BANK OF AMERICA MERRILL LYNCH GLOBAL INDUSTRIALS & EU AUTOS 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 Registration 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 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.

We are the global specialist in energy management and automation

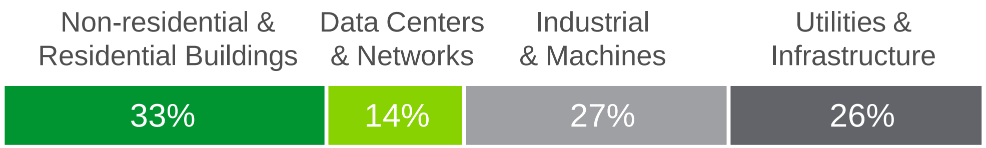
€25 billion
FY 2014 revenues

~5%
of revenues devoted to R&D

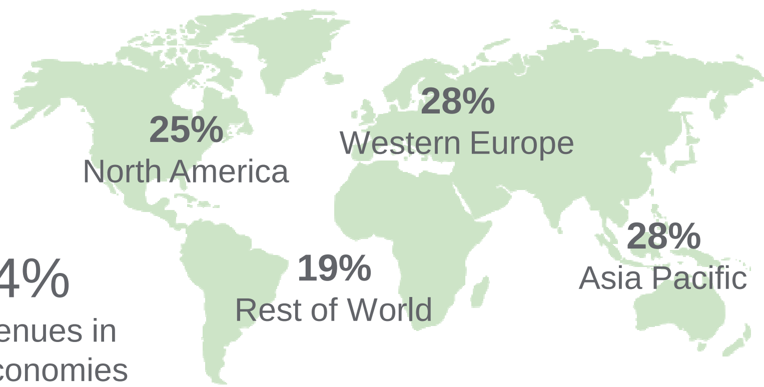
43%
of revenues in Solutions

~170,000
people in 100+ countries

DIVERSIFIED END MARKETS – FY 2014 revenues[1]



