

# Annual Shareholders' Meeting

Paris

21 April 2008

**Schneider**  
 Electric

# Disclaimer

All forward-looking statements are Schneider Electric management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

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# Overview



# 2007: a key year of transformation

## Significant increase in earnings, acceleration in H2

- Record organic sales growth in 2007: 13.9%, far outperforming end-markets
- Strong contribution of new businesses and particularly energy efficiency
- Acceleration in pricing (+2.2%), more than offsetting raw material increases
- Rebalancing of production in emerging countries well on track
- High free cash flow generation: €1.5bn, up 38%

## Successful APC integration & turnaround with margin catching up Group level

# 2007 Key figures

€m	2007	Change
Sales	17,309	+26%
EBITDA	3,114	+24%
EBITA	2,562	+27%
Net income	1,583	+21%
EPS (€)	6.78	+14%
Dividend (€)	3.30	+10%
Free cash flow	1,530	+38%

# 2008: taking advantage of new profile

## **Organic sales guidance confirmed at +6% to +8%:**

- Solid order intake driven by emerging countries and energy efficiency
- Allocation of resources to fast growing markets and key verticals
- Conservative assumptions for H2 in mature countries

## **EBITA margin expected at 15%:**

- Benefits of rebalancing to low cost countries, neutral currency exposure
- Flexible and highly outsourced model
- Leaner and globalized structure

# Strategy & Business Update



# Schneider Electric is the global specialist in Energy Management

## We make energy...

Safer

More reliable

More efficient

More productive

## We offer...

Protection to people & assets

Ultra secured power for critical applications

Energy efficiency

- Open & integrated systems for optimised Capex and Opex
- Automation everywhere
- Connectivity everywhere
- Services at every phase of the lifecycle

**Help our customers make the most of their energy**

# With unique and leading positions

We make energy...

Safer

More reliable

More efficient

More productive

Thanks to leading positions in...

Power & Control

# **1**

Critical power & Cooling

# **1**

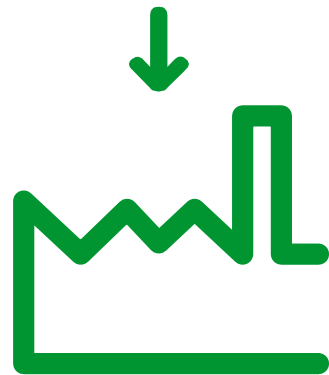
Energy Efficiency

# **1**

Automation Everywhere

Top **3**

# Schneider Electric addresses 72% of the world energy consumption



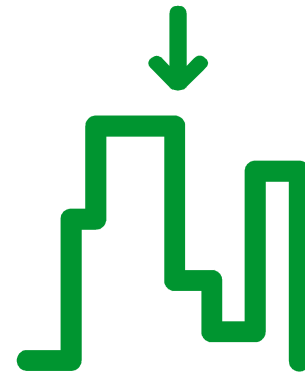
33%

Industry



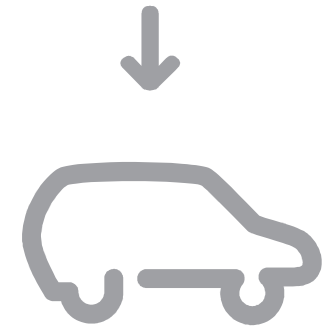
21%

Residential



18%

Building



28%

Transportation


- Main energy consumption is for heating, cooling, motors, lighting, electronics and appliances

# Up to 30% energy savings now everywhere

A €3.6 bn business, growing at 15%

### Industry & Infrastructure

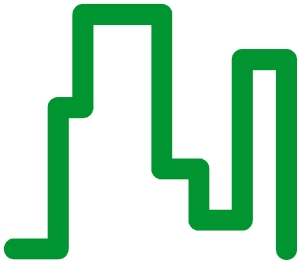
Average facility  
= 20% to 30% energy savings



Electric motor systems  
Power metering  
Energy management systems  
Automation solutions

