Financial Information

Q1 2013 revenues of €5.2 billion
Full year guidance confirmed

- **Asia-Pacific improved sequentially with China turning positive**
- **Market conditions remained difficult in Western Europe**
- **Mixed picture in North America with positive underlying trend, but performance penalized by one-offs and high comparable base**
- **Group organic sales down 2.7% mainly due to fewer working days**
- **New economies organic growth 8 points above mature countries**
- **Services up 3% organically, outperforming rest of Group by 7 points**

Rueil-Malmaison (France), April 23, 2013 - Schneider Electric reported today first-quarter revenues of **€5,211 million**, down **3.7%** year-on-year on current structure and exchange rate basis. Organic revenues were down **2.7%**, of which fewer working days accounted for about **1.6%** of decline.

The breakdown of revenues by business segment was as follows:

€ million	Q1 2013				
	Revenues	**Organic growth**	**Changes in scope of consolidation**	**Currency effect**	**Reported growth**
Partner	1,930	-3.3%	+0.3%	-1.2%	-4.2%
Infrastructure	1,110	+1.0%	+2.1%	-1.0%	+2.1%
Industry	1,011	-3.6%	-0.9%	-1.6%	-6.1%
IT	793	-2.4%	-0.5%	-2.2%	-5.1%
Buildings	367	-8.1%	+1.2%	-0.7%	-7.6%
Group	**5,211**	**-2.7%**	**+0.3%**	**-1.3%**	**-3.7%**

Jean-Pascal Tricoire, President and CEO, commented: *"We achieved €5.2 billion revenues in Q1 2013. Improvement in China supported return to growth in Asia Pacific and other new economies continued to grow. We saw a positive underlying trend in North America in some of our end markets though our performance was negatively impacted by one-offs and high comparables. Western Europe remained difficult.*

While the visibility remains limited, the trends are in line with our expectation at beginning of the year and we therefore confirm our full year 2013 guidance.

Moving forward, we will remain focused on executing our "Connect" program initiatives around growth, efficiency and cash generation to ensure delivery of results."

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Organic growth analysis by business segment

Partner (37% of Q1 revenues) was down **3.3%** like-for-like, reflecting the decline in both products and solutions. The product business saw a mixed picture with improvement in China offset by the still sluggish economy in Europe and slow construction market in Australia. The US observed a material recovery in the residential market but was weighed down by one-offs and high comparables. The solution business was impacted by high comparables last year and the decline of solar business mainly in Europe. However underlying order trends for Partner business were resilient and indicated stability.

Infrastructure (21% of Q1 revenues) was up **1.0%** like-for-like. Product business was flat with mixed underlying dynamics as it grew in the Middle East, driven by investment in utilities, while Western Europe continued to weigh down on the performance. The solutions business was up driven by the good execution of projects in electrical infrastructure in Russia and the US as well as in natural resource based industries in South East Asia and Australia. Growth of installed base services across the board was a support.

Industry (20% of Q1 revenue) declined **3.6%** like-for-like as the growing solution business could not offset the weakness of products. Solutions performance was driven by the continued strong demand for our OEM solutions with the success of SoMachine. Services were also strong in most of the regions. This compensated a soft quarter for end-user solutions, mainly impacted by reduced investments in mining in Australia and water in the UK. Products remained negative reflecting the manufacturing contraction in Western Europe and softness in North America. The first quarter was impacted by one-offs; however, the underlying order trend for the Industry business confirms stabilisation.

IT (15% of Q1 revenues) declined **2.4%** like-for-like, weighed down by Solutions. Product business continued to grow, supported by the success of Luminous and sustained demand for critical power products in South East Asia and Russia, partly offset by weaker demand in the US, which had a high basis of comparison in first quarter 2012. Solution business was mainly impacted by project delays in North America and postponed investments in data center in China. This could not be offset by the good execution of data center solutions in the UK, Ireland and Russia. Services were strong in South East Asia and resilient in North America.

