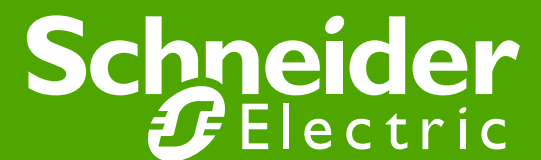


Q1 2010 sales

April 21, 2010



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.



04

Highlights

07

Q1 sales by business

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Q1 sales by region

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Key events

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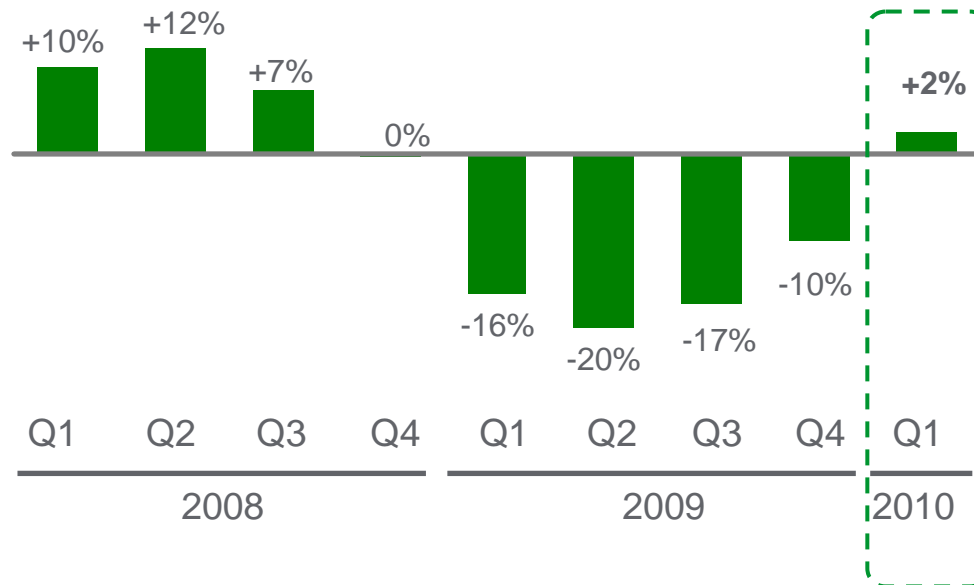
Outlook

Highlights



Q1 sales renewed with growth at +2.3%, like-for-like

Quarterly organic growth rates since 2008



- ✓ Reported quarter sales at **€3,910** million
- ✓ Up **2.3%** year-on-year
- ✓ Insignificant currency, scope and working days impact

Q1 sales highlights

→ All businesses on improving trend, some benefited from easier comps

- **Industry** benefited from strong rebound of its end-markets, OEMs in particular
- Continuous improvement of **IT business** that started in Q4 2009
- **Power** still affected by weak construction market in some mature countries
- **Buildings** remains slightly negative but supported by projects in energy efficiency