### Buildings


Renovation  
= up to 30% energy savings



HVAC & climate control  
Lighting control  
Building management systems  
Power factor correction

### Residential

EE products  
= 10% to 40% energy savings



Lighting control  
Climate control  
Heating monitoring  
Shutter control

# Energy Efficiency: the 4 sustainability steps

## 1 Measure

- Energy meters
- Power quality meters

## 2 Use efficient devices

- Low consumption devices
- Power quality
- Power reliability

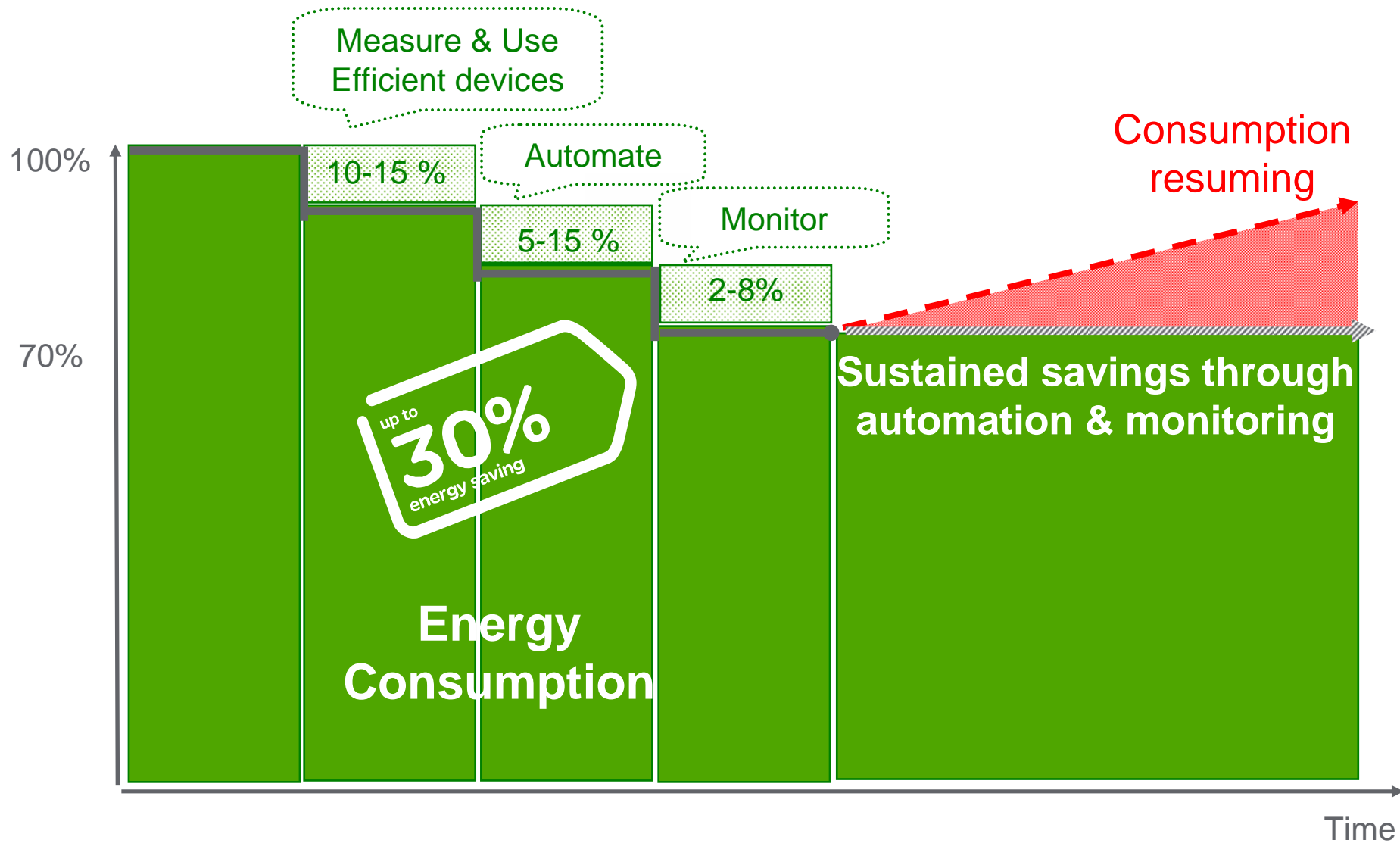
## 3 Automate

- Building Management Systems
- Lighting Control Systems
- Motor control systems
- Home control systems
- Variable speed drives

