

New acquisitions in *Industrial Control and Automation*

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Modicon

Square D

Telemecanique

Crouzet Automatismes

Automation components

Positec

Stepper motors and servo motors



Contents

- Schneider Electric's strategy in the Industry Market

- Crouzet Automatismes



- Positec



- Outlook and profitability target

Schneider Electric: The World's Power & Control Specialist grows in industrial control and automation

■ Annual sales

EUR 2.5 bn, or 29% of total sales, growing steadily over the past five years

■ Rising profitability

11.5% in 1999 versus 10% in 1998

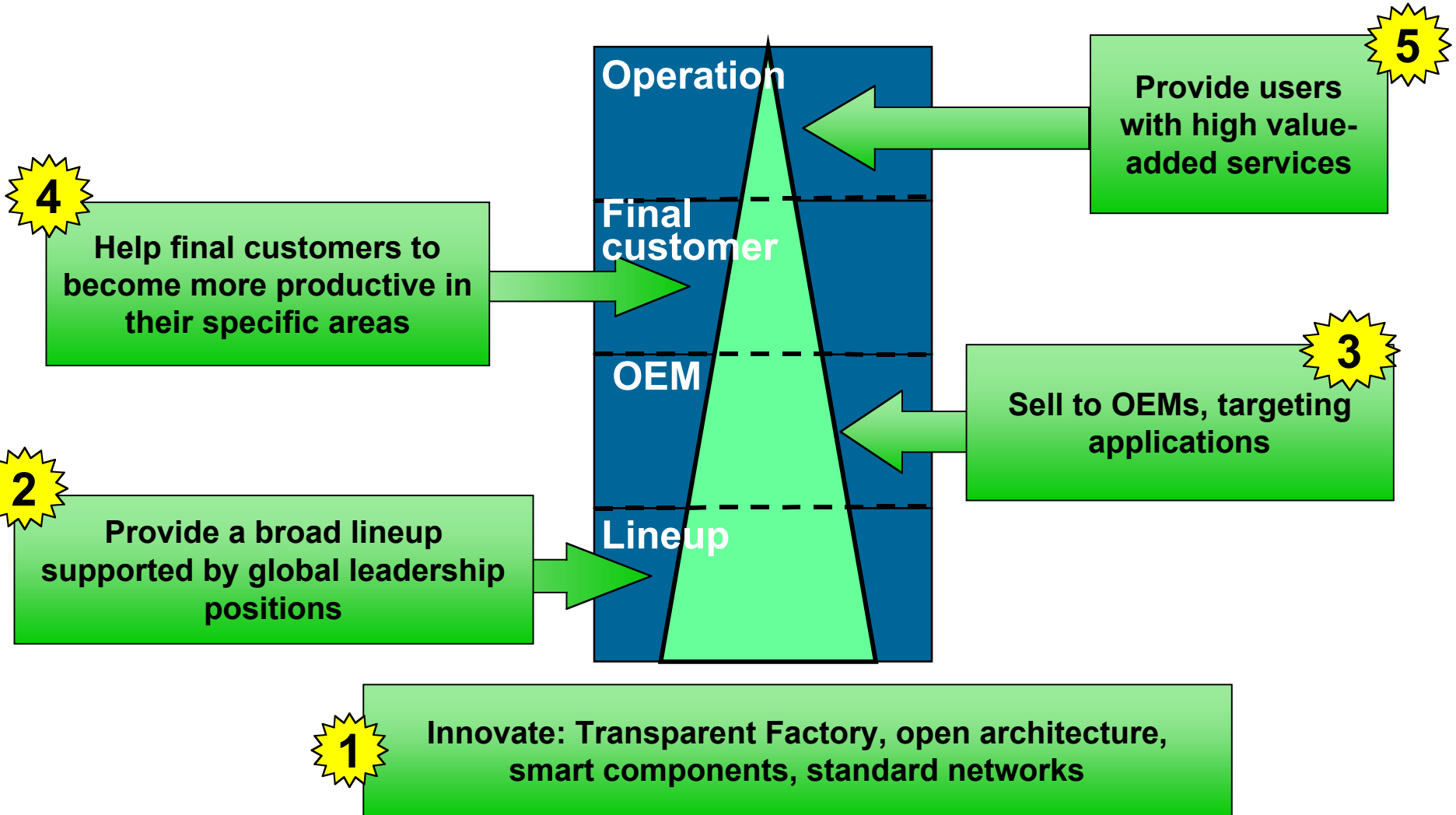
