Financial Information

Sales reached €5.4 billion in Q1 2012, up 9.4%
Organic growth of +0.4%

- **Solid quarter in North America and Rest of the World**
- **Contrasting trends in Asia-Pacific and Western Europe**
- **IT posted good growth, Industry faced high comparisons and mix issue**
- **Solutions, up 8%, were the key growth driver in the quarter**
- **Strong sales contribution from acquisitions and on track integration**

Rueil-Malmaison (France), April 20, 2012 – Schneider Electric today reported first-quarter sales of **€5,411 million**, up **9.4%** on a current structure and exchange rate basis. Like-for-like sales were slightly up at **0.4%.**

The breakdown of sales by business was as follows:

€ million	**Q1 2012 sales**	**Organic growth**	**Changes in scope of consolidation**	**Currency effect**	**Reported growth**
Power	2,014	+1.7%	+1.1%	+2.8%	+5.6%
Infrastructure	1,087	+2.4%	+16.3%	+1.0%	+19.7%
Industry	1,077	-6.8%	+1.9%	+2.3%	-2.6%
IT	836	+6.5%	+16.0%	+3.7%	+26.2%
Buildings	397	-0.9%	+7.9%	+3.3%	+10.3%
Total	**5,411**	**+0.4%**	**+6.5%**	**+2.5%**	**+9.4%**

Jean-Pascal Tricoire, President and CEO, commented: *"Our organic sales were slightly up in the first quarter marked by contrasting trends in different businesses and regions. This illustrated once again the benefits of our balanced and diversified geographical exposure. Growing North America, Russia, South America and Africa were able to offset a softer Asia in transition and deteriorated economic conditions in Southern Europe. Nevertheless, we delivered a total growth of 9%, thanks to a strong contribution from acquisitions, in particular Telvent in efficient infrastructure and Luminous in power reliability. Solutions continued to drive the growth, as a result of growing customer demand for energy management solutions.*

For the remainder of 2012, visibility remains limited by the uncertainty surrounding the global economy. In this context and assuming no major change in economic conditions, the Group continues to expect flat to slightly positive organic growth for sales and an adjusted EBITA margin between 14% and 15%. Looking ahead, we are also focused on the execution of the Connect company program, in order to reinforce our offer and strategic positioning, and to deliver higher returns in line with our new through-cycle targets."

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Financial Information (p. 2)

Organic growth by business

Power (37% of Q1 sales) was up **1.7%** like-for-like compared to the same period in 2011. Products business growth was almost flat. Stronger construction and industrial markets in North America, South-East Asia and South America largely balanced the decline of those markets in certain Asian countries impacted by last year's monetary tightening and in Southern Europe. Solutions business was in strong progression, helped by continued investment in infrastructure, oil & gas, mining and data centers. By region, North America and Rest of the World delivered solid growth, while Asia-Pacific was about stable and Western Europe declined.

Infrastructure[1] (20% of Q1 sales) grew **2.4%** organically, supported by good growth in the solutions business which saw continued demand from mining and oil & gas projects and strong installed base services. Network protection solutions benefited from favorable basis of comparison. Products declined slightly, mainly due to primary medium voltage components, while secondary medium voltage products continued to grow. By region, North America and Asia-Pacific, driven by Australia and South East Asia, posted a strong quarter. Rest of the World was affected by softness in South America and Middle East, despite growth in Eastern Europe. Western Europe was in decline due to Spain and Italy.

Industry (20% of Q1 sales) declined **6.8%** like-for-like. Products business was down across the board partly due to very demanding basis of comparison and partly due to the weak OEM demand in key countries, particularly for motion control and drives. Solutions business reported moderate growth, benefiting from investments in the mining, water and food & beverage segments, as well as continued success of SoMachine solutions for machine builders. By region, North America posted positive growth and Rest of the World was about flat while Asia-Pacific, with the exception of South East Asia, dropped significantly. Western Europe was in decline in all major countries.

IT (16% of Q1 sales) posted the highest growth of the quarter, with sales up **6.5%** on an organic basis. Solutions business grew double-digit on the back of strong demand for complete datacenter solutions, resulting from rising complexity induced by development of collocation, virtualization and cloud computing. Services showed moderate growth, with positive developments for both installed base and advanced services. Products business was flat due to decline in mature countries despite good growth in many new economies. All regions showed positive growth, except for Western Europe due to its sluggish economy.