BALANCED GEOGRAPHIES – FY 2014 revenues



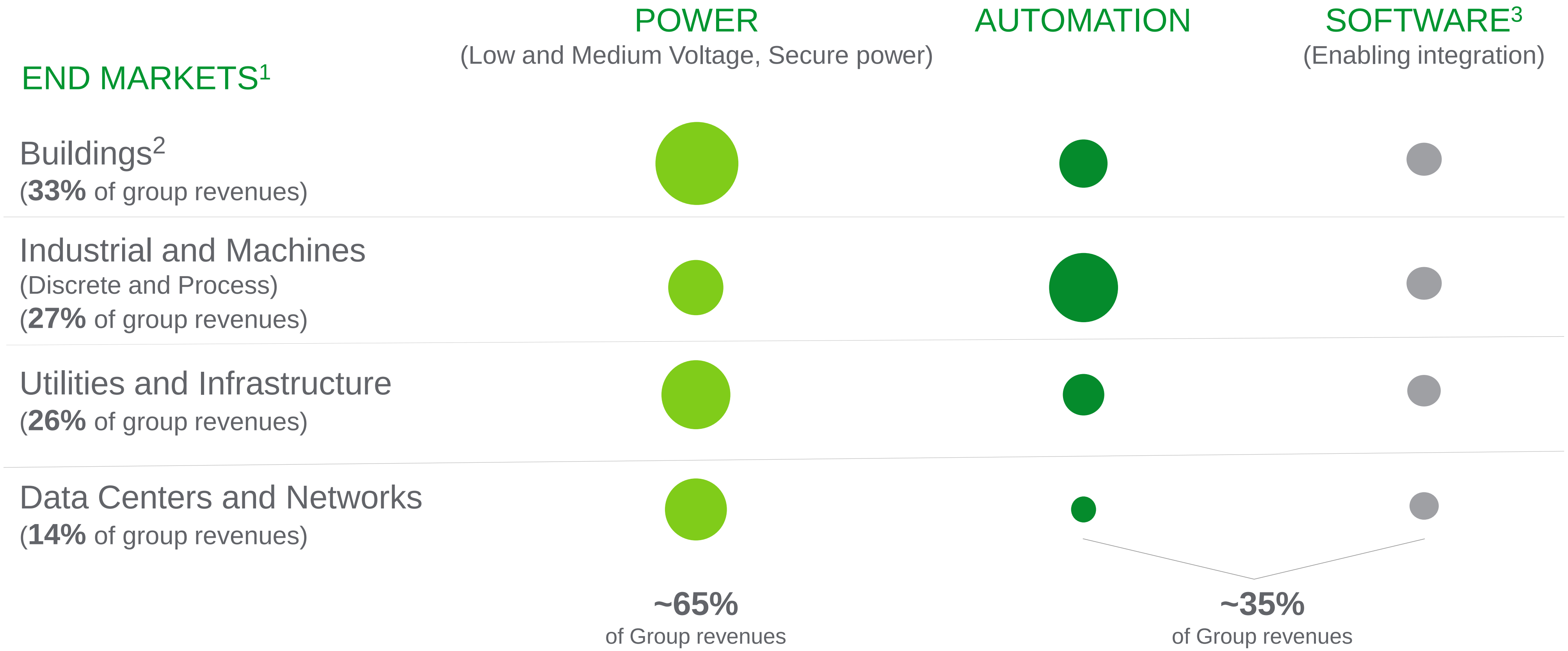
44%
of revenues in new economies

1 Estimated at the end of 2014

Four globally leading and focused businesses

BUILDINGS & PARTNER	INFRASTRUCTURE	INDUSTRY	IT
KEY TECHNOLOGY Low Voltage & Building Automation	KEY TECHNOLOGY Medium Voltage Grid Automation	KEY TECHNOLOGY Discrete & Process Automation	KEY TECHNOLOGY Critical Power & Cooling
FY 2014 REVENUES €10.8 billion (43%)	FY 2014 REVENUES €5.3 billion (21%)	FY 2014 REVENUES €5.6 billion (22%)	FY 2014 REVENUES €3.4 billion (14%)
WORLDWIDE POSITION #1	WORLDWIDE POSITION #1	WORLDWIDE POSITION #2 (Discrete) #4 (Process)	WORLDWIDE POSITION #1
GLOBAL COMPETITORS ABB, Eaton, Legrand, Siemens	GLOBAL COMPETITORS ABB, Siemens	GLOBAL COMPETITORS ABB, Emerson, Rockwell, Siemens	GLOBAL COMPETITORS Eaton, Emerson

An integrated portfolio to deliver complete bundles and solutions



1 Estimated based on 2014 revenues
2 Including residential and non-residential buildings
3 Including standalone software

FULL YEAR 2014 RESULTS AND 2015 TARGETS

Solid execution delivered full year targets
Invensys integration well on track

✓ **Strong H2 performance lifted full year revenues growth**
- Early cycle businesses together with IT drove growth, Infrastructure improved
- Improvement in mature countries balance new economies.
- Services kept their pace

+6.6% in 2014,
+1.4% organically, **+3.2%** excl. Infrastructure

✓ **Gross margin up, adj EBITA margin improved at constant FX[1]**
- Continued strong industrial productivity
- Positive net price (price less raw materials impact)

Gross margin **+20 bps, +60 bps** excl. FX.
Adj. EBITA margin **13.9%, +40 bps**[1] excl. FX

✓ **Net income growth despite unfavorable FX**
✓ **Solid free cash flow**

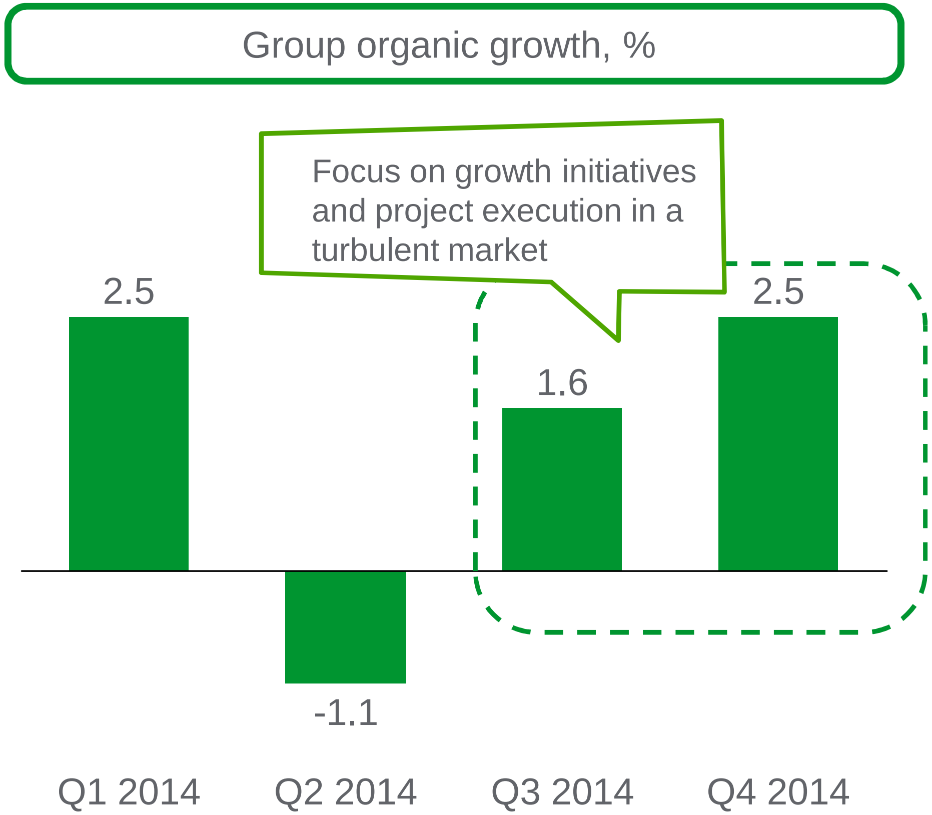
Net income **+3%, c.+11%** at constant FX[2]
Free cash flow of **€1.7bn**