■ Growth challenge

- Fast moving sector due to rapid changes in technology
- Extensive solutions, expertise, range spread and services
- Major customers

Schneider Electric's strategy in the Industry Market is focused on discrete and batch manufacturing industries

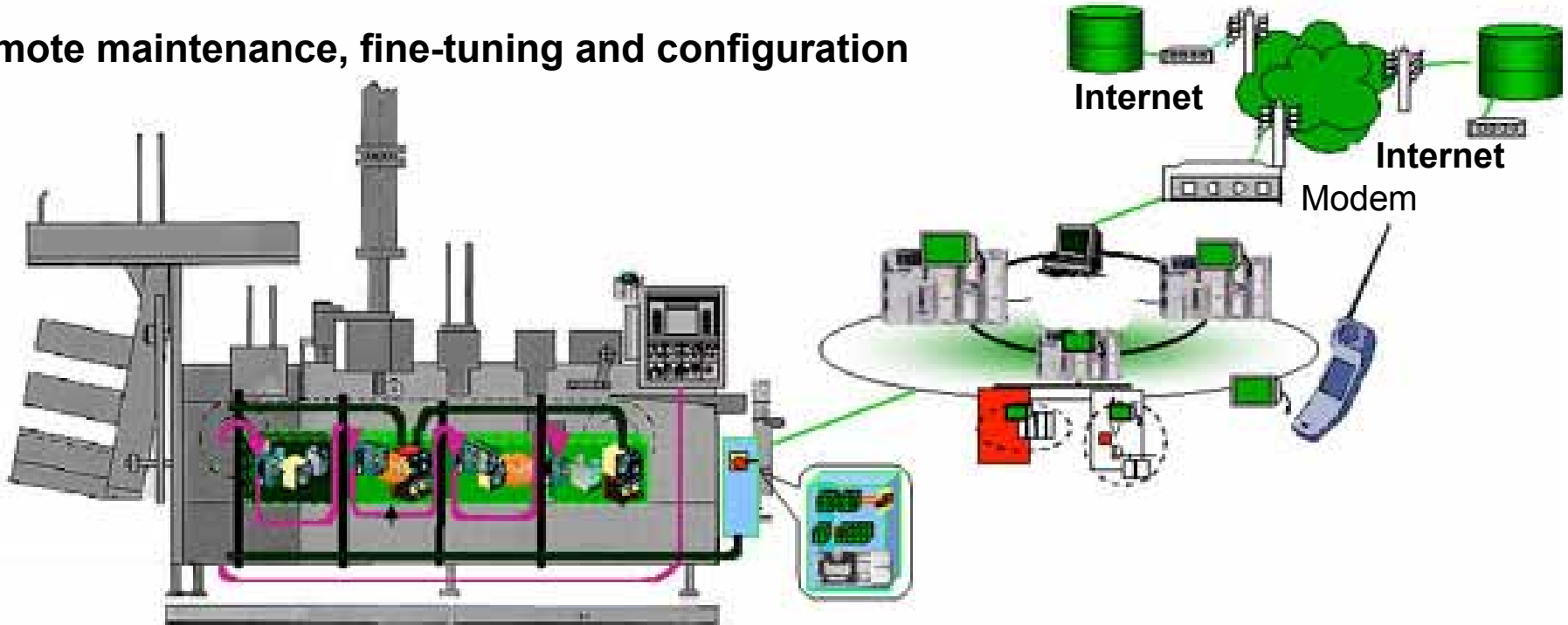
- **By 2010, discrete and batch manufacturing will represent more than 2/3 of the market.**
 - Growth: batch 7%, discrete 5%, continuous 2%
- **Machines are the basic component. They represent more than 50% of capital spending (depending on the sector)**
- **Final-customer productivity must be ensured by the integration of machines and processes**