→ New economies confirmed their robust growth momentum

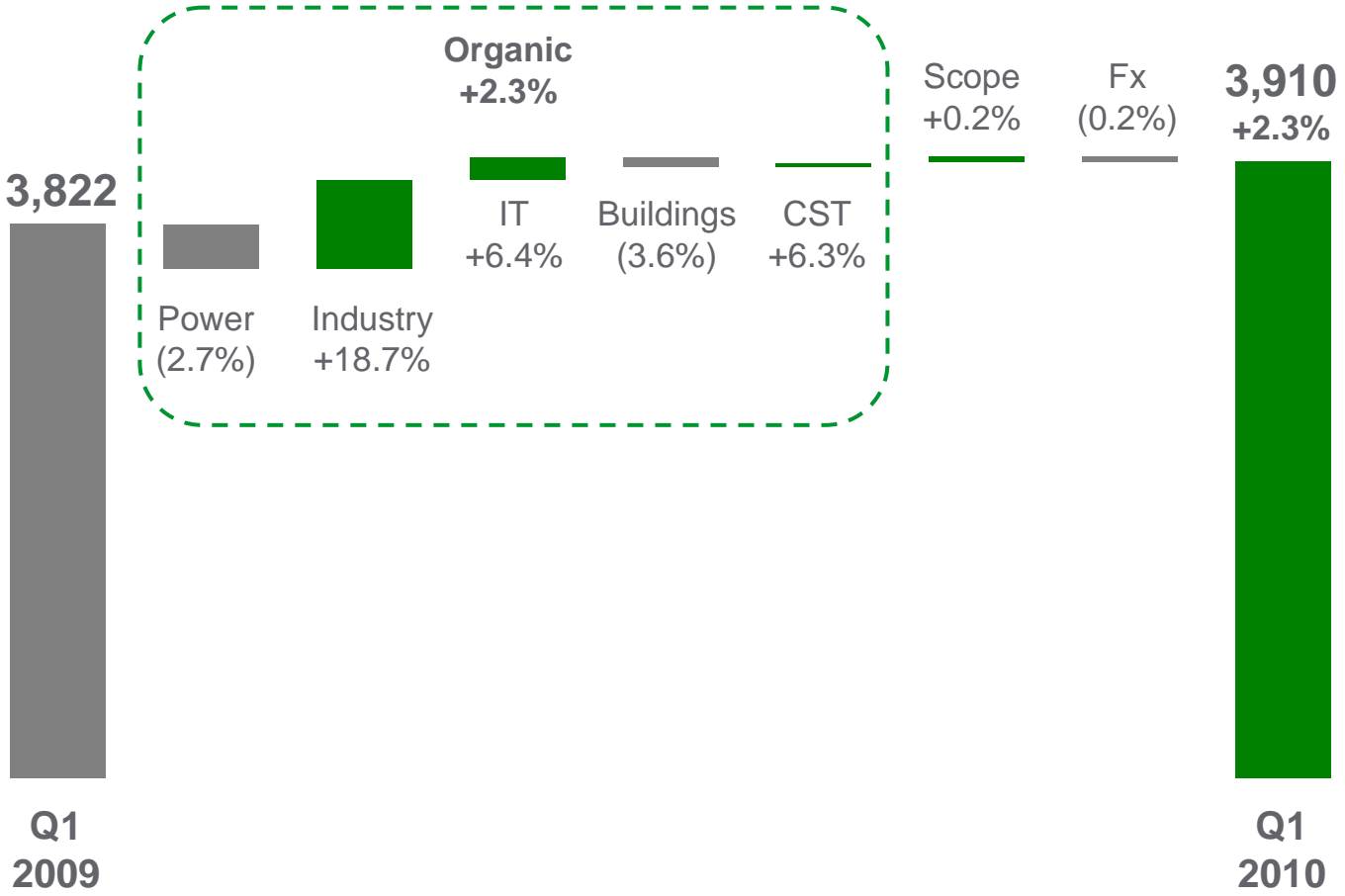
- Organic growth **new economies**: +12%
- **China, India** and **Middle East** taking the lead
- **Western Europe** and **North America** still in single digit decline