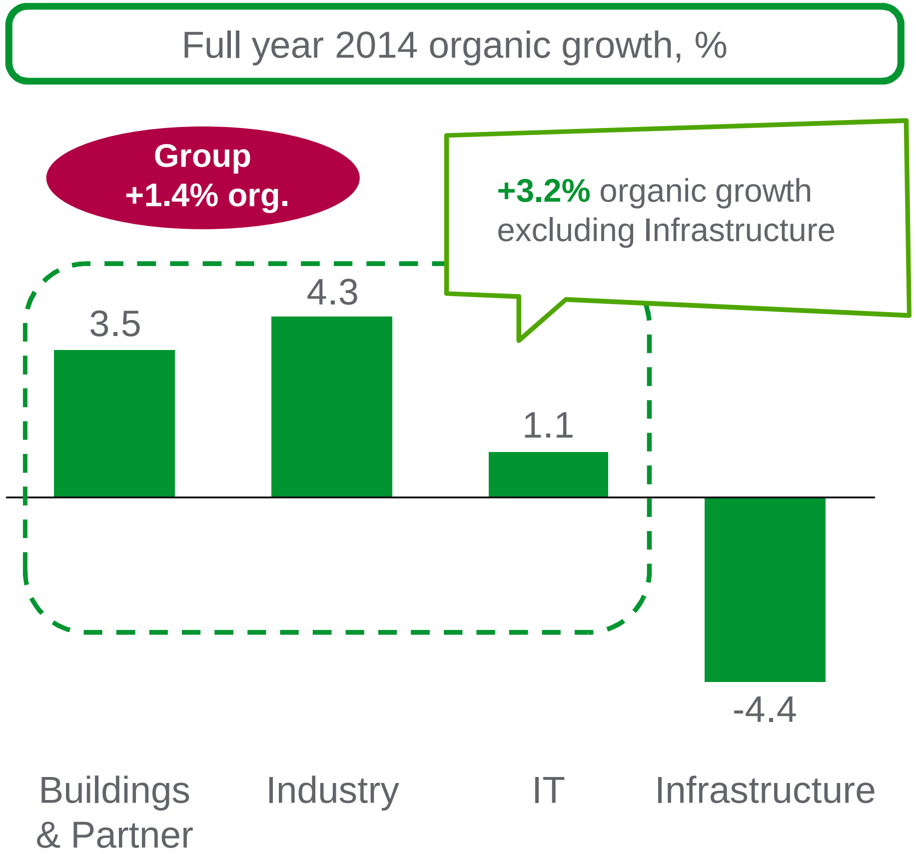
✓ **Invensys integration well on track**
- Organic growth in revenues, strong margin expansion and cash generation
- Highly EPS[3] accretive to the Group

Revenues **+2%** org, adj. EBITA margin **+5.5 pts**
Double Digit EPS accretion to the Group

