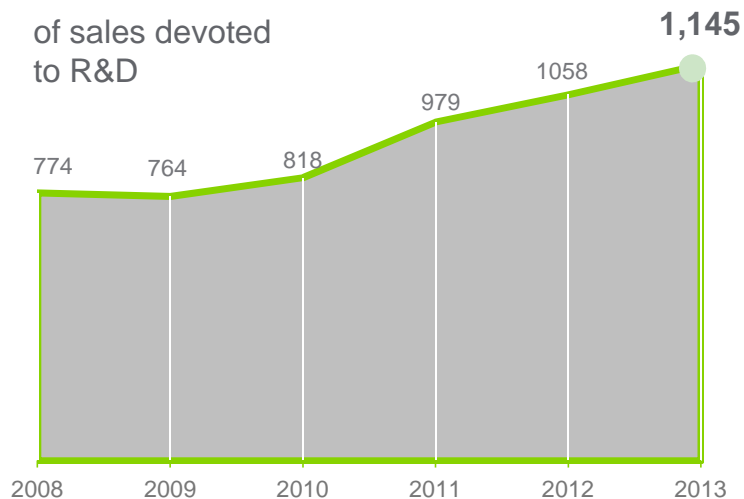
A balanced global footprint in 100+ countries



A technology company with a long-term commitment to innovation

4-5%

of sales devoted to R&D



R&D spend growth

Product innovation

- > More connectivity
- > Mid-market offers
- > Energy efficiency

Solution innovation

Eco**E**truxure® **E**truxureWare®

- > Embedding interoperability
- > Leveraging connectivity and software to build our service offer
- > Developing our platform strategy
- > Instituting operational intelligence

**Our near-term priority is capturing growth
and improving returns**

We focus on stepping up solution execution capabilities...

● Comprehensive approach on selected segments

- > Water & Wastewater
- > Utility
- > Healthcare
- > Oil & Gas
- > Food & Beverage
- > Cloud and Telecom
- > Mining, Minerals, and Metals
- > OEM (machine builders)

● Differentiated software

- > Telemetry Solutions & Intelligent Water Network Management
- > StruxureWare for Building Operations
- > Data Center Infrastructure Management (DCIM) software



StruxureWare[™]
for Water



StruxureWare[™]
for Healthcare



StruxureWare[™]
for Data Centers



StruxureWare[™]
for Grid

● Comprehensive services

12,000

Service delivery professionals

250

Service centers

15

Service bureaus

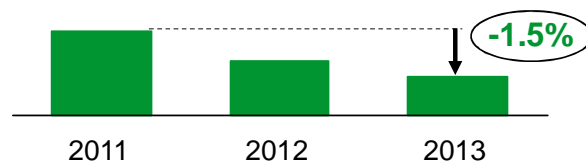
... while continuing to improve efficiency in key areas...

● Supply chain

- > Customer satisfaction
- > Supplier network rationalization
- > Inventory efficiency
- > Rebalance footprint



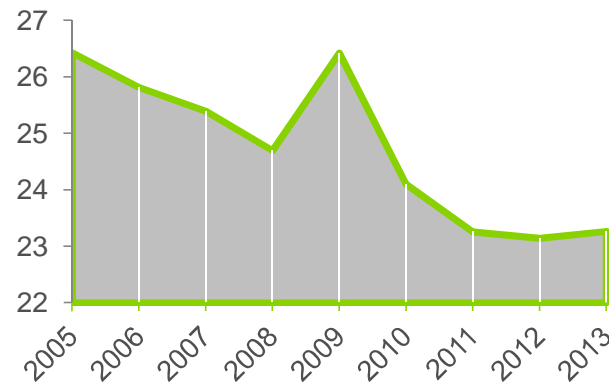
Industrial productivity
(million euros)



Inventory to revenue ratio

● Support functions

- > Mutualization and globalization of back office
- > Simplified infrastructure
- > Non-production purchases
- > Commercial efficiency
- > Cross-selling



Support function costs to revenue ratio

● R&D

- > Prioritize programs
- > Build common technology platforms
- > Standardize process and tools
- > Specialize R&D tasks by leveraging global R&D footprint

- > **Optimize resource allocation**
- > **Reduce time to market**
- > **Rationalize R&D footprint**

