Financial Information

Strong Q1 growth up +7.8%, revenues reaching €6bn
Organic growth is close to flat excluding Invensys

- **Buildings & Partner posted positive growth, Industry was about flat excluding Invensys**
- **Infrastructure stabilized, IT impacted by Russia and one-off in India**
- **Western Europe stabilizing and weakness in China as expected**
- **North America saw lower capex but construction market remained favorable**
- **Invensys performance impacted by change in date of fiscal year closing. Synergies execution on track.**
- **Full year targets confirmed**

Rueil-Malmaison (France), April 21, 2015 - Schneider Electric reported first quarter revenues of **€5,996 million**, up **+7.8%** in total and **about flat** organically excluding Invensys.

The breakdown of revenues by business segment was as follows:

€ million	**Q1 2015**			
	Revenues	**Organic growth**	**Organic growth ex. Invensys**	**Reported growth**
Buildings & Partner	2,701	+0.3%	+0.4%	+11.5%
Industry	1,371	-6.5%	-0.3%	+2.6%
Infrastructure	1,149	+0.1%	+0.1%	+5.5%
IT	775	-4.4%	-4.4%	+8.2%
Group	**5,996**	**-2.0%**	**-0.5%**	**+7.8%**

Jean-Pascal Tricoire, Chairman and CEO, commented: *"On a reported basis, we achieve a revenue growth in Q1 of 7.8%. The organic growth is about flat excluding Invensys, which is impacted by an exceptionally high base of comparison due to the change in 2014 fiscal year closing.*

Q1 performance is broadly in line with our expectations, we therefore confirm our 2015 targets. Moving forward, we will remain focused on executing our new company program "Schneider is On" to deliver growth, efficiency and cash generation"

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Organic growth analysis by business segment

Buildings & Partner (45% of Q1 revenues) was up **+0.3%** organically. Western Europe was stable. France, Spain and UK grew, compensating for a decline in Germany and Switzerland due to a high base of comparison. North America was flat. The US saw mixed trends as construction market remained favorable while project business was impacted by lower capex, notably in oil & gas. Mexico posted positive growth. Asia Pacific was down due to persistent weakness in construction market coupled with a high base of comparison in China, while Australia and India continued to grow. Rest of the World grew, driven by Middle East, South America, new economies in Central Europe and Africa.

Industry (23% of Q1 revenues) was down **-6.5%.** Excluding Invensys, Industry business was about **flat** with continued growth in Spain and Italy thanks to sustained demand from export-oriented OEMs, while Germany was down. North America was slightly down driven by lower investment in oil & gas and weaker demand from export oriented OEMs. Asia Pacific presented a mixed picture as Japan and East Asia grew while China declined as expected. Rest of the World performed well.

Invensys Q1 2015 growth was negative due to a double mechanical impact as the fiscal year closing moved from March to December: Firstly, Q1 2014 was strong as it was the last quarter of Invensys fiscal year. Additionally, the beginning of Q1 2015 was impacted by strong revenues in Q4 2014 which was Schneider Electric's fiscal year closing. The double impact of the closings is estimated to be roughly around €80 million. This negative impact should gradually decrease throughout the year. By activity, Field device business was down due to slow down in oil & gas demand while Eurotherm business performed well. Q1 revenues were also impacted by ramping down of China nuclear project. We are on track to deliver our targeted synergies in 2015.

Infrastructure (19% of Q1 revenues) was stable, posting **+0.1%** organically with growth across most regions. Western Europe turned positive in this quarter helped by favorable comparison basis in France and Germany and improvement in Spain. Asia-Pacific grew, mainly benefiting from growth in utilities and infrastructure in China and India, which more than offset the decline in Australia. North America continued to grow driven by project execution in Canada. Rest of the World was down this quarter, mainly impacted by Russia and high base of comparison in Africa. Services continued to grow.

IT (13% of Q1 revenues) was down **-4.4%** organically in the first quarter mainly impacted by one-off in India and weak demand in Russia. Performance in India was penalized by the one-off change in credit term and the distributor inventory adjustment to better match seasonality. However the underlying business trend in India remained healthy. Western Europe grew driven by active IT investments. The US was up driven by continued demand from data centers. Services continued to grow.

The Product business was down **-3%** in the quarter, while the Solution business declined **-1%** organically and represented **42%** of revenues. Q1 represents the smallest quarter of the year for the Group.