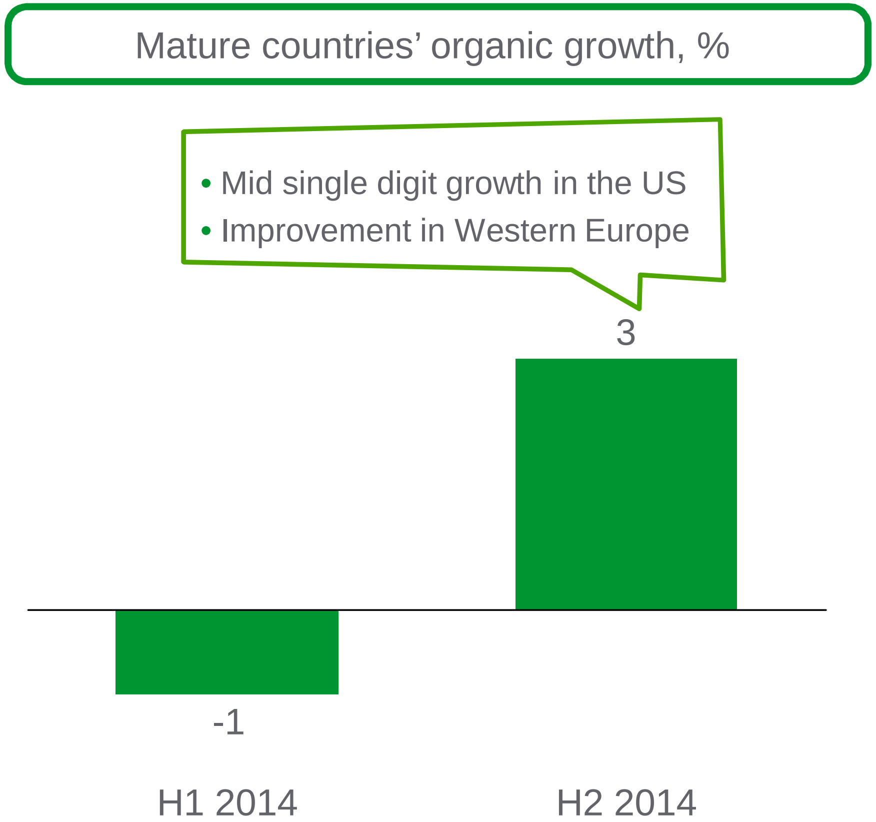
1 Comparing to Group proforma 2013 of 13.9% , see page 23
2 Excluding post-tax FX impact on adjusted EBITA and FX gains and losses in financials
3 Based on reported EPS

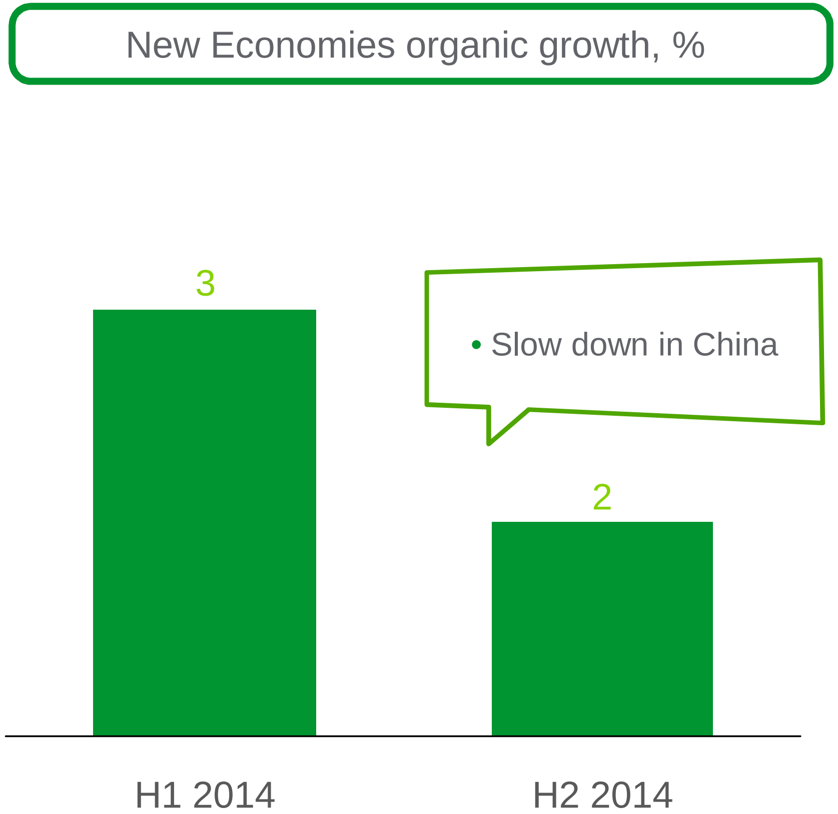
Strong H2 performance drove full year revenues up 1.4% organically, 3.2% excluding Infrastructure





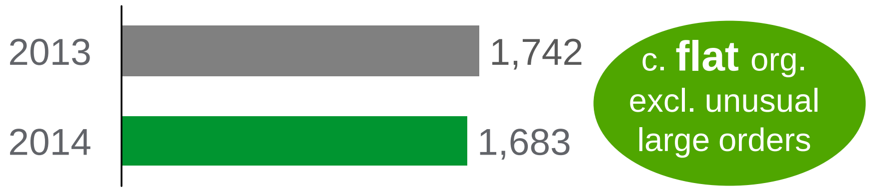
Mature countries accelerated their growth in H2, balancing the lower growth from new economies