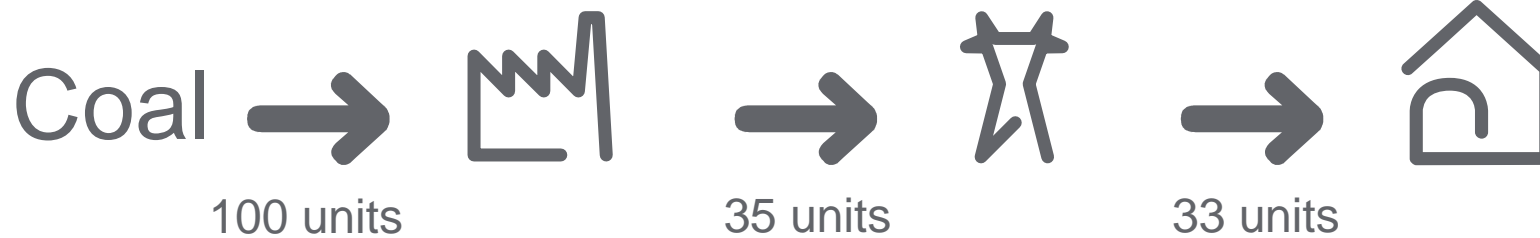
## 4 Monitor

- Energy management software
- Remote monitoring systems

# Each step contributes to the total savings

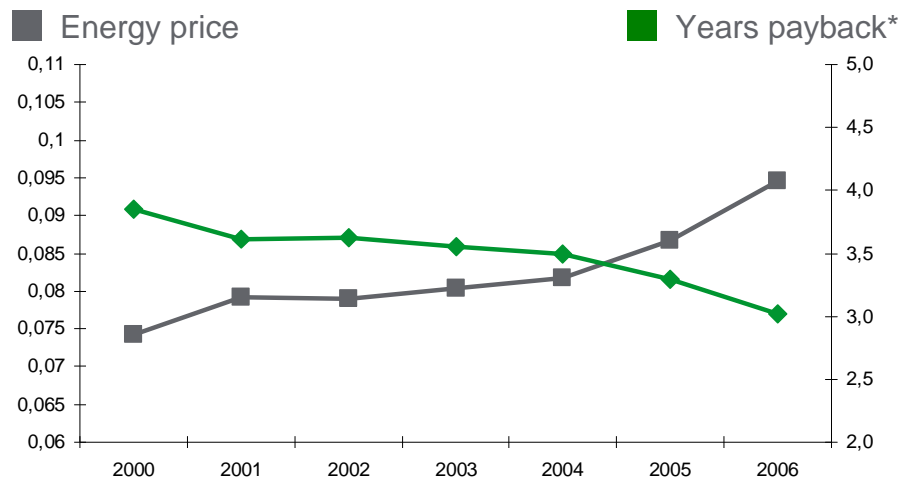


# Limitation of CO2 emissions = 50% cleaner energy generation + 50% energy savings



1 unit saved  
at home or office

3 units saved  
at the power plant



Payback time has decreased  
by 30% since 5 years  
due to higher energy prices

\* Example based on a US commercial building project

# Global legislation on energy efficiency changes consumer and business behavior

Reduction obligations, incentives, financing ...

