Financial Information

Sales of €4.9 billion in Q1 2011,
Continued strong organic growth at +12%

- **Industry continued on a very solid momentum**
- **IT and Buildings expanded at double-digit thanks to solutions**
- **Power also solid, Energy posted slow growth as expected**
- **Very strong quarter in new economies up 17%, mature economies up 9%**
- **Reported growth including acquisitions of +26.5% to €4.9 billion**
- **Full year sales and profitability targets confirmed**

Rueil-Malmaison (France), April 20, 2011 – Schneider Electric today reported first-quarter sales of **€4,944 million**, up **26.5%** on a current structure and exchange rate basis. Like-for-like sales were also up **11.8%**.

The breakdown of sales by business was as follows:

€ million	Q1 2011 sales	Organic growth	Changes in scope of consolidation	Currency effect	Reported growth
Power	1,909	+10.1%	+0.3%	+3.7%	+14.1%
Energy	908	+1.4%	+71.8%	+2.6%	+75.8%
Industry	1,105	+21.9%	+3.7%	+3.8%	+29.4%
IT	663	+11.1%	+2.8%	+3.9%	+17.8%
Buildings	359	+11.2%	+3.9%	+3.4%	+18.5%
Total	**4,944**	**+11.8%**	**+11.1%**	**+3.6%**	**+26.5%**

Jean-Pascal Tricoire, President and CEO, commented: *"We delivered a strong first quarter, in line with our expectations. The performance reflects the Group's strength in the new economies, which enjoy robust and broad based growth, our leading technologies for our five end markets and continued success in helping our customers achieve efficiency with our solutions.*

Additionally, we remain confident in improving the Group's operating efficiency by driving strong industrial productivity and decreasing the support function costs to sales ratio. While we're facing a more inflationary business environment, notably on raw materials, we are stepping up our price action. Consequently, we confirm our full-year organic growth target of 6% to 9% and EBITA margin target of 15.0% to 15.5% of sales.

Looking ahead, we will continue to leverage the high internal growth potential offered by our five businesses and at the same time actively reinforce our portfolio through focused and disciplined acquisitions."

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Organic growth by business

Power (39% of Group sales) includes the activities of Low Voltage (electrical distribution), LifeSpace (wiring devices and associated interface devices) and Renewables (conversion and connection to the grid) further to the transfer of Medium Voltage to the Energy business in 2011 (see below).

Power's first quarter sales grew **10.1%** like-for-like. The business was boosted by the good performance of product sales, driven by the improving global construction and infrastructure markets, the launch of new offers and larger geographical coverage. Solutions lagged, except for renewable projects. By region, growth was robust in Asia-Pacific, led by China, India, Indonesia and Malaysia. The Rest of the World grew double-digit led by Central and Eastern Europe and South America. Western Europe was positive thanks to France, Italy and Germany while Spain was down again. Recovery of North America accelerated, which grew in the magnitude of 10%.

Energy (18% of Group sales) created in 2011 combines all Medium Voltage activities including those from Areva Distribution. The sales of Energy grew **1.4%** like-for-like this quarter. This growth reflects the performance of the Medium Voltage activities transferred from Power, given that Areva Distribution is reported under scope impact for another five months this year. The performance was the result of a slight decline in products business, impacted primarily by the transformer activity and by a still sluggish utility market. The solution business was better oriented, thanks to the first signs of rebound with electro-intensive customers. By region, solid trends in Asia-Pacific and the Middle East were offset by continued difficulties in Spain and the situation in North Africa. Areva Distribution contributed sales of €372 million.

Industry (23% of Group sales) was up **21.9%** like-for-like over the same period last year, despite the higher comparison. All product lines continued to benefit from the well oriented global industrial demand. New offer launches, especially for the new economies, were also a boost to performance for the quarter. The solution business continued to be very strong, supported by robust demand from machine builders, higher capital investment for energy efficiency in some key markets, such as mining and water, and also stronger service activities. All regions reported solid growth. CST, which has been grouped under Industry from this year on, delivered similar level of growth compared to the whole business.

IT (13% of Group sales) had another strong quarter and posted organic growth of **11.1%**. The small systems gained momentum, reflecting steady rebound of demand for homes and business networks. The solutions business remained solid, supported by the delivery of complete data center projects and good services performance. By region, Rest of the World, boosted by Russia, reported the highest growth, followed by North America. Western Europe was in moderate rebound. Asia-Pacific was impacted negatively by Japan.

Buildings (7% of Group sales) confirmed its recovery and was up **11.2%** year-on-year. The product business clearly accelerated, driven by the gradual improvement of building automation products and impressive growth of video security products in new economies. Solutions continued to enjoy support from energy efficiency projects and robust service activity in North America and also projects won in the Middle East. All regions posted solid growth, except Western Europe, impacted by a still difficult Spanish market.