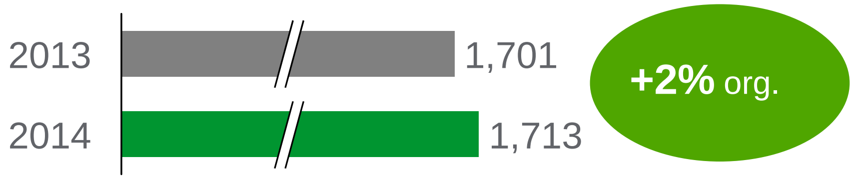


Invensys performed strongly in 2014 and contributed double-digit accretion to Group EPS in 2014

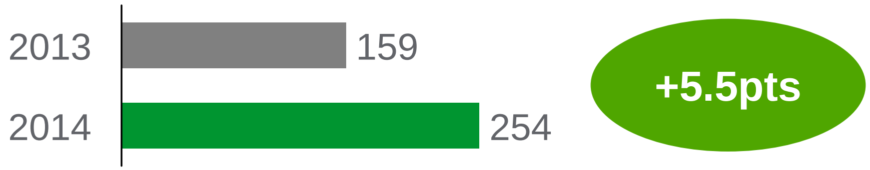
Order intake (€m)



Revenues (€m)



Adjusted EBITA (€m)



1 Based on reported Earnings per Share
2 Including savings from Patriot plan announced by Invensys in 2013

Invensys performance

- ✓ Solid revenue growth in systems and software; and regionally in North America and Asia Pacific
- ✓ Adjusted EBITA margin **up 5.5pts to 14.8%** in 2014, driven by gross margin improvement and cost synergies, despite SFC investments
- ✓ Strong free cash-flow generation of **c. €140m**

Targets achieved in 2014, confirming next 2 years targets

- ✓ **Double digit EPS1 accretion** in 2014
- ✓ **c.€75m** cost savings achieved by the end of 2014**. €140m** total cost savings[2] confirmed, targeting c.75% by end of 2015 and 100% by end of 2016
- ✓ **€500m** tax synergies confirmed, of which **more than €300m** realized by 2016, contributing to **3 to 4 pts** reduction in effective tax-rate from 2014 to 2016
- ✓ Confirming integration costs of **€150m** by the end of 2015, out of which **€81m** were incurred in 2014

2015 targets

The Group expects North America to continue to grow, while Western Europe could show signs of stabilization. New economies will show a mixed picture: India should accelerate while Russia will face a difficult environment. China is expected to have a soft start of the year and should gradually improve during the year. Invensys is expected to continue to contribute to the Group performance. Group performance in Q1 will be impacted by a high base of comparison notably in China and for Invensys which may result in like-for-like decline in revenues in the quarter.

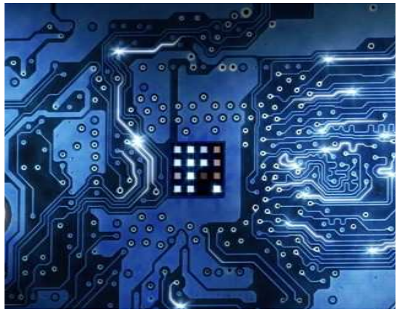
In this context, the Group targets for 2015:

- Low single-digit organic growth in revenues
- Adjusted EBITA margin at 14-14.5% assuming no negative FX impact on margin
- An expected significantly positive FX impact, estimated based on current rates at c. €1.5bn on revenues with no material impact on the adjusted EBITA margin

IMPROVE PERFORMANCE AND DELIVER ATTRACTIVE SHAREHOLDER RETURN DURING THE NEXT COMPANY PROGRAM

Schneider is On

Engaging customers. Empowering possibility.



