

## Financial Information

### 2009 first-quarter sales of € 3,822 million

- Reported sales down 11.3% and organic growth at -15.9% reflecting deteriorated global market conditions and challenging comparables
- Stronger resilience of our Solution business, notably in services
- Additional support function costs reduction to be implemented in response to lower sales trend

**Rueil-Malmaison (France), April 23, 2009** – In the first quarter, Schneider Electric recorded sales of **€3,822 million**, down **11.3%** on a current structure and exchange rate basis. The impact of working days on the period is negligible. Organic growth was **-15.9%**.

Acquisitions contributed +1.7% or €74 million, in absolute value. Such contribution includes €56 million from acquisitions, but also a €28 million impact linked to the proportional integration of the Delixi joint-venture since January 1st and a negative €10 million impact from divestments.

Foreign exchange fluctuations added €142 million, as a result of the appreciation of the US dollar and the Chinese yuan against the Euro, more than compensating the depreciation of currencies in a number of countries, primarily in the UK, Australia, Russia and Sweden.

The breakdown of sales by geographical region was as follows:

€ million	Q1 2009 sales	Organic growth (quarter)	Changes in scope of consolidation	Currency effect	Reported growth (quarter)
Europe	1,634	-15.4%	+0.2%	-2.8%	-18.0%
North America	1,088	-21.3%	+3.9%	+10.7%	-6.7%
Asia-Pacific	697	-15.5%	+2.7%	+5.8%	-7.0%
Rest of the World	403	-1.0%	+1.1%	-0.1%	-0.0%
<b>Total</b>	<b>3,822</b>	<b>-15.9%</b>	<b>+1.7%</b>	<b>+2.9%</b>	<b>-11.3%</b>

*“The performance of the first quarter reflects deteriorated world economic conditions and high base of comparison. For the same reasons, we expect the second quarter to continue to be challenging”* noted Jean-Pascal Tricoire, President and CEO. *“Our near term priorities remain clearly focused on adapting our cost structure to the current environment and on preserving cash generation. In light of the current context and as part of our adaptation measures, we have therefore decided to target additional savings on support functions. Beyond the near term, all employees are now actively engaged in the strategic transformation of our group as outlined in the One company program to position our group as the global specialist in energy management and to capture even more market opportunities when economy rebounds”.*

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## Financial Information (p. 2)

### Growth by region

In **Europe**, first quarter sales dropped by **15.4%** compared to the same period in 2008.

In Western Europe, while slowdown in France was limited, the other countries registered double-digit decline as a result of their exposure to the residential and commercial building markets, notably in the UK, Spain and Scandinavia, or to the industrial market, in particular the OEMs, such as Germany or Italy. Distributor destocking was still noted in some countries. Positive contribution in the region came from building automation, solutions and services, thanks to our attractive offers in energy efficiency.

Eastern Europe registered a sharp drop in growth due primarily to the impact of the tight credit conditions in the region, notably in Russia, Ukraine, Hungary and Romania, triggering sharp downturn in their overall economic activity and important channel inventory adjustment, in the industry and data centers markets in particular.

Organic sales in **North America** declined by **21.3%**. Most end-markets were hit, but residential and commercial buildings, industry and data centers underperformed other segments. Energy and Infrastructures, including segments such as water treatment, was more resilient, same for healthcare and public buildings. With regards to business lines, industrial automation, as well as the small Customized Sensors business, were down. Electrical Distribution services were more robust, as customers appreciate the rapid return on investment allowed by our offers. Building Automation limited its decline thanks to its energy efficient solutions and its exposure to public buildings. Critical Power was partly penalized by the destocking of smaller systems at distributors.

In **Asia-Pacific**, sales declined by **15.5%** organically. The region was impacted by the sharp drop in sales in Japan and Korea, driven by a fall in demand for industrial automation, as manufacturing activities came to a sudden stop during the period. China was less affected but declined as well, as growth in power solutions for the Energy and Infrastructures market could not compensate for lower demand from OEMs, which are more correlated with exports. We noted a few signs that demand firmed up in recent weeks in the country. South East Asia and the Pacific zone were down, but only at a single-digit pace, as weakness in industry and export-led demand was partly offset by projects in the field of Energy & Infrastructure and by services.

Sales in the **Rest of the World** declined by only **1%** organically. Non-residential buildings and infrastructures still posted growth and offset the softness of industry and residential buildings experienced in many countries. Africa registered strong growth but Middle East performance was penalized by the economic situation in Turkey. Sales in South America were flat, reflecting a marked deceleration after a period of high growth as a result of lower demand from export-led industries.

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## Financial Information (p. 3)

### Growth by business

Electrical Distribution (59% of group sales this quarter) resisted better than Automation and Control (27% of group sales) as a result of the latter's higher exposure to industrial market which was in severe downturn. Critical Power (14% of group sales) posted an organic decline of 17.9% partly impacted by destocking at its distributors.

€ million	Q1 2009 sales	Organic growth (quarter)	Changes in scope of consolidation	Currency effect	% Change current (quarter)
Electrical Distribution	2,238	-9.8%	+2.5%	+1.3%	-6.0%
Automation & Control	1,043	-25.7%	+1.7%	+2.6%	-21.4%
Critical Power & Cooling	541	-17.9%	-1.1%	+8.6%	-10.4%
<b>Total</b>	<b>3,822</b>	<b>-15.9%</b>	<b>+1.7%</b>	<b>+2.9%</b>	<b>-11.3%</b>

### Recent highlights

Schneider Electric continues to seize market opportunities to lengthen debt maturity and further enhance liquidity

On 24 March, Schneider Electric announced that it completed a €250 million bond issue with the same financial terms and conditions as its 4% August 2017 bonds. This issue pays interest at less than 6% and enabled the Group to lengthen its debt maturity profile and enhance its liquidity on attractive terms.

Emmanuel Babeau is appointed as Chief Financial Officer, Member of the Executive Committee of Schneider Electric

On 3 April, Schneider Electric announced the appointment of Emmanuel Babeau as Chief Financial Officer and Member of the Executive Committee. Emmanuel Babeau will be in charge of Corporate Financial Control, Internal Audit, Legal Affairs, Investors Relations, Mergers & Acquisitions, Corporate Real Estate, Tax & Customs, Financing & Treasury. Henri Lachmann, Chairman of the Supervisory Board, will propose to appoint Emmanuel Babeau as Management Board Member, replacing Pierre Bouchut who will take on a new position with the Carrefour group. Emmanuel Babeau will join Schneider Electric early July.

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## Financial Information (p. 4)

### Outlook

In January, Schneider Electric communicated organic sales decline scenarios of -5% to -15% for the full year. Considering the business trends observed since the beginning of the year, it now believes that a 15% decline has today become more and more probable. Consistent with options outlined under One company program in January, Schneider Electric has decided to target additional savings on support functions of up to €400 million over the next three years. Including industrial productivity, the target for total cost savings by 2011 now amounts to €1.6 billion. These measures are expected to produce effect progressively over the course of this year. Consequently, it aims to deliver in 2009 an EBITA margin of 12% before restructuring costs and high level of cash conversion, of 100% of net income.

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***2009 interim results and second quarter sales will be released on 31 July 2009.***

### 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 energy and infrastructure, industrial processes, building automation, and data centres/networks, as well as a broad presence in residential applications. Focused on making energy safe, reliable, and efficient, the company's 114,000 employees achieved sales of more than 18.3 billion euros in 2008, through an active commitment to help individuals and organizations "Make the most of their energy."

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