A consistent market approach towards customers



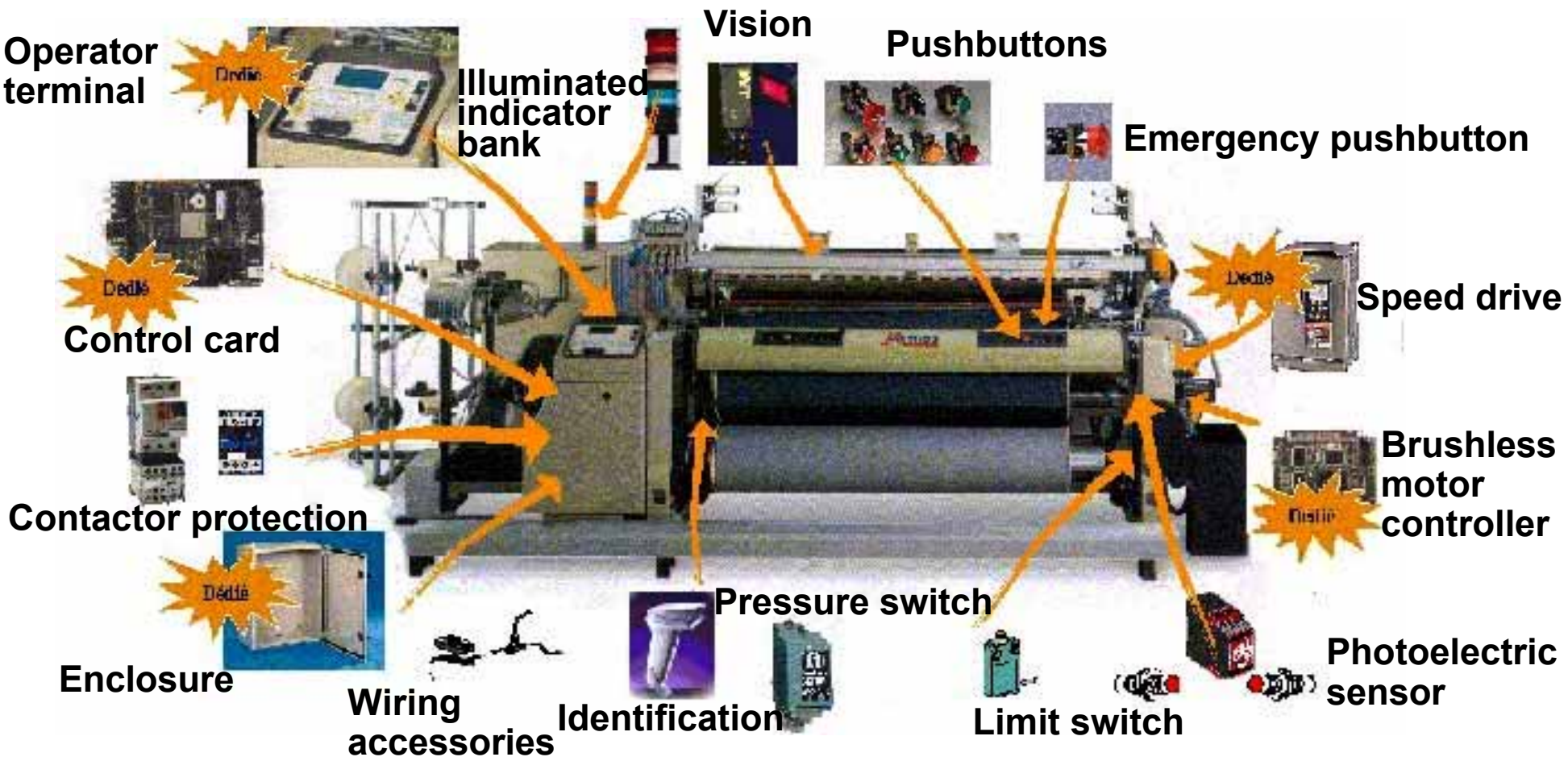
Transparent Factory enhances final-customer productivity by integrating the factory floor with ERP resources