Buildings (7% of Q1 revenues) was down **8.1%** organically. Solutions business was in decline as good performance of security systems and installed base services was weighed down by spending delays in the US and lower public investments in the Nordics and the UK, particularly affecting building management systems and advanced energy management services. Products business decreased due to the weak demand in mature countries.

Solutions business was down organically at **-3%** in the first quarter and represented **38%** of revenues.

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Organic growth analysis by geography

€ million	Q1 2013		
	Revenues	Organic growth	Reported growth
Western Europe	1,590	-7%	-6%
Asia-Pacific	1,395	+2%	0%
North America	1,331	-5%	-6%
Rest of the World	895	+1%	-3%
Group	**5,211**	**-2.7%**	**-3.7%**

Western Europe (30% of Q1 revenues) dropped **7%** year-on-year in the first quarter. The UK continued to post positive growth but Southern Europe declined double-digit reflecting continued economic weakness in Spain, Italy and France. Nordic countries turned negative in this quarter mainly due to slowdown in the economy. Germany was negative due to cautious utility spending and industries penalized by weak export markets.

Asia-Pacific (27% of Q1 revenues) was up **2%** like-for-like. The trend was positive for most of the region. China turned slightly positive in this quarter helped by construction market. South East Asia continued to grow, reflecting investment in real estate, mining and oil & gas. India posted good growth driven by strong demand in power reliability. Australia was down as the good execution of projects in infrastructure and oil & gas was weighed down due to sluggish construction market.

North America (26% of Q1 revenues) was down **5%** like-for-like. This decrease does not reflect the underlying trend which was slightly positive. The first quarter revenues were negatively impacted by fewer working days and high comparables. The recovery in residential construction was confirmed and the region continued to benefit from investments in oil & gas and mining. The revenues were weighed down by lower IT spending and reduced government investments in buildings.

Rest of the World (17% of Q1 revenues) reported **1%** growth. CIS, comprising Russia, Kazakhstan, Ukraine, continued to post double-digit growth on the back of investment in infrastructure and mid market offer ramp up. Africa renewed with growth and South America was positive. Middle East and Central Europe declined.

Revenues in new economies were up **2%** organically and represented **39%** of total first quarter 2013 revenues, up **1 point** compared to same period previous year.

Consolidation[1] and foreign exchange impacts

Net acquisitions contributed **€18 million** or **+0.3%**. This includes mainly M&C Energy (Buildings) and several minor acquisitions and disposals in other businesses.

[1] *Changes in scope of consolidation also include some minor reclassifications of offers among different businesses.*

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The impact of foreign exchange fluctuations was negative at **€74million**, primarily the result of the depreciation of the Brazilian real, Indian rupee, Japanese yen and US dollar, against the euro over the period.

2013 Outlook

While the visibility remains limited, the development of business in the first quarter was consistent with our expectations, with the confirmation of an improvement in China, overall strength in the new economies, significant challenges in Western Europe and slightly positive underlying trends in North America.

Based on these trends the Group confirms its targets of a low-single digit organic growth in revenues and of a stable to slightly up adjusted EBITA margin for the year 2013.

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The Q1 2013 revenues presentation is available at www.schneider-electric.com.

2013 half year results and second quarter revenues will be released on July 31, 2013.

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Appendix – Consolidation impact on revenues and EBITA

In number of months	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Lee Technologies IT business 2010 revenues $140 million	3m							
Summit Energy Buildings business 2011e revenues $65 million	3m							
Digilink Power business 2010 revenues c. €25 million	3m	3m	-1m					
APW President IT business FY 31/10/10 revenues €18 million	3m	3m	-1m					
Luminous IT business FY 31/3/11 revenues c. €170 million	3m	3m	-1m					
Steck Group Power business 2011e revenues €80 million	3m	3m	1m					
Telvent Infrastructure business 2010 revenues €753 million	3m	3m	2m					
Leader & Harvest Industry business 2011e revenues $150 million	3m	3m	3m					
M&C Energy Buildings business FY 30/6/12e revenues £35 million			3m	3m	3m	3m		
Electroshield TM Samara Infrastructure business Average annual revenues of more than RUB 20 billion since acquisition of 50% stake in 2010						3m	3m	3m

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