... and driving value creation on acquisitions through integration

● Solid process

Integration typology aligned with strategic intent

Clear guidelines on integration tasks and accountability

Regular performance tracking

Dedicated integration teams

● Integration focus

- > Invensys integration is on track to deliver expected synergies
- > We continue to drive synergies from past acquisitions

Priority is to improve shareholder returns

● Balance sheet

- > Maintain a solid balance sheet and keep a strong credit rating, with a long term target of A-

● Share count

- > Neutralization of dilution from employee incentive plan through share buy-back

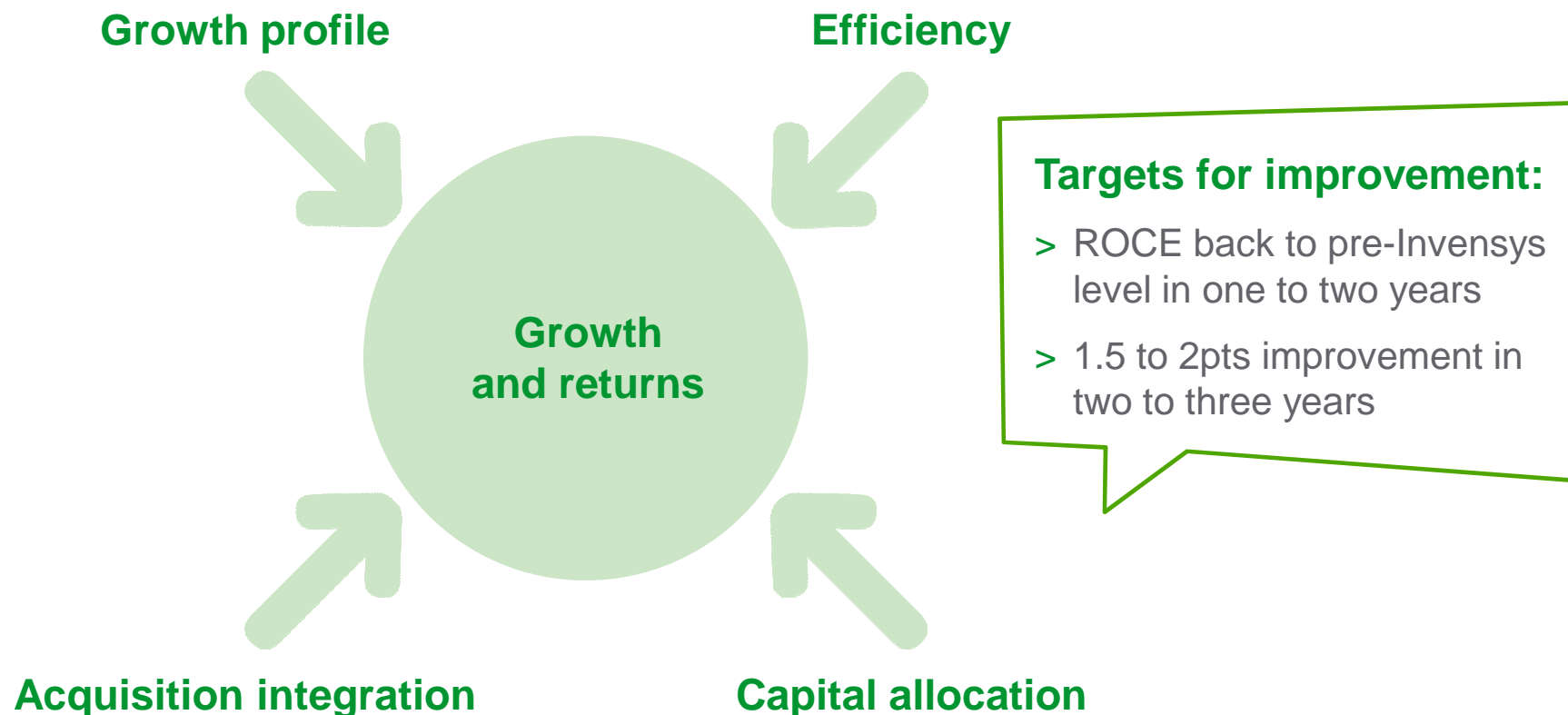
● Dividend

- > Attractive and sustainable dividend policy with 50% targeted payout ratio

● M&A

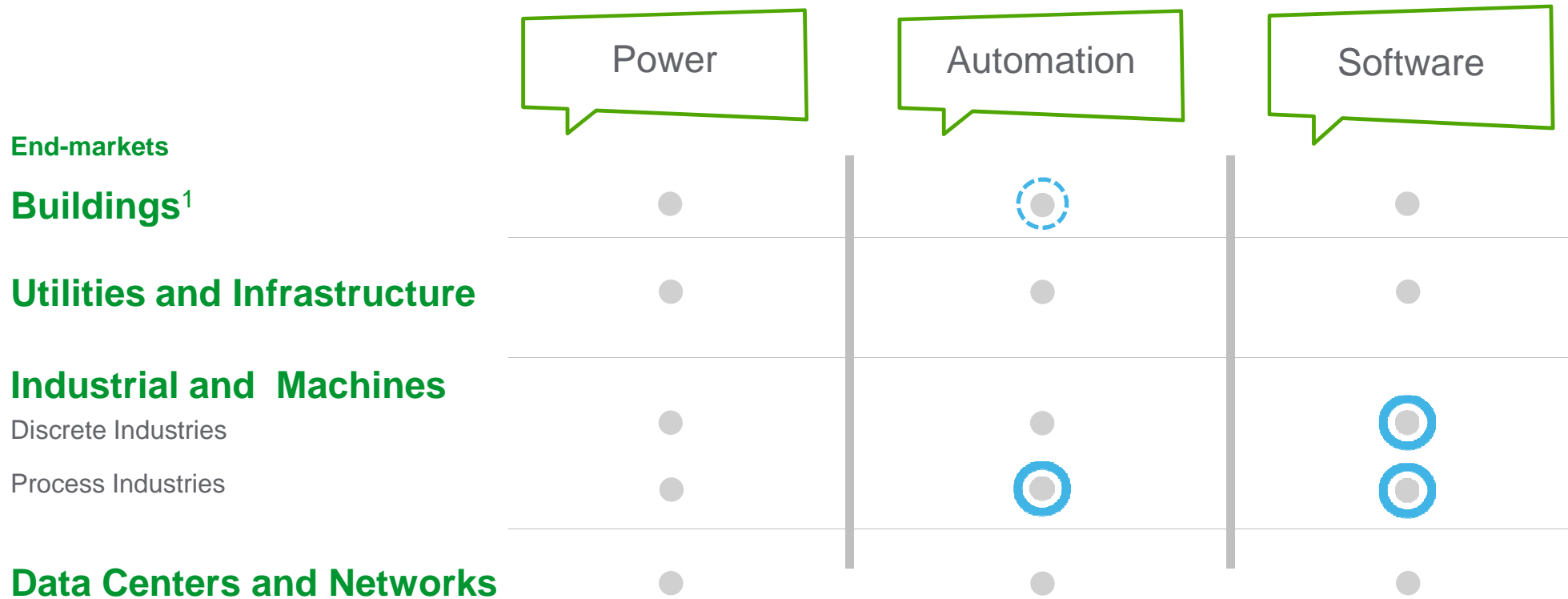
- > Small acquisitions on an opportunistic basis

Focusing on growth and returns to target significant improvement of ROCE in the next two to three years