Remote maintenance, fine-tuning and configuration



- Ethernet TCP IP is now a standard for automation devices
- Actuators are becoming smart components by gradually integrating processing capabilities
- Web servers are embedded in each PLC
- Web architecture: share data with easy, transparent access
- TF takes advantage of new developments in NICTs and related services

Provide a broad lineup of components for machines



Schneider Electric is a key partner to OEMs

■ What OEMs want

- Faster time to market
- Lower total cost of ownership
- Better machine performance
- Recurring revenues throughout a machine's useful life
- Global support

■ What SE offers

- A broad, innovative lineup for all automation functions, with remote maintenance capabilities
- A close relationship with design and engineering offices to help design machines and improve performance
- Global coverage

Schneider Electric's forces

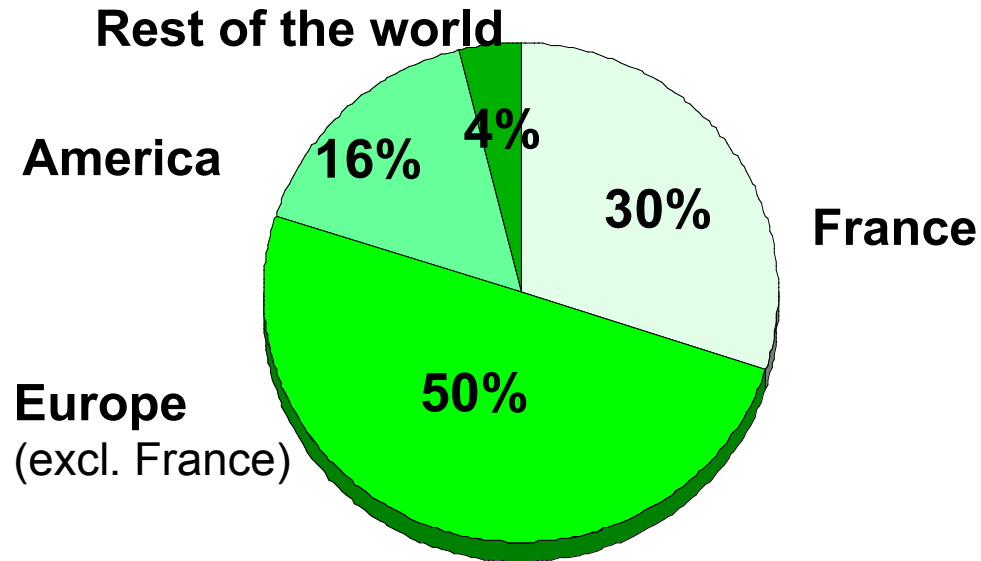
- **Focus on growth sectors**
- **Global leadership in key components**
- **Unique global coverage** for sales, logistics and services
- **A comprehensive, proven approach to Global Strategic Accounts**
- **An innovative lineup based on Transparent Factory, an open, decentralized architecture based on Internet technology**
- **A consistent Power and Control lineup designed to enhance our customers' overall productivity**