Q1 sales by
business



Q1 sales growth driven by rebound of Industry and IT businesses

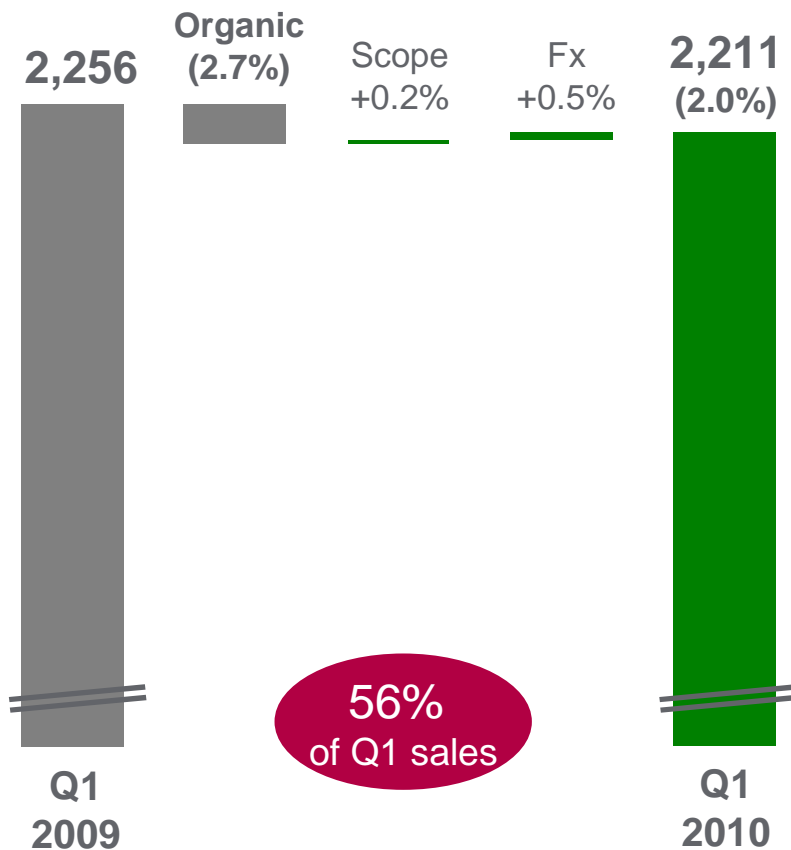
Analysis of change in Group sales



Power Business

Still impacted by medium voltage and construction

Analysis of change: Power



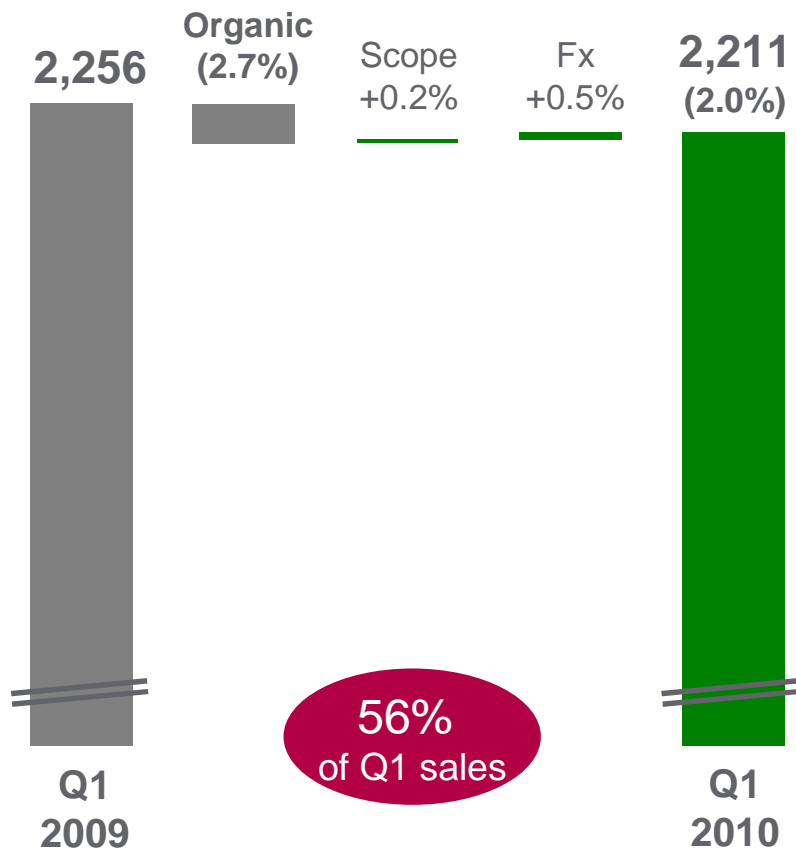
By product lines

- ✓ **Medium Voltage:** still heavily impacted by exposure to weak construction markets and lower utilities spending
- ✓ **Low Voltage:** stable Q1 as infrastructure and construction investment in Asia, rebounding industrial demand, and sustained investment in natural resources (mining, O&G) in some regions made up for lower equipment sales and weak non-residential market. Recovery of residential market in mature countries is yet to come
- ✓ In **solutions**, projects and services were impacted by its later cycle profile. However, energy efficiency and renewable energy (especially projects in the sun-belt of Europe) remain a support with healthy orders intake.