## EU

EU Emission Trading Scheme  
**Energy Performance of Building Directive**  
Energy Using Product Directive  
End use of energy & energy services directive

## USA

**Energy Policy Act of 2005**  
Building Codes  
Energy Codes  
State Energy program  
Energy Conservation for Consumer Goods

## China

China Energy Conservation Law  
China Architecture law (EE in Buildings)  
China Renewable Energy Law  
**Top 1000 Industrial Energy Conservation Program**

# Some examples of regulation in details

## Europe: Energy Performance of Building Directive

- 16 M homes per year must have an Energy Performance Diagnosis
- If (on average) 20% of diagnosed homes invest 1,000€ to improve energy performance

Schneider Electric  
accessible market

+ €3.2bn /year

## United States: Energy Policy Act of 2005

- Reduce energy consumption in federal facilities by 2% / year by 2015
- In 2003 US government spent \$ 4bn on energy for buildings in federal facilities and targets a 12 years payback

+ \$1bn /year

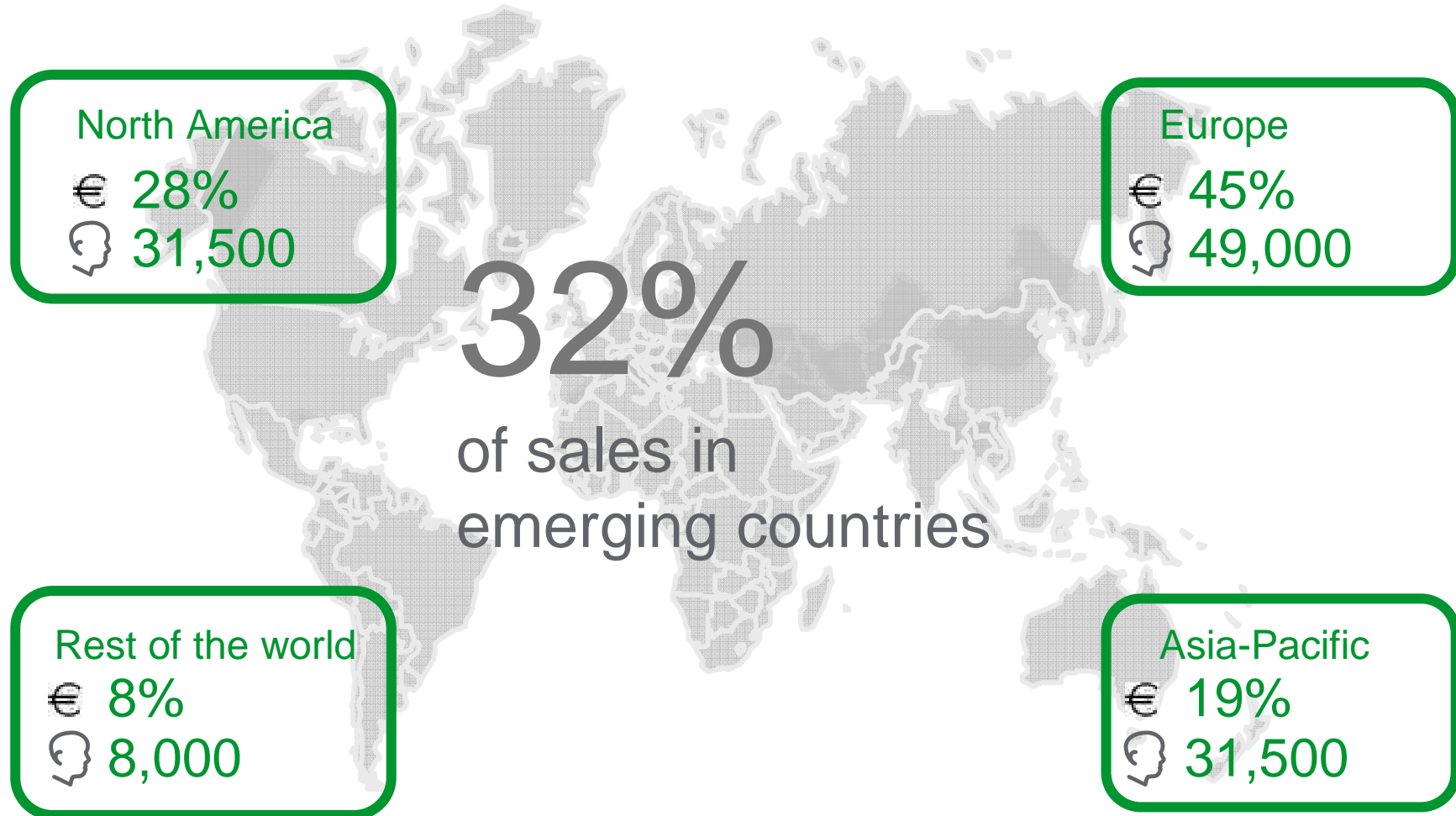
## China: Top 1000 Industrial Energy Conservation Program