Multi-technology
Know-how

Crouzet-Automatismes' Profile

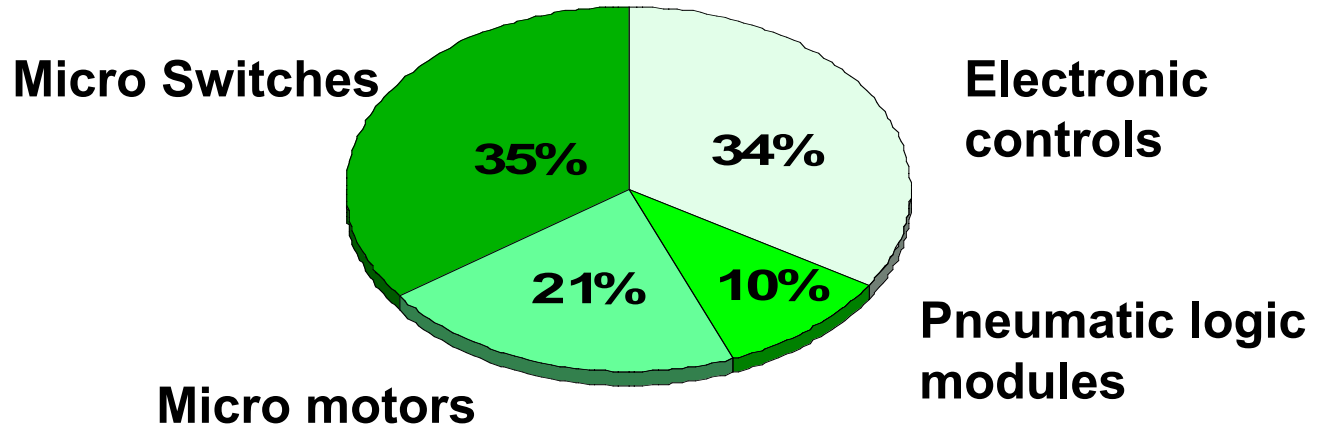
- 2000 est. sales: EUR 180 million
- Workforce: 1,860 employees (of which 1,110 in France)
- Significant international operations (in sales %)



- Marketing: 25% through distributors (2,000 points of sale), 75% through OEMs

Crouzet-Automatismes' Profile (cont.)

- Range mainly covers:



- Strong positions in timers (leader in Europe) and electronics relays (#3 in world)
- Customer base: More than 3,000 well known companies

Crouzet-Automatismes: a good strategic fit for Schneider Electric

- Strengthen positions in the Industry and Construction markets
- Provide a second brand to fill in the gaps in the current positions
- Provide access to the semi-professional series machine segment

Crouzet-Automatismes will broaden access to new markets

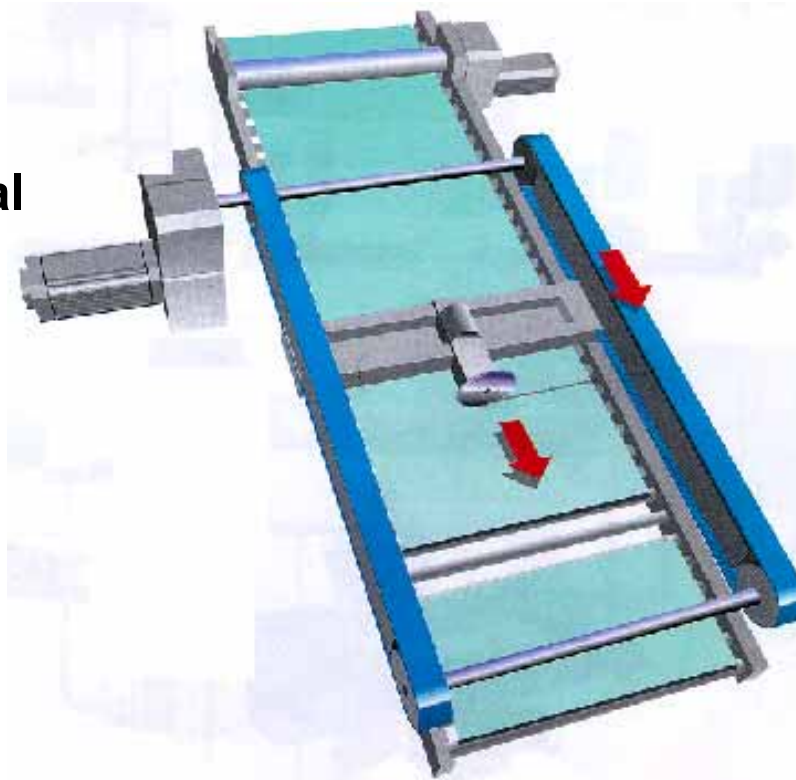
- **Enhance access in the food and beverage, automobile, environmental services, HVAC, lifting and handling industries**
- **Crouzet-Automatismes' position in on-board equipment, medical machines and home/office electronics will extend Schneider Electric's market scope**