Power Business

Confirmed strength of Asia Pacific

Analysis of change: Power



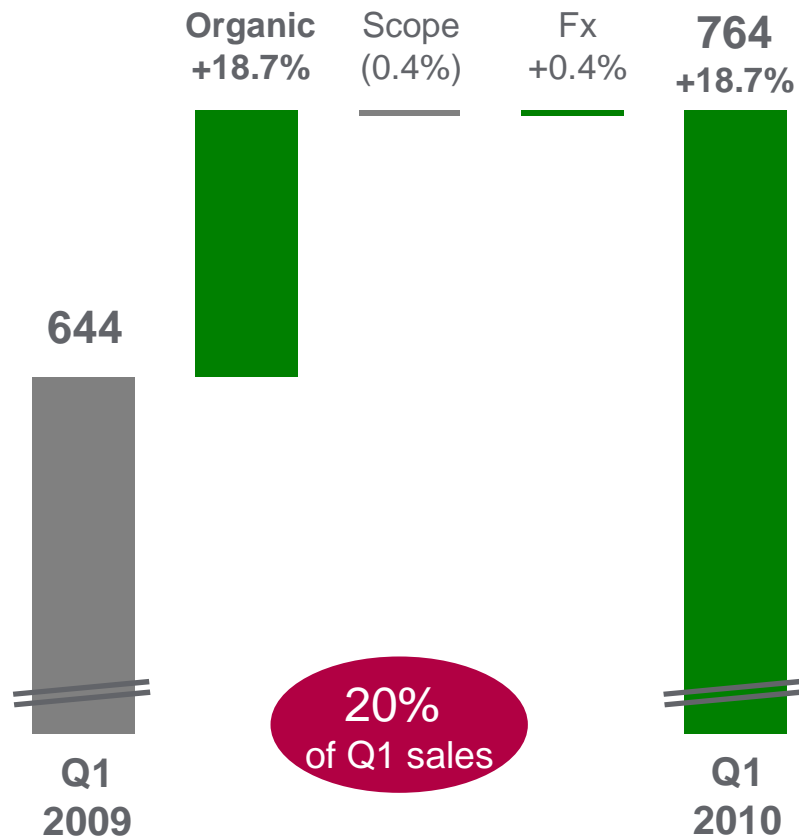
By region

- ✓ **APAC:** strong growth momentum across the region with China, India, and South Korea taking the lead. China continued to benefit from government stimulus in infrastructure and good domestic industrial demand. Several projects booked in Q1.
- ✓ **RoW:** close to stable in Q1. Rebound in Russia but Africa faced difficult base of comparison and Central Europe remains sluggish.
- ✓ **Western Europe:** still in negative zone with resilient France but declining Spain and Scandinavia which remain severely affected by the construction exposure. Stabilisation in the rest of the region.
- ✓ **North America:** continues to be weighed down by non-residential construction and MV exposure.

Industry Business

Strong rebound led by OEM recovery and new eco

Analysis of change: Industry



By product lines

- ✓ Across the board rebound of all product lines (HMI, control & signalling, Motion & Drive, PLC and sensors, contactors) and easier comps
- ✓ Benefited from global rebound of industrial demand, notably **OEMs** and some building & infrastructure investment in new economies
- ✓ Strong growth of **Solutions**, thanks to successful launch of SoMachine for OEMs

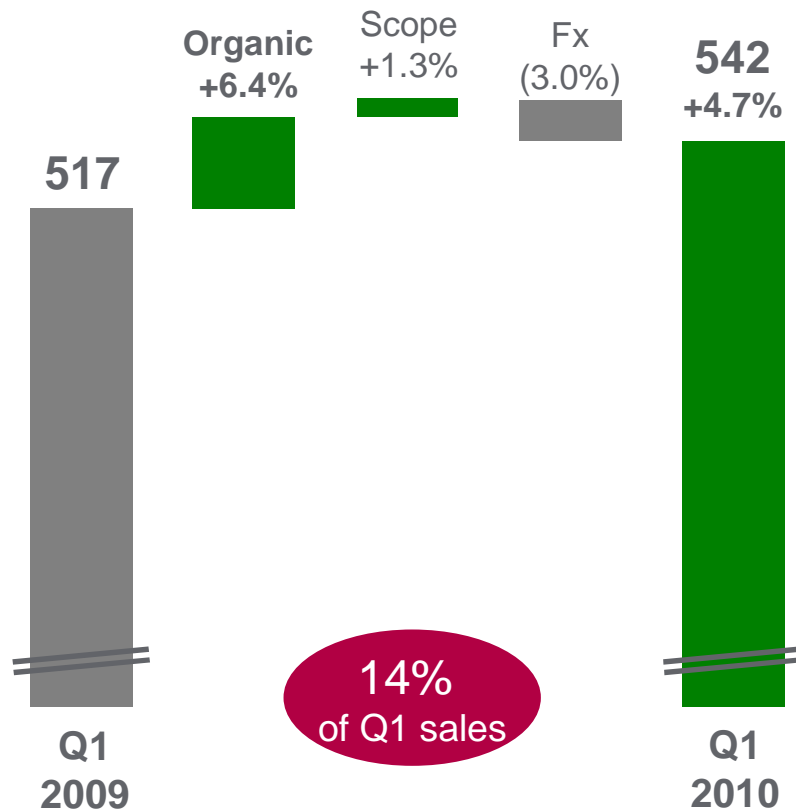
By region

- ✓ **New economies**: about 2/3 of Q1 growth, led by Asia
- ✓ **Western Europe** was back to growth with OEMs countries (Germany & Italy) leading the pack
- ✓ **North America**, which lagged other industrial markets in recovery last year, was up double digit in Q1