DO MORE

Create more opportunities for our customers… and for ourselves

SIMPLIFY

Simplifying our work makes the difference to customers

DIGITIZE

Digitize for our customers, for efficiency and simplicity

INNOVATE

Innovation to make our customers' lives simpler and better

STEP UP

Our customers get great service because great people work at Schneider

We target 3 to 6% organic growth across the economic cycle

LONG-TERM DRIVERS OF OUR BUSINESS

MATURE MARKETS

> Renovation
> Digitization
> Efficiency

NEW ECONOMIES

> Urbanization
> Industrialization
> Digitization

> More Energy Management
> More Digitization
> More Automation

+

SOME SHORT-TERM UNCERTAINTIES

> Oil & Gas Capex investments

> Currency volatility

> Geopolitical uncertainties

We target
3% to 6% organic
growth across the cycle

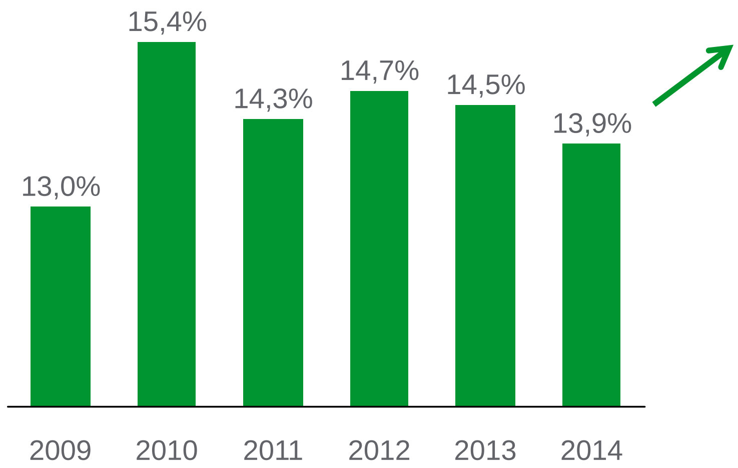
We confirm our 13-17% long-term adjusted EBITA range and target a margin improvement over the next 3 years

GROWTH PROFILE AND EFFICENT BUSINESS MODEL WITH LEVERS ON MARGIN

	POSITIVE IMPACT	NEGATIVE IMPACT
GROSS MARGIN	Organic growth Positive Net pricing[1] Productivity	Negative Mix
SFC	SFC savings	Inflation Reinvestment

1 Net price: Price less raw materials

WE REITERATE OUR TARGETED 13-17% ADJUSTED EBITA RANGE THROUGH THE ECONOMIC CYCLE



We aim for high industrial productivity, improved cash efficiency and increased customer satisfaction

TOTAL c. €1BN PRODUCTIVITY FROM 2015 TO 2017	+	CONTINUE TO IMPROVE CASH EFFICIENCY	+	FURTHER INCREASE CUSTOMER SATISFACTION

We target €400m-500m support function cost savings from simplification initiatives by 2017 before reinvestments

€400-500m SAVINGS[1] THROUGH SIMPLIFICATION AND EFFICENCY

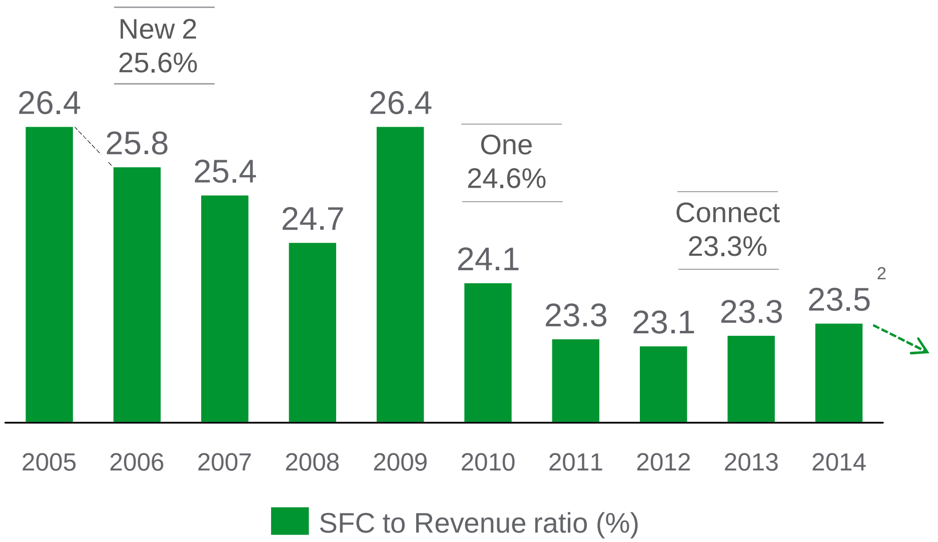
> Optimize R&D efficiency & solution execution
> Mutualize back-office functions
> Simplify our management set-up.
> Increase focus and prioritization
> Increase sales force efficiency

c. €200m SAVINGS REINVESTED ON CORE GROWTH INITIATIVES

> Services and software
> Segment expertise
> Expand coverage in key geographies
> Brand Development
> Digitization

1 Before inflation and reinvestment

WE TARGET A REDUCTION IN SFC/REVENUES RATIO DURING THE COMPANY PROGRAM



Restructuring costs of c. €700m-900m for 2015-2017
Restructuring costs for Connect (2012-2014) amounted to c. €550m

2 SFC excluding Invensys for Connect

We will continue to optimize our portfolio and consider the disposal of non-core/ non-strategic businesses