SIG *positec*

"General Motion Control" the electromechanical unit that guarantees a machines' kinematic performance

Electromechanical unit:

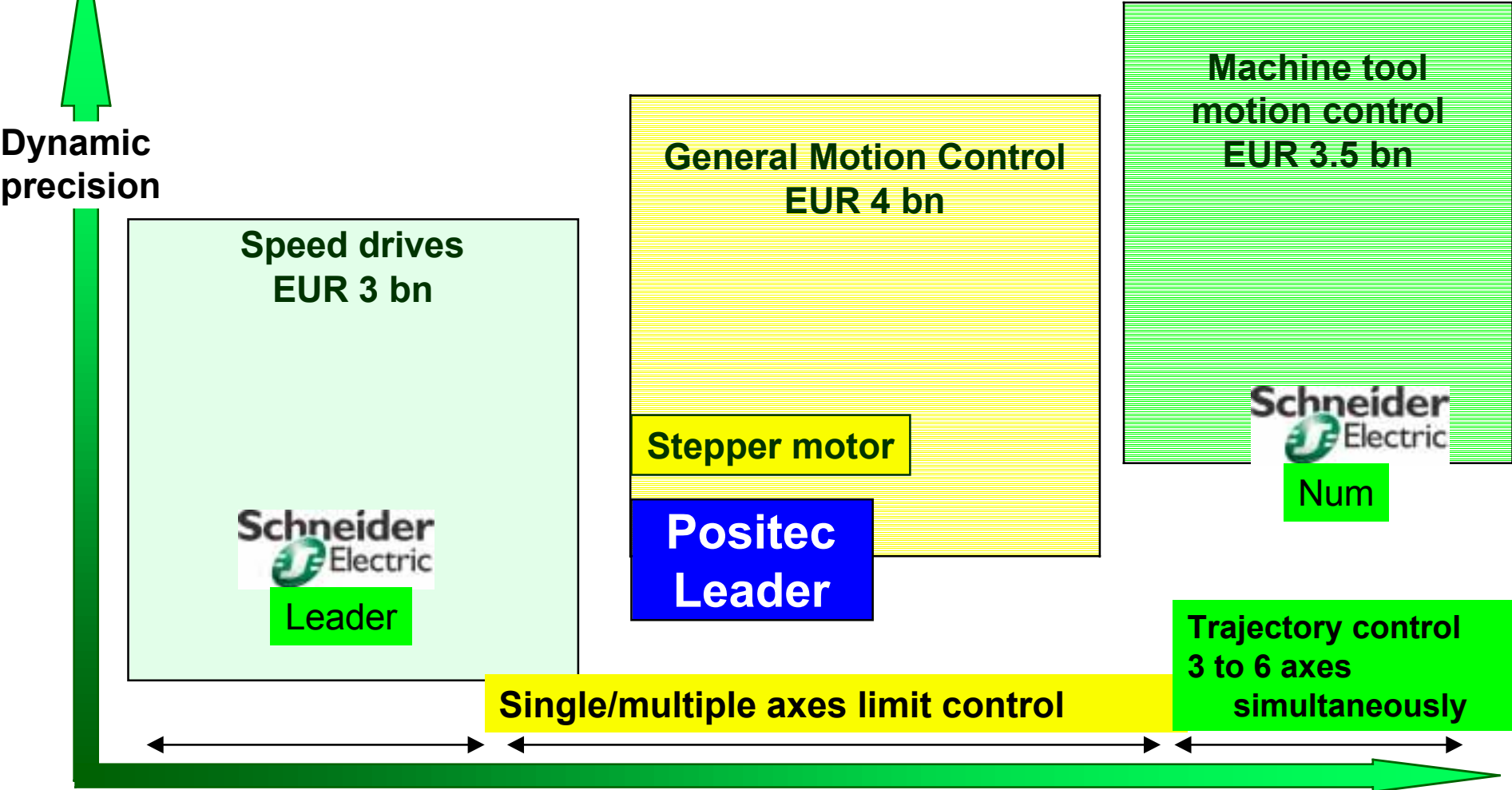
- Motor
- Speed drive
- Axe card



Machine's kinematics:
mechanical parts are guided and moved in one or several axes