IT Business

Good dynamic in North America and Asia Pacific

Analysis of change: IT



By product lines

- ✓ Rebound of all lines of businesses
- ✓ Momentum strong in **small systems** led by growing demand on business networks
- ✓ Good dynamic for **solutions** in most regions thanks to demand from datacenters, with **services** continuing to be a strong growth driver

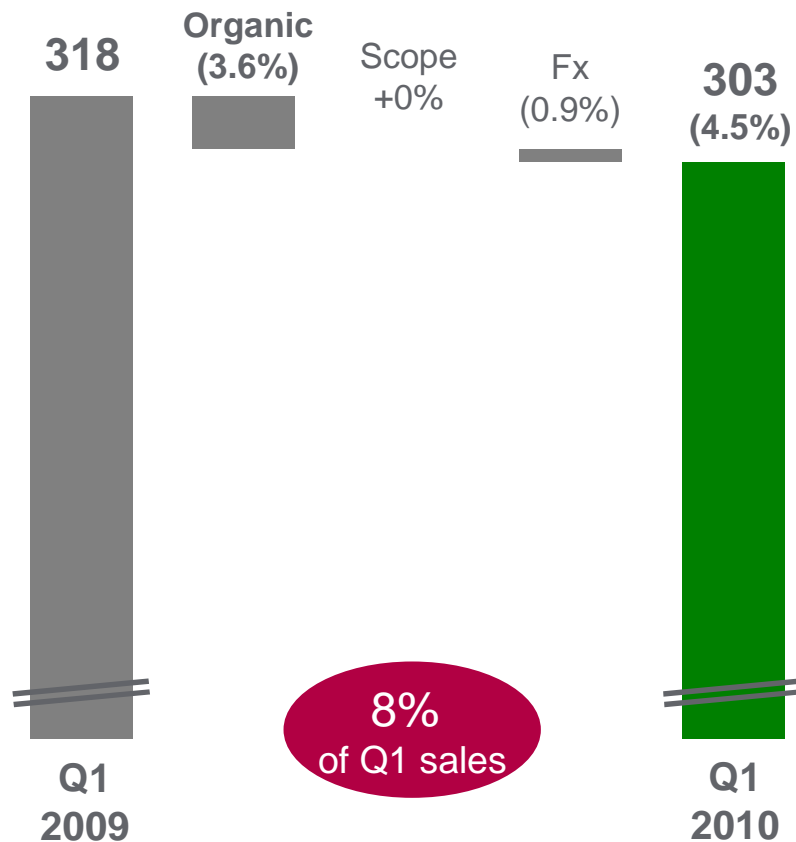
By region

- ✓ **North America**: biggest contributor to Q1 growth (double-digit growth across product lines)
- ✓ **APAC**: strong dynamics in all key countries (Japan, China, Pacific, South East Asia)
- ✓ **Western Europe**: still in negative growth largely because of lagging demand for large systems
- ✓ **RoW**: sales in decline with mixed performance within the region

Buildings Business

Construction market is a drag but services are strong

Analysis of change: Buildings



By product lines

- ✓ Slight decline in **products** sale. Trend still impacted by construction downturn in the mature countries
- ✓ **Solutions:** project business, though still slightly negative in Q1, enjoys good backlog; strong growth of **services** driven by energy efficiency