WE HAVE OPTIMIZED OUR PORTFOLIO IN 2014 WITH THE DIVESTMENTS OF NON-CORE BUSINESSES

CST CUSTOM SENSORS & TECHNOLOGIES

invensys

APPLIANCE BUSINESS

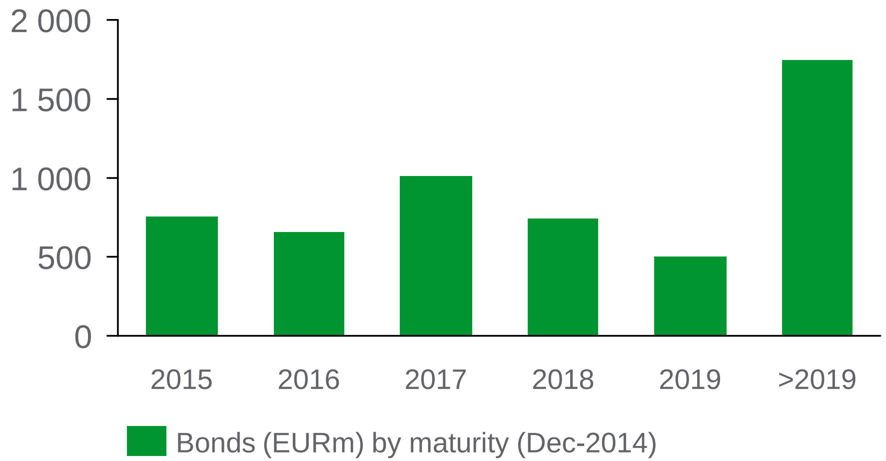
c. €900m cash
generated through disposals

- We will continue to review the portfolio and contemplate potential disposal of non-core / non-strategic businesses
- The disposal of potential non-core/ non-strategic assets might generate a capital loss or asset impairment of up to several hundred millions Euros
- Potential capital losses or asset impairments if any would be adjusted in the dividend calculation

We reaffirm our long-term capital structure target of A- with flexibility to move to BBB+ on a temporary basis

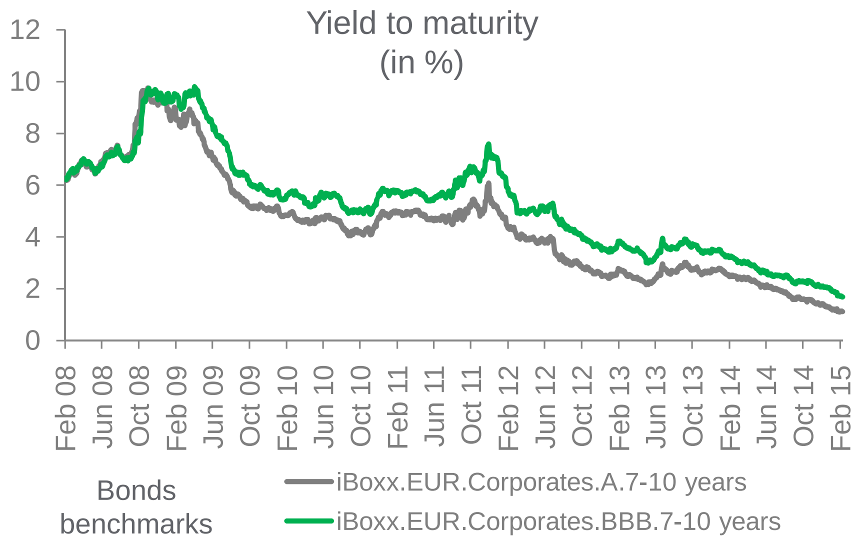
OBJECTIVE TO INCREASE THE DEBT MATURITY

> Current bonds duration stands at c. 4 years



TAKING ADVANTAGE OF LOW COST OF FINANCING

> Attractive financing market conditions



We take opportunity of historical low financing conditions to increase debt maturity and lower average cost of debt

Confirming c.100% FCF conversion target[1], FCF to be used in dividend, share buybacks and value-creating bolt-on M&A

STRONG FCF CONVERSION

+

FLEXIBILITY TO BENEFIT FROM LOW COST OF FINANCING

> Progressive dividend
> €1.0-1.5bn share buyback in next 2 years[2]
> Bolt-on M&A in our core businesses with strong EPS accretion and return on investment

1 Net income conversion in FCF across the cycle target
2 Including share buyback for neutralization of employees share plans