- NDRC\* commits 20% saving over 5 years in energy in the 1,000 largest industrial consumers
- These industrial consumers invest € 3bn /year, of which 10% in energy efficiency solutions

+ €300 M /year

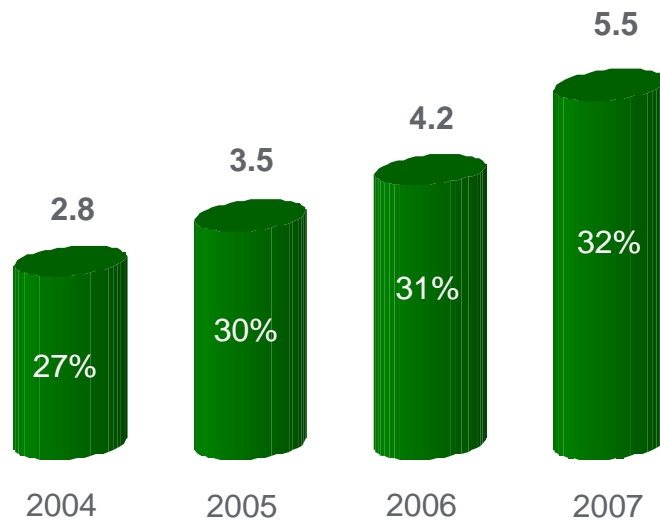
\* NRDC: National Development & Reform Commission

# A global geographical exposure and a very strong presence in emerging countries

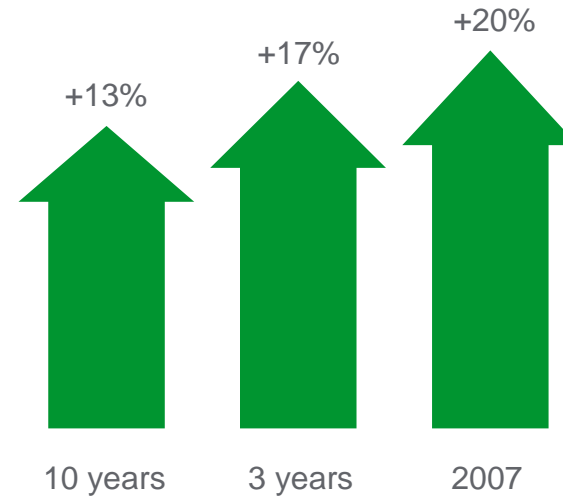


# Acceleration of growth in emerging countries

Emerging countries sales  
(€ bn and share in Group)



Emerging countries  
average organic growth



- Sales in emerging countries doubled over the past 3 years up to €5.5 bn
- Emerging countries grew in average by 13% annually over the past 10 years, with acceleration driven by infrastructures and natural resources

# Record organic sales growth in 2007

## Sales organic growth by region

2007	
Europe	+12.0%
North America	+13.1%
Asia-Pacific	+16.0%
Rest of the World	+23.3%
<b>Group</b>	<b>+13.9%</b>
<i>Emerging countries*</i>	<i>+20%</i>