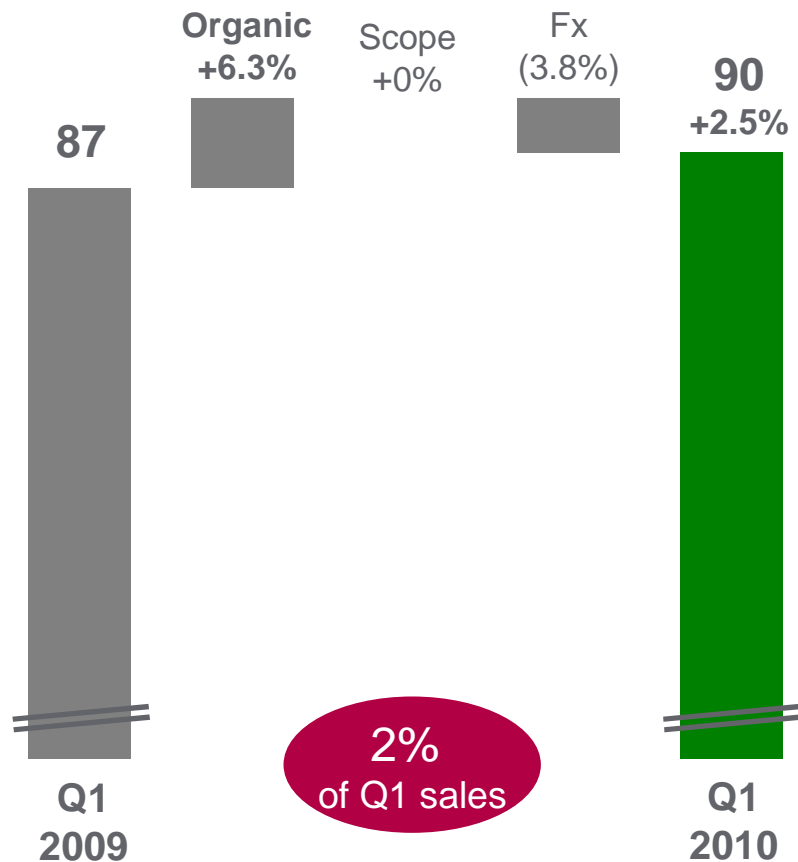
By region

- ✓ **North America** still affected by non-residential downturn
- ✓ **Western Europe** slightly negative but showing early signs of recovery
- ✓ **APAC:** slightly negative in the quarter
- ✓ **RoW:** back to growth and early signs of recovery

CST Business

Recovery of key markets

Analysis of change: CST



By product lines

- ✓ Significant improvement of demand from automotive/truck customers compared to a severely impacted Q12009
- ✓ Recovery of industrial demand
- ✓ Continued decline in the aerospace segments due to weak demand from commercial jets

