

Schneider Electric launches a capital increase reserved for employees

Rueil-Malmaison (France), March 8, 2016 – Schneider Electric SE announces today the launch of a capital increase reserved for employees under Group Employee Savings Plans (*plans d'épargne salariale*).

This offering, which is in line with the Group's policy to develop employee shareholding, is proposed to Group employees in thirty-three countries, including France. This plan covers around 90% of the employees of the Group. The subscription-revocation period is expected to take place from June 8 to 14, 2016.

The payment and delivery of shares is expected on July 12, 2016.

The terms of this offering are described below.

Issuer

Schneider Electric SE
35 rue Joseph Monier – 92500 Rueil-Malmaison – France
Euronext Paris – Compartment A
Ordinary share ISIN code: FR0000121972
Security eligible to the Deferred Settlement Service (*Service de Règlement Différé* or SRD)

Purpose of the transaction – Reasons for the offering

As per the decision made during the Annual Shareholders' Meeting held on April 21, 2015, the Board of Directors has decided, on December 9, 2015, on the principle of the offering and delegated to the Deputy Chief Executive Officer the power to decide to proceed with the issue of (i) shares reserved for employees participating in the Schneider Electric Group Savings Plan (pursuant to article L.225-129-2, L.225-129-6, L.225-138-1 and L.228-92 and seq. of the French Commercial Code and article L.3332-1 and seq. of the French Labour Code) and (ii) shares reserved for employees and entities created for the benefit of employees, of Group companies located outside France (pursuant to article L.225-129-1, L.225-138 and L.228-92 and seq. of the French Commercial Code).

Within this framework, subscription of shares is proposed to employees of the Group in thirty-three countries, including France under a "classic" plan, in which the subscriber is fully exposed to variations in the share price and may, if applicable, benefit from an employer matching contribution.

This offering aims to reinforce the attachment of employees to the Group by giving them the opportunity to be more involved in the Group's developments and future performance.

Shares to be offered

The shareholders of Schneider Electric SE authorized the Board of Directors at the Annual Shareholders' Meeting held on April 21, 2015 (i) under the 20th resolution, to increase the share capital, up to 2% of the share capital, by issuance of new shares or other securities giving access to the company's share capital reserved for Group employees taking part in the savings plan, and (ii) under the 21st resolution, to increase the share capital, up to 1% of the share capital, by issuing new shares reserved for employees and entities created for the benefit of the employees of companies of the Group located outside France.

On December 9, 2015, the Board of Directors decided the principle methods regarding these capital increases and delegated to the Deputy Chief Executive Officer the power to implement them within the limit of 3 700 000 shares (approximately 0.63 % of the share capital as of December 31, 2015). It further delegated to him the power to fix the conditions of these capital increases and in particular the subscription price of the new shares, based on the average of the opening share prices quoted on Euronext Paris market on the twenty trading days preceding the day of such decision ("Reference price"). Such decision should take place on June 7, 2016. The shares created will bear right to dividends as of January 1, 2016.

Beneficiaries will be able to subscribe to shares either directly, or through a *fonds commun de placement d'entreprise* ("FCPE"), at a price equal to 85% of the Reference Price for the beneficiaries in France and 80 % of the Reference Price for the beneficiaries outside of France.

Conditions relating to subscription

The beneficiaries of the employee share plan are employees (as well as retirees and pre-retirees in France, having kept their investment in the Company Savings Plan) and officers of the companies of the Group where the head office is located in one of the thirty-three countries participating in the offering, who have at least three-month seniority in one of the companies of the Group on the last day of the subscription period, i.e., June 14, 2016.

The present offering is undertaken without preferential subscription right.

The unit holders of the FCPE will exercise their rights to vote in the Schneider Electric SE Shareholders' Meetings indirectly, through the Supervisory Board of the FCPE.

The subscribers of this offering will hold the subscribed shares or the units of the FCPE at least until June 30, 2021 (inclusive).

Tentative timetable for the offering

Subscription-revocation period: expected from June 8 to 14, 2016 (inclusive).

Capital increase: expected to occur on July 12, 2016.

The above dates are indicative and are subject to change. They will be finalized by a decision of the Deputy Chief Executive Officer (expected on June 7, 2016).

Listing

The admission of new Schneider Electric SE shares to trading on the Euronext Paris market (Code ISIN: FR0000121972) will be effective, at the latest, on the day of the capital increase, i.e. July 12, 2016. The new shares will be assimilated with the existing shares.

Special note regarding the international offering

This press release does not constitute an offer to sell or a solicitation to subscribe to Schneider Electric SE shares. The offering of Schneider Electric SE shares reserved for employees will be conducted only in countries where such an offering has been registered with the competent local authorities and/or following the approval of a prospectus by the competent local authorities or in consideration of an exemption from the requirement to prepare a prospectus or register the offering. More generally, the offering will only be conducted in countries where all required filing procedures and/or notifications have been completed and the authorizations have been obtained. This press release is not destined for, and copies thereof should not be sent to, countries in which such a prospectus has not been approved or such an exemption is not available or where all of the required filing procedures and/or notifications have not been completed or where the authorizations have not been obtained.

The securities described herein have not been and will not be registered with the U.S. Securities and Exchange Commission and may only be offered or sold in the United States in transactions that are exempt from the registration requirements of the U.S. Securities Act of 1933.

Employee Contact

The beneficiaries may address all questions regarding this offering to their contact person whose name is indicated in the brochure included in the subscription materials that were provided to them.

This press release is made in reliance of the exemption from publishing a prospectus provided for in Article 4(1)(e) of the EU Prospectus Directive 2003/71/EC, as amended. This press release represents the document required to qualify for the exemption from the requirement to publish a prospectus as defined in the EU Prospectus Directive 2003/71/EC, as amended, transposed in internal law of the member states of the European Union and, with respect to French law, to articles 212-4(5°) and 212-5(6°) of the AMF General Regulations and article 14 of circular n° 2005-11 of December 13, 2005, as well as the press release required by the AMF in accordance with article 223-2 of the AMF General Regulations.

About Schneider Electric

Schneider Electric is the global specialist in energy management and automation. With revenues of €25 billion in FY2014, our 170,000 employees serve customers in over 100 countries, helping them to manage their energy and process in ways that are safe, reliable, efficient and sustainable. From the simplest of switches to complex operational systems, our technology, software and services improve the way our customers manage and automate their operations. Our connected technologies reshape industries, transform cities and enrich lives. At Schneider Electric, we call this Life Is On.

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