
Financial information

Schneider Electric forges a distribution partnership with NVC Lighting to expand coverage in China and boost its LifeSpace business

Rueil-Malmaison (France), July 21, 2011 – Schneider Electric announced today that it has entered into a partnership with NVC Lighting Holding Limited (“NVC Lighting”) to speed up its market penetration in smaller cities in China via NVC Lighting’s well established diffused channels.

The number of homes, small offices and buildings in smaller Chinese cities and townships is rising continuously and presents a huge potential market for Schneider Electric’s LifeSpace* business.

The partnership with NVC Lighting, which will accelerate the market penetration roadmap of Schneider Electric in those cities, is materialized by:

- a mutually beneficial distribution agreement to sell LifeSpace products throughout NVC Lighting’s vast distribution network,
- the acquisition of 9.2% of NVC Lighting’s capital,
- the acquisition of some of the assets of Chongqing Enlin Electric Co. Ltd. that manufactures NVC brand wiring devices and low voltage products under licensing agreement, representing approximately ~EUR16m of sales and about 700 employees.

The partnership will give Schneider Electric an exclusive access to diffused channels and bring forth strong revenue synergies. NVC Lighting has a solid presence in China with broad diffused channels and extensive retail management experience. It has the access to over 3,000 retail outlets, half of which are located in smaller cities and townships. This distribution channel is well suited for the Group’s LifeSpace products and is complementary to the already wide Schneider Electric network for other low voltage products.

Eric Rondolat, Executive Vice-President of Schneider Electric’s Power Asia Pacific, commented: *“It is estimated that in China as many as 120 million people will migrate to cities in the next five years. Our LifeSpace offering is particularly attractive for these customers and a partnership with NVC Lighting will be a fantastic opportunity to make it widely available throughout their diffused network. We’re also confident that the collaboration with NVC Lighting will be a successful and mutually beneficial experience for both companies.”*

The acquisition of the assets of Chongqing Enlin Electric Co. Ltd. is subject to regulatory approvals.

* LifeSpace activity includes wiring devices, control devices and systems and VDI (Voice, Data and Image) systems

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 centers/networks, as well as a broad presence in residential applications. Focused on making energy safe, reliable, and efficient, the company’s 110,000 plus employees achieved sales of 20 billion euros in 2010, through an active commitment to help individuals and organizations “Make the most of their energy”.

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