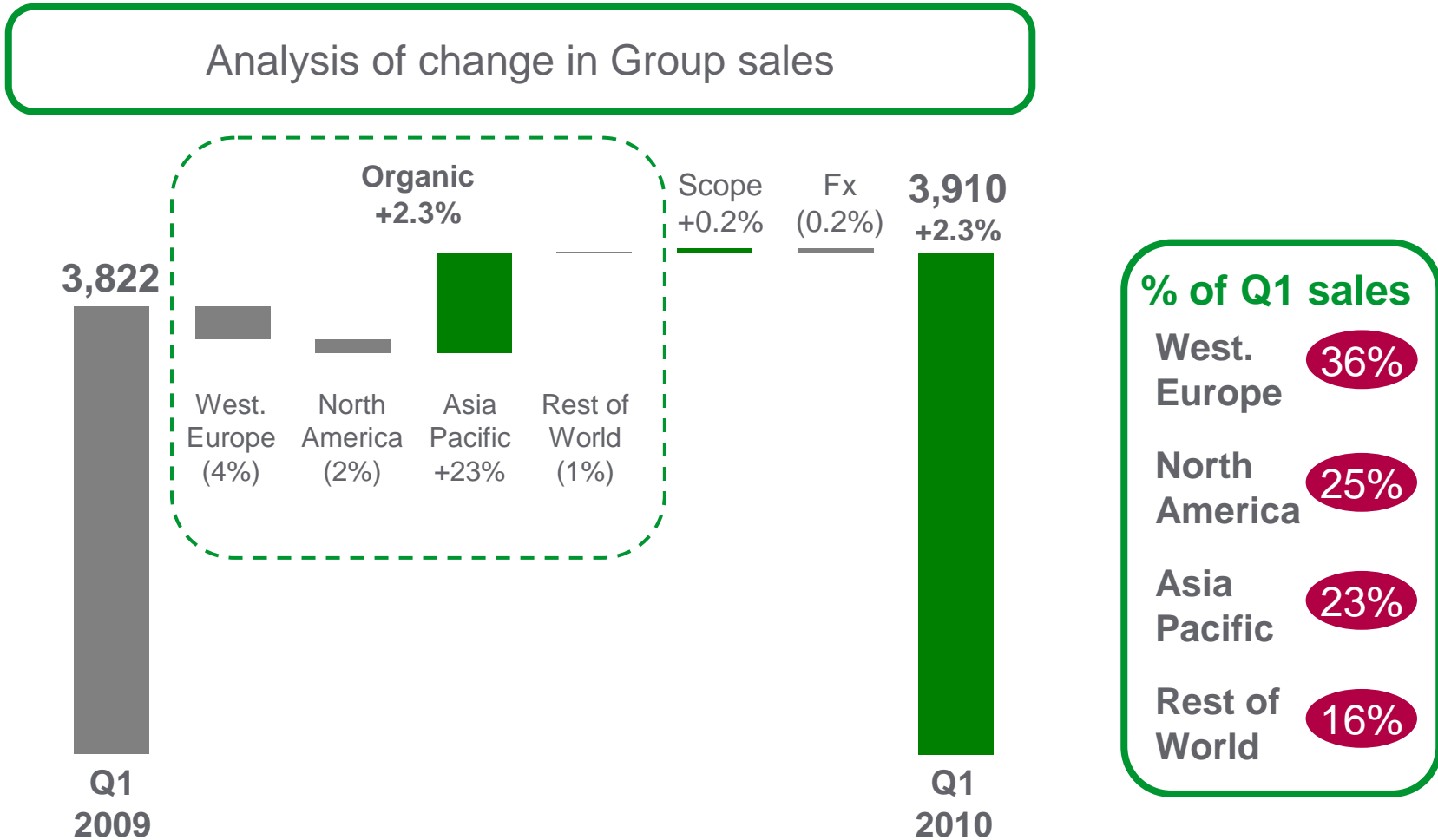
By region

- ✓ Broad based recovery
- ✓ **Western Europe** led the recovery and generated growth in the mid-teens
- ✓ **North America** was also back to growth in Q1

Q1 sales by
region



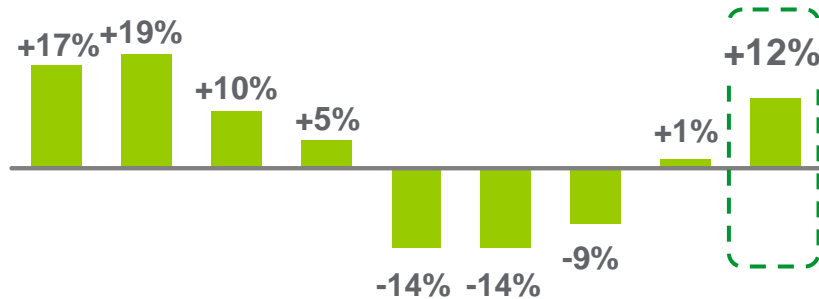
Regional breakdown reveals big impact of new economies



NB: Starting from 2010, the geographical reporting is based on sales by destination as opposed to sales by country of invoicing.
 The Rest of World region now includes Eastern Europe, in addition to Middle East, Africa and South America.

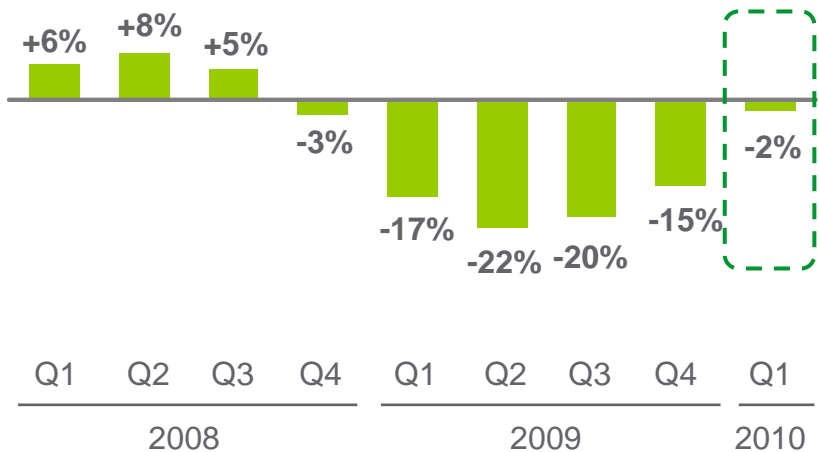
Confirmed vitality of new economies in Q1