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Organic growth analysis by geography

€ million	Q1 2015			
	Revenues	**Organic growth**	**Organic growth ex. Invensys**	**Reported growth**
Western Europe	1,659	0%	+1%	+2%
Asia-Pacific	1,665	-5%	-2%	+10%
North America	1,620	-1%	-1%	+18%
Rest of World	1,052	-2%	0%	0%
Group	**5,996**	**-2.0%**	**-0.5%**	**+7.8%**

Following comments are based on the performance excluding Invensys

Western Europe (28% of Q1 revenues) was up **+1%** excluding Invensys. France was positive thanks to good execution in a still challenging market. Spain was up benefiting from demand of export-driven customers. Italy was positive driven by export oriented OEMs. UK performed well. Switzerland declined due to a high base of comparison and lower demand as a result of the sudden currency appreciation versus the Euro. Germany was down due to a higher comparison basis and slightly lower industrial activity in the beginning of the year.

Asia-Pacific (28% of Q1 revenues), was down **-2%** excluding Invensys, mainly due to the expected continued weakness in Chinese construction market, soft industrial OEM markets and a high base of comparison. India performed well but was impacted due to a one-off inventory adjustment by Luminous distributors. Australia was slightly up, driven by good growth in construction. The rest of the region showed a contrasted picture as South Korea benefited from export related project execution while South East Asia remained challenging.

North America (27% of Q1 revenues), declined **-1%** organically in the quarter following a strong Q4 2014. The US was down, penalized by lower capex investment notably in oil & gas while the construction market remained favorable. Mexico grew as the construction market improved.

Rest of the World (17% of Q1 revenues) was **flat** organically in the quarter. Middle East was up driven by good demand in Saudi Arabia and the UAE. Underlying market in Russia was weak. Africa declined due to a high base of comparison. South America performed well in a difficult environment.

Revenues in mature countries were stable while new economies declined **-1%** organically and represented **42%** of total first quarter 2015 revenues.

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Consolidation[1] and foreign exchange impacts on revenues

Net acquisitions contributed **€17 million** or **+0.3%**. This includes mainly Günsan Elektrik (consolidated in Buildings & Partner) and some minor acquisitions and disposals in other businesses.

The impact of foreign exchange fluctuations was positive at **€536 million** or **+9.5%**, primarily due to the appreciation of the US Dollar and Chinese Yuan against the Euro. Based on current rates, the positive FX impact on 2015 revenues is estimated to be c. €2bn. In this volatile FX environment, the Group continues to expect a limited impact on the 2015 adjusted EBITA margin.

2015 TARGETS

Q1 performance is broadly in line with our expectations, with the stabilization in Western Europe, favorable construction market in North America and weakness in China. Despite the impact in Q1 of the change in date of fiscal year closing, Invensys is expected to contribute to the Group performance on a full year basis.

Therefore the Group confirms its 2015 targets:

- Low single-digit organic growth in revenues
- Adjusted EBITA margin at 14-14.5% assuming no negative FX impact on margin

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The Q1 2015 revenues presentation is available at www.schneider-electric.com.

2015 half year results will be presented on July 29, 2015.

About Schneider Electric
As a global specialist in energy management with operations in more than 100 countries, Schneider Electric offers integrated solutions across multiple market segments, including leadership positions in Utilities & Infrastructure, Industries & Machines Manufacturers, Non-residential Building, Data Centers & Networks and in Residential. Focused on making energy safe, reliable, efficient, productive and green, the Group's 170,000 employees achieved revenues of 25 billion euros in 2014, through an active commitment to help individuals and organizations make the most of their energy.
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1 Changes in scope of consolidation also include some minor reclassifications of offers among different businesses.

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Appendix – Revenues breakdown by business

€ million	Q1 2015					
	Revenues	**Organic growth**	**Organic growth ex. Invensys**	**Changes in scope of consolidation**	**Currency effect**	**Reported growth**
Buildings & Partner	2,701	+0.3%	+0.4%	+0.5%	+10.7%	+11.5%
Industry	1,371	-6.5%	-0.3%	-0.1%	+9.2%	+2.6%
Infrastructure	1,149	+0.1%	+0.1%	+0.6%	+4.8%	+5.5%
IT	775	-4.4%	-4.4%	0.0%	+12.6%	+8.2%
Group	**5,996**	**-2.0%**	**-0.5%**	**+0.3%**	**+9.5%**	**+7.8%**

Appendix – Invensys Revenues breakdown by quarter

€ million	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015
Invensys	455	373	404	481	417[2]

Appendix – Consolidation impact on revenues and EBITA

In number of months	2014 Q1	Q2	Q3	Q4	2015 Q1	Q2	Q3	Q4
Invensys Industry business (+ partly Buildings & Partner business) FY 30/9/13 revenue £1,450 million excluding Appliance	3m	3m	3m	3m				
Günsan Elektrik Buildings & Partner business TRY 100 million (c. €35 million) in 2013					3m	3m	3m	3m

2 Includes €53m of positive FX impact compared to Q1 2014

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