We target strong EPS growth in the next company program

ORGANIC GROWTH
AND EFFICIENCY INITIATIVES → EBITA growth

+

SHARE BUYBACKS
(€1.0 to 1.5bn in next 2 years) → Reduce share count

+

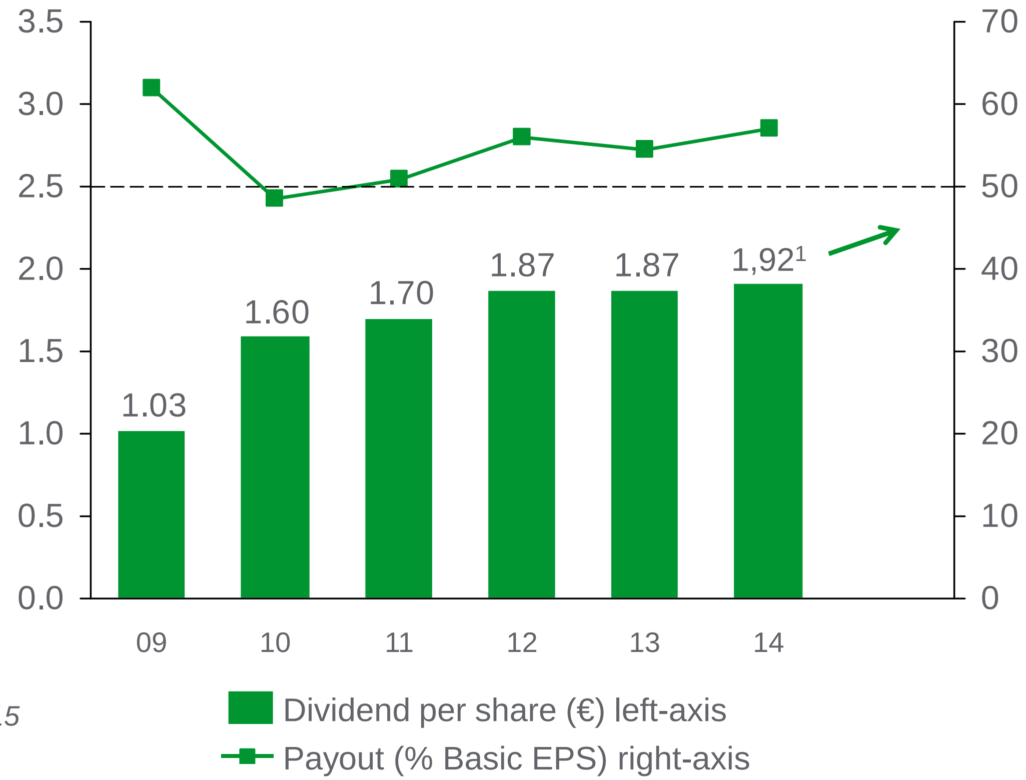
ACCRETIVE BOLT-ONS → Strong EPS accretion

STRONG EPS GROWTH

We set a progressive dividend

> Dividend payout targeted at c.50%, based on the Net income excluding one-offs such as capital gains or losses and, or asset impairments

> Progressive dividend policy with no year-on-year decline



1 Dividend proposed and to be approved in Annual General meeting on Apr 21,2015

We confirm our goal of improving ROCE but move targets by one year due to FX impact in 2014

KEY DRIVERS FOR ROCE IMPROVEMENT

Organic growth

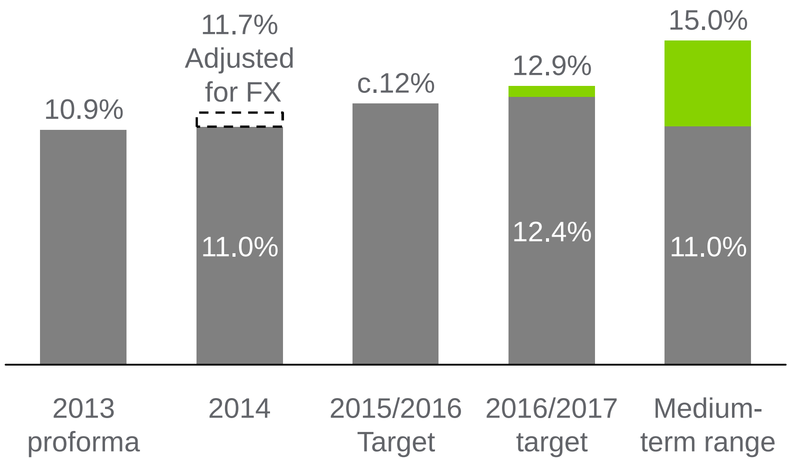
×

Efficiency

×

Capital optimization

WE FOCUS ON ROCE IMPROVEMENT



- We aim to come back to ROCE pre-Invensys level (c. 12%) by 2015/2016
- 1.5-2pt[1] improvement in ROCE by 2016/2017
- Medium-term target range confirmed

1 From 2013 proforma level of 10.9%

Q & A

HELP PEOPLE MAKE THE MOST OF THEIR ENERGY