New economies: 34% of Group sales



- ✓ **New eco** confirming their robust momentum
- ✓ Strong growth against a favorable comparison
- ✓ **Asia-Pacific** up 23% thanks primarily to China, but also India and South Korea
- ✓ **Middle East** also strong but **Central Europe** still sluggish

Mature economies



- ✓ Negative performance reduced for **mature countries**
- ✓ In **Europe**: positive performance in Germany/Italy (“OEM countries”), Spain still significantly down
- ✓ In **North America**: United States in line with mature countries overall
- ✓ **Australia** in clear positive territory, **Japan** recovering from a very tough 2009

New economies: Asia (excl. Japan), Eastern Europe (incl. Russia), Middle East, Africa, Latin America (incl. Mexico)

Key events



Update on the acquisition of the Distribution assets of Areva

Achieved



- Signing on 20 January
- EU antitrust approval on 26 March

Next steps
to closing



- A few regulatory approvals still required
- Approval of French Commission des Participations et des Transferts

Integration
preparation



- A dedicated team is actively working on the integration of the Areva Distribution team

Areva D + Schneider
Medium Voltage

- Closing expected before end of Q2
- *Energy* business to be created

Recently announced acquisitions

Cimac (M-E Gulf)
400 people
2009 sales €40 million



- Leading systems integrator of automation solutions for water and oil & gas segments
- Consolidated by April 2010

Zicom (India)
200 people
2009 sales €30 million



- Largest local independent electronic security systems integrator focusing on infrastructure and buildings
- Closing expected in Q2 2010

SCADAgrou
(Australia)
500 people
2010e sales €75 million



- Leading provider of telemetry solutions, focusing on water and oil & gas markets
- Closing expected in Q2 2010

Outlook



2010 outlook

Business trends

Industry and **data-center** end-markets first to return to growth

New economies boosting Group sales

Non-residential **buildings** slowdown to continue for some more months

Business environment in **mature** countries still uncertain

Profitability

Industrial **productivity** and support function **costs savings** continuing

Risks on **raw material** inflation ~€150m

Restructuring charges expected at €150-200m

Q1 sales performance supports Schneider Electric targets for 2010:

- a **return to growth:** low single-digit organic sales growth
- a **profitability improvement:** EBITA margin of around **14%** pre-restructuring costs (before Areva Distribution integration impact)

Appendices



Sales by quarter in 2009

€ m	Q1	Q2	Q3	Q4	2009
Power	2,256	2,316	2,307	2,354	9,233
Industry	644	658	668	695	2,665
IT	517	559	575	619	2,270
Buildings	318	316	314	320	1,268
CST	87	84	86	100	357
Group	3,822	3,933	3,950	4,088	15,793
W. Europe	1,445	1,378	1,301	1,422	5,546
North America	1,048	1,066	1,066	1,010	4,190
Asia-Pacific	701	827	897	881	3,306
Rest of World	628	662	686	775	2,751
Group	3,822	3,933	3,950	4,088	15,793

*NB: Figures for **Power** and **IT** in FY2009 have been restated compared to figures published on 18 February 2010 due to a reclassification following a change in business responsibility. Starting from 2010, the geographical reporting is based on sales by destination as opposed to sales by country of invoicing.*

The Rest of World region now includes Eastern Europe, in addition to Middle East, Africa and South America.

Segment information FY 2009

FY2009	€ m	Sales	EBITA ¹ before restructuring and one-off gain	% of sales	EBITA	% of sales
	Power	9,233	1,571 ²	17.0%	1,504	16.3%
Industry	2,665	255 ²	9.6%	189	7.1%	
IT	2,270	363	16.0%	334	14.7%	
Buildings	1,268	132	10.4%	121	9.5%	
CST	357	20	5.7%	(4)	(1.1%)	
Holding	-	(297)	-	(321)	-	
Group	15,793	2,044²	12.9%	1,823	11.5%	

1 EBIT before amortization of purchase accounting intangibles

2 Before a one-off profit from pension curtailment of €92 million, of which €81 million in Power and €11 million in Industry

*NB: Figures for **Power** and **IT** in FY2009 have been restated compared to figures published on 18 February 2010 due to a reclassification following a change in business responsibility.*

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22 April

30 July

20 October

Shareholders'
Meeting

2010 Half-Year
Results

Q3 2010 Sales

Conference call
9:00am (CET)

Conference call
9:00am (CET)

**Help people make the
most of their energy**