Invensys integration is on track to deliver expected synergy

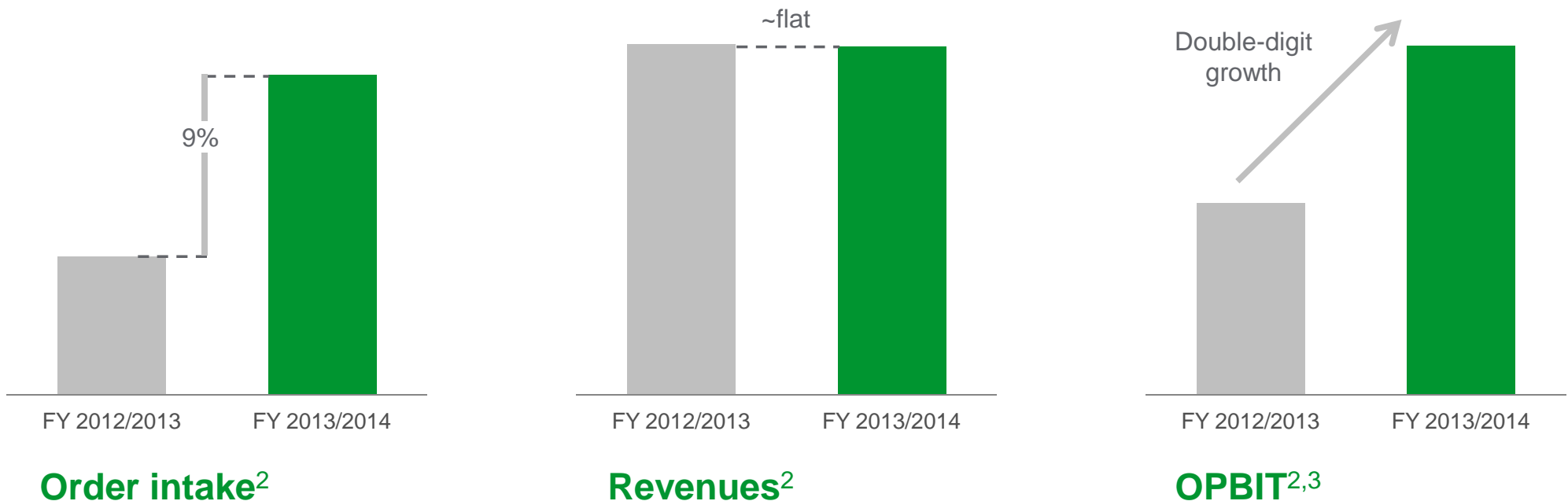
Acquisition of Invensys completes our portfolio with added value in automation and software



¹Including residential and non-residential buildings

○ Strong Invensys presence ○ Invensys presence

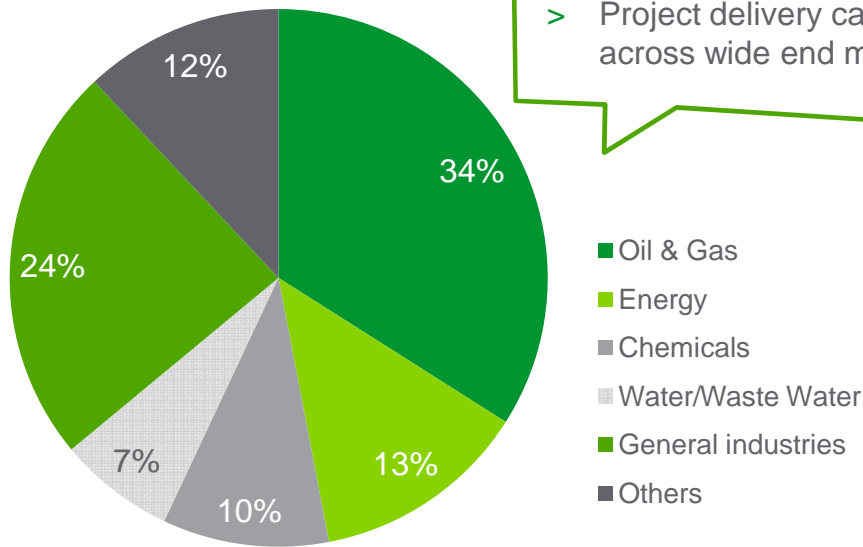
Invensys achieved strong performance¹ in fiscal year 2013-2014...



- > Strong order growth in software (double-digit) and industrial automation (high single-digit)
- > Order growth in all regions driven by Asia-Pacific and North America
- > Profitability improved, OPBIT up double-digit despite flat revenues

1: Excluding Appliance division, 2: Constant exchange rate 3: Operating Profit Before Interests and Taxes before exceptional items