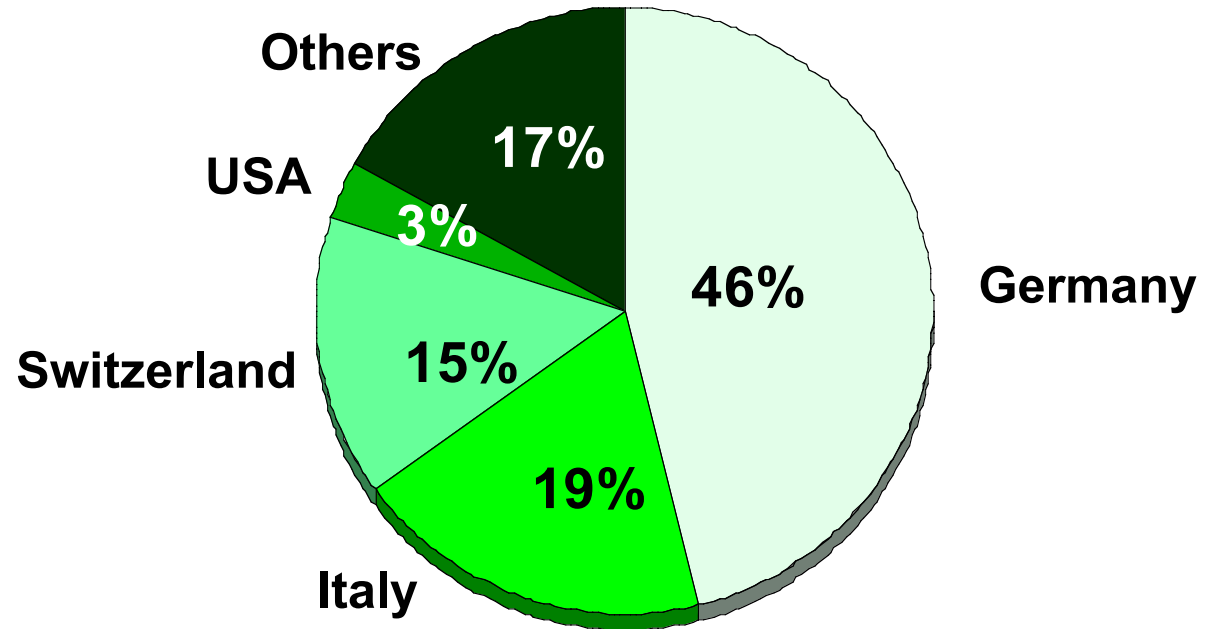
Performance: controlling the position and speed of a machine's axes