Buildings (7% of Q1 sales) was down **0.9%** like-for-like. Both products and solutions businesses were in slight decline. Solutions business was impacted by spending cuts in key segments in Europe (public buildings in particular) and a demanding comparison despite solid growth in installed base services. Products business decreased due to weaker demand for video security products while building management products grew. By region, North America showed modest growth, Western Europe was flat, Asia-Pacific and Rest of the World were down.

Solutions business reported organic sales of **8%** in the quarter and represented **38%** of sales. Products business posted weaker sales with an organic decline of 3%.

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[1] *The 'Energy' business has been renamed 'Infrastructure' following the integration of Telvent*

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Financial Information (p. 3)

Organic growth by geography

€ million	Q1 2012 sales	Organic growth	Reported growth
Western Europe	1,691	-5%	-1%
Asia-Pacific	1,390	-2%	+13%
North America	1,411	+8%	+21%
Rest of the World	919	+5%	+10%
Total	**5,411**	**+0.4%**	**+9.4%**

Western Europe (31% of Group Q1 sales) dropped **5%** year-on-year in the first quarter. As expected, this was largely attributable to Spain and Italy that were still significantly impacted by the debt crisis. France declined slightly. Growth in Germany and the Nordics, driven by better end markets for construction and infrastructure, could not offset the unfavorable trends in Southern Europe.

Asia Pacific (26% of Group Q1 sales) was down **2%**. Australia and India were stable and the good growth in South-East Asia was offset by mid single-digit decline in China and double-digit decline in Japan. Overall, construction and industry markets were down this quarter in the region, while data centers, utilities and infrastructure segments were in better momentum.

North America (26% of Group Q1 sales) reported a strong quarter, up **8%** thanks to broad based growth in all countries. Most of the end markets performed well with key drivers being data centers and infrastructure segments. Construction market also showed positive signs.

Rest of the World (17% of Group Q1 sales) grew **5%** like-for-like. Solid double-digit growth in Russia on the back of favorable trends in oil & gas and demand for power reliability, was partially offset by the decline in the Middle East, particularly due to the slowdown of the construction markets in the Gulf. Africa, South America and Central Europe were up moderately.

Sales in new economies were up **1.5%** like-for-like and represented **38%** of total reported sales in the first quarter.

Consolidation and foreign exchange impacts

Net acquisitions contributed €323 million or +6.5%. This includes mainly Telvent (in Infrastructure business), Luminous and Lee Technologies (in IT business), Leader & Harvest (in Industry business), Steck (in Power business) and several smaller entities including Summit Energy.

The impact of foreign exchange fluctuations was positive at €126 million, primarily the result of the variations of the US dollar, Australian dollar and Chinese yuan against the euro over the period.

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Financial Information (p. 4)

2012 Outlook

The Group believes that the uncertainty surrounding the global economy continues to limit visibility.

In this context and assuming no major change in economic conditions, the Group continues to expect flat to slightly positive organic growth for sales and an adjusted EBITA margin between 14% and 15%.

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The Q1 2012 sales presentation is available at www.schneider-electric.com.

2012 half year results and second quarter sales will be released on August 1, 2012.

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 130,000 plus employees achieved sales of 22.4 billion euros in 2011, through an active commitment to help individuals and organizations "Make the most of their energy."

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Financial Information (p. 5)

Appendix – Consolidation impact on sales and EBITA

In number of months	2011 Q1	Q2	Q3	Q4	2012 Q1	Q2	Q3	Q4
Lee Technologies IT business 2010 sales $140 million		3m	3m	3m	3m			
Summit Energy Buildings business 2011e sales $65 million		3m	3m	3m	3m			
Digilink Power business 2010 sales c. €25 million			4m	3m	3m	3m	-1m	
APW President IT business FY 31/10/10 sales €18 million			4m	3m	3m	3m	-1m	
Luminous IT business FY 31/3/11 sales c€170 million			4m	3m	3m	3m	-1m	
Steck Group Power business 2011e sales €80 million			2m	3m	3m	3m	1m	
Telvent Energy business 2010 sales €753 million			1m	3m	3m	3m	2m	
Leader & Harvest Industry business 2011e sales $150 million				3m	3m	3m	3m	
9.2% of NVC Lighting			EM	EM	EM	EM	EM	EM

EM: Accounted for with the equity method (in profit/loss of associates)

Appendix – Internal reclassification

Due to a change in responsibility, a small activity with annual sales of €64m consolidated in Power services in 2011 has been transferred to other Group businesses starting from 2012, with the largest part in Buildings. This decision is impacting the change in scope of consolidation at divisional level.

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