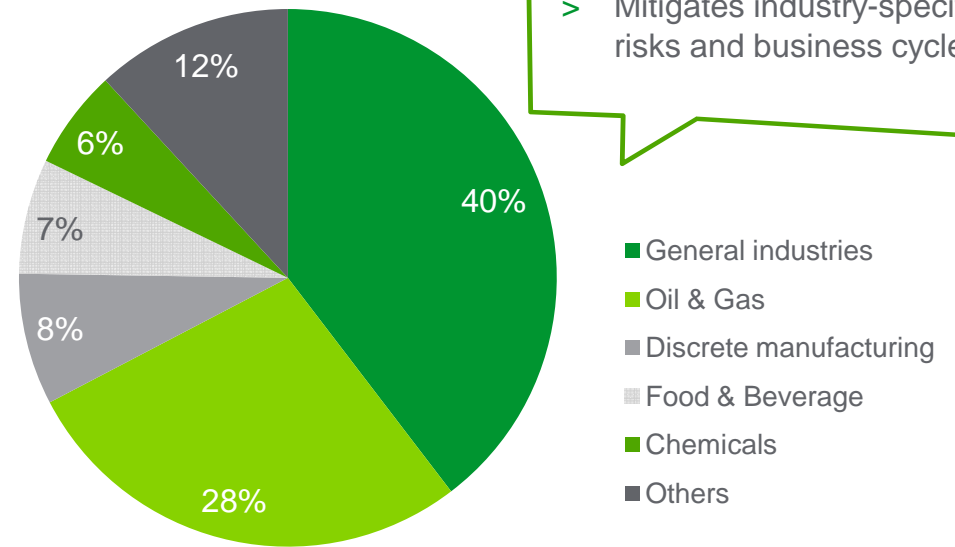
... and proved its strong market access and superior software capabilities



- > Strong presence in electro-intensive segments
- > Project delivery capability across wide end markets

Industry automation revenue

Fiscal year 2013- 2014



- > Diversified industry footprint
- > Mitigates industry-specific risks and business cycles

Software revenue

Fiscal year 2013- 2014

Integration is well on track to deliver 2014 cost synergy...

| Cost synergy implementation stage | Expected 2014 cost synergy |
|--|----------------------------|
| Implementation plan to be finalized in next three months | <10% ¹ |
| Implementation plan finalized, execution in progress | >90% ¹ |
| Total | 100% |

Key integration figures:

- > **90%+** synergy is in execution
- > **120+** welcome events
- > **300+** customers informed and visited
- > **One CRM** kicked off
- > **90%+** key talents retained

1: As of end March 2014

... with most synergies coming from low risk and straightforward implementation initiatives

Organization optimization



- > De-layering organization
- > Optimize span of control
- > Better workforce planning

Purchasing excellence



- > Globalize non-production and electronic purchase
- > Convert third party purchase to intra-group

Real estate rationalization



- > 17 major collocations between two companies
- > Sites involved across all the regions

Percentage of total expected 2014 cost synergy (As of end March 2014)

>75%

~20%

<5%

**Solid Q1 2014 performance and Full Year
2014 objectives confirmed**

Q1 2014 revenues of €5.7 billion, up 7.7%, (2.5% organically), driven by early cycle businesses

Organic growth by business

| | Q1 2014 revenues (million €) | Organic growth |
|---------------------|------------------------------|----------------|
| Buildings & Partner | 2,422 | +5.8% |
| Industry | 1,444 | +6.0% |
| Infrastructure | 1,089 | -3.7% |
| IT | 716 | -3.4% |
| Group | 5,671 | +2.5% |

Organic growth by geography

| | Q1 2014 revenues (million €) | Organic growth |
|----------------|------------------------------|----------------|
| Western Europe | 1,672 | -2% |
| Asia-Pacific | 1,512 | +6% |
| North America | 1,428 | +2% |
| Rest of World | 1,059 | +8% |
| Group | 5,671 | +2.5% |

- > Continuous improvement of early cycle businesses
- > Although still declining, Western Europe improved sequentially in Q1
- > Strong service growth across all businesses, up 14% organically

2014 objectives confirmed



Q1 performance is in line with expectations. As anticipated, Q2 will be impacted by high comparison basis and slightly negative working day effect of ~0.6pt, while growth is expected to accelerate in H2. Therefore the Group confirms its 2014 objectives:

- > Low single-digit organic growth in revenue
- > 0.4 pt to 0.8 pt improvement of the adjusted EBITA margin vs. the 2013 pro-forma¹ level excluding the currency impact. The negative currency impact is currently estimated at ~0.4 pt, with most of the impact concentrated in H1.

1: The 2013 pro-forma adjusted EBITA margin including the last 12 months of Invensys (without Appliance) to September 2013 and the full consolidation of Electroshield – TM Samara is ~14.0%.

Help people make the most of their energy