Schneider Electric's position in motion control after Positec acquisition



Positec's profile

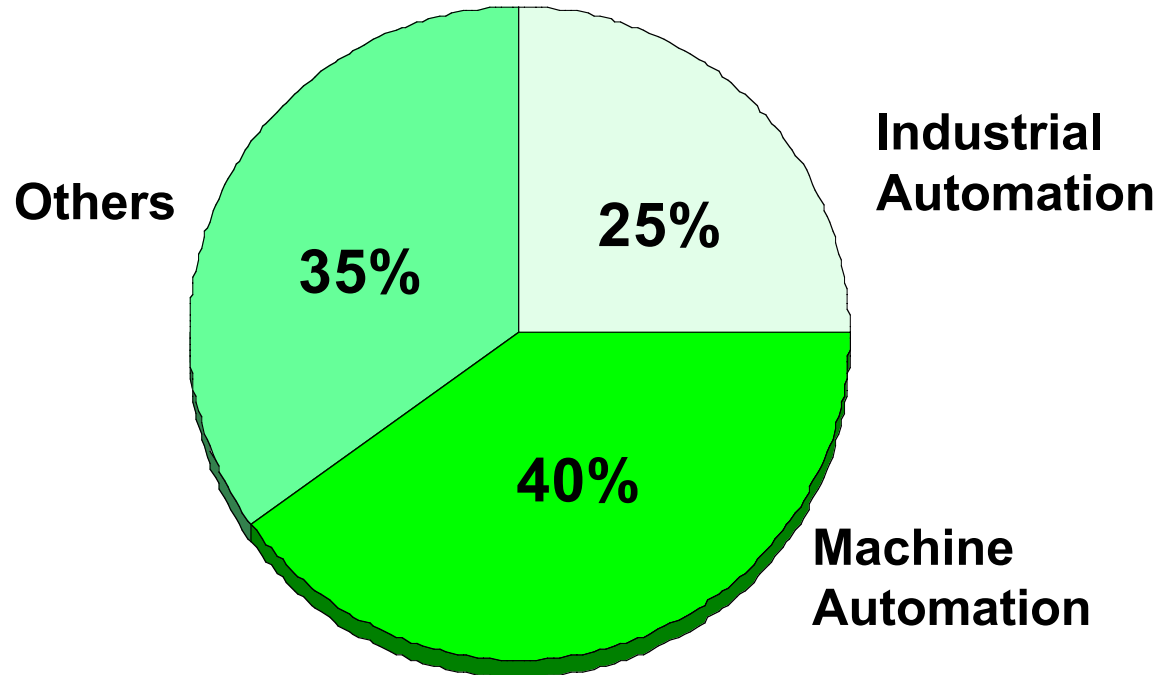
- **Business:** motion control, leader in stepper motors; new range of servo motors
- **2000 est. sales:** EUR 110 m, focused on Industry. Strong sales growth



- **800 employees, of which 600 in Germany**

Positec's profile

Breakdown of sales by businesses



- One manufacturing and R&D site in Germany (Lahr); 17 marketing subsidiaries, including one in the USA

Positec will enhance Schneider Electric lineup

- **A healthy company with real growth potential**
 - A benchmark in General Motion Control
 - With the ability to expand in its core business (stepper motors) and in servo motors
- **A technical and industrial growth platform...**
 - Considerable skills and production volume in motors
 - A very strong customer-oriented culture
 - Excellent flexibility and time to market
- **... which broadens Schneider Electric's offering in speed drives for OEMs and major customers**

Outlook and profitability target

Growth and profitability targets

<i>In EUR millions</i>		2000 (est.)	2003 (target) (including synergy)	
Sales	Crouzet	180	220	7%/year
	Positec	110	165	14%/year
	Operating margin			
	Crouzet	11%	13%	
	Positec	10%	12%	

Acquisitions to serve growth

- **After a successful reorganization of Automation business and the expansion in speed drives with Toshiba...**
- **...these acquisitions fit in with Schneider Electric's growth strategy**
 - "Push back our limits" by strengthening our geographic positions, penetrating new market segments and consolidating our presence in our core businesses
 - Position Schneider Electric as the "World's Power & Control Specialist"
- **They will help Schneider Electric to strengthen its global leadership position**

Appendices

Crouzet Automatismes: a strong player in small automation devices

■ Millenium: a micro PLC

- Simple, autonomous, high volume machines
- HVAC, building control



■ Electronics relays

- A worldclass player in electronic relays
- Strong growth market
- Quiet, energy savings, frequent use
- HVAC, heating control

■ Mecatronics: putting electronics in actuators

- Brushless motor: combines the motor and speed drive
- Pneumatic actuators



Positec: a European leader in motion control

- **European leader in stepper motors:**

precision positioning without heavy loads (labeling, textiles, automobile industry, printing, HVAC)



- **Brushless motors:**

packaging, automated handling

- **Linear robots (2 axes):**

Packaging, automated handling