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Organic growth by geography

Western Europe (35% of Group sales) was up **6%** like-for-like in the first quarter. Italy, France and Germany led the growth, aided by the solid performance of Industry and by projects in the field of renewable energies. Conditions in Spain remained difficult and sales suffered significantly.

Asia-Pacific (25% of Group sales) posted another strong quarter, with an organic increase of **18%**. Performance was strong for China, India, South-East Asia and the Pacific but Japan was stable after absorbing the initial impact of the earthquake.

North America (23% of Group sales) clearly improved and was up **+15%** year-on-year. In contrast with 2010 trends, most businesses contributed to growth, including the IT and Industry businesses but also Power and Buildings.

Rest of World (17% of Group sales) grew **10%** year-on-year. Middle East, South America and Russia drove the performance, but Africa was in decline.

New economies as a whole generated **17%** of organic growth in the first quarter and represented **37%** of reported sales (34% of Group sales in Q1 2010). Mature countries grew **9%**.

€ million	**Q1 2011 sales**	**Organic growth**	**Reported growth**
Western Europe	1,708	+6%	+22%
Asia-Pacific	1,235	+18%	+39%
North America	1,163	+15%	+20%
Rest of the World	838	+10%	+30%
Total	**4,944**	**+11.8%**	**+26.5%**

Consolidation and foreign exchange impacts

Acquisitions contributed €435 million or +11.1%. This includes mainly Areva Distribution for €372 million, but also SCADAgroup and Cimac (in the Industry business), Uniflair (in the IT business) and several small entities among which Zicom, Vizelia and D5X (all three in the Buildings business).

Impact of foreign exchange fluctuations was positive at €125 million, primarily the result of the variations of the Chinese yuan, Australian dollar, US dollar and Swiss franc against the euro over the period.

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Outlook

The Group confirms its full year organic growth target of 6% to 9% and its full year EBITA margin target of 15.0% to 15.5% of sales.

This reflects unchanged strong underlying trends for Industry and IT which however face tougher year-on-year comparison. Power is expected to show more improvement while Energy should continue its slow recovery. Improving mature markets, energy efficiency and services should remain a support for Buildings.

Supply chain disruption created by the Japan earthquake could potentially impact the sourcing of certain components, even though the Group expects no material effect on sales in the short term. Intensive mitigation efforts are deployed, including stock accumulation and alternative sourcing strategy to limit the impact in the second half. Political uncertainties in North Africa are having some negative impact which, given the Group's exposure, should remain limited. Our guidance includes our current assessment of these risks.

On costs, the raw material inflation is expected to increase, at about €350 million for the full year. The Group is accelerating its price actions to largely offset this effect and now targets price increases above the initial ~1% level. In addition, the Group aims to deliver strong industrial productivity of at least €400 million of savings and drive operating efficiency by reducing the support function costs to sales ratio.

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The Q1 2011 sales presentation is available at www.schneider-electric.com

2011 half year results and second quarter sales will be released on July 29, 2011.

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Appendix
Pro-forma quarterly sales figures of 2010 presented under 2011 organisation

Quarterly sales by business in 2010

€ million	Sales Q1 2010	Sales Q2 2010	Sales Q3 2010	Sales Q4 2010	Sales full-year 2010	Sales full-year 2010 proforma[1]
Power	1,674	1,980	2,053	2,048	7,755	7,755
Energy	516	610	1,252	1,315	3,693	4,341
Industry	854	1,028	1,054	1,048	3,984	3,984
IT	563	692	724	767	2,746	2,746
Buildings	303	351	363	385	1,402	1,402
Total	**3,910**	**4,661**	**5,446**	**5,563**	**19,580**	**20,228**

The adjusted figures for 2010 reflect the following changes in the Schneider Electric organization: 1/ the transfer of medium voltage activities (including Areva Distribution) from Power to the newly created Energy business 2/ the inclusion of the CST business in the Industry business given their similar end-market exposure and profitability 3/ the transfer from Power to IT of a small unit (that generated 2010 sales of €100 million).

Reconciliation of 2010 sales by business

€ million	Sales 2010 reported	1/ Creation of Energy	2/ Transfer of CST	3/ Transfer of a small unit to IT	Sales 2010 under 2011 organisation
Power	10,318	(2,463)	-	(100)	7,755
Energy	-	3,693	-	-	3,693
Industry	3,551	-	433	-	3,984
IT	2,646	-	-	100	2,746
Buildings	1,402	-	-	-	1,402
CST	433	-	(433)	-	-
Areva Distribution	1,230	(1,230)	-	-	-
Total	**19,580**	**-**	**-**	**-**	**19,580**

[1] *Proforma including Areva Distribution on a 12-month basis*

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