\* Emerging countries: Eastern Europe + Asia-Pacific + Rest of the World

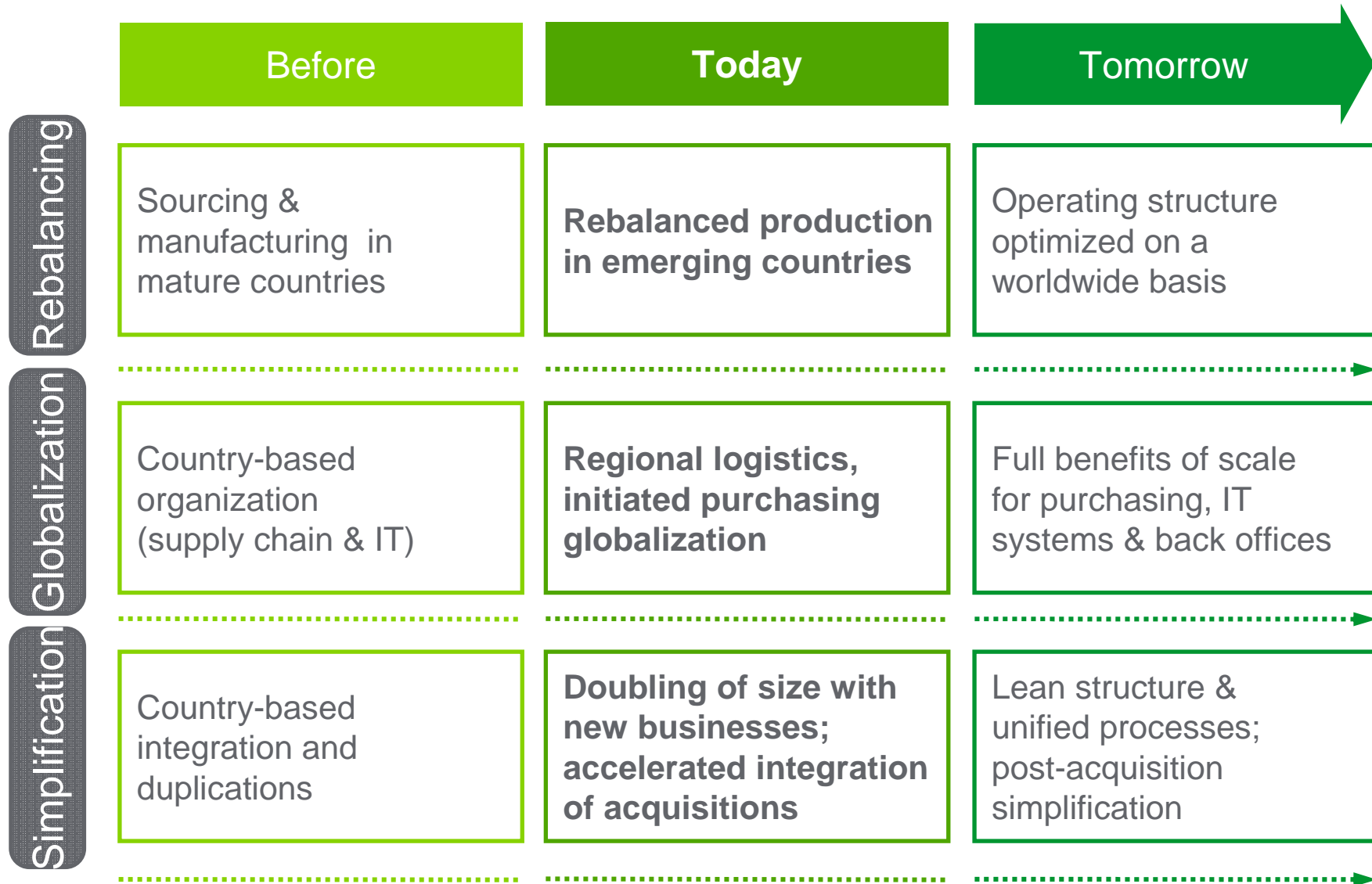
## Orders organic growth by business

2007	
Critical Power**	+14%
Building Automation	+17%
Ultra Terminal	+9%
Services	+22%
<i>Energy efficiency</i>	<i>+15%</i>

\*\* This figure indicates the sales performance of the Critical Power & Cooling Services “business unit” on a 12-month proforma basis in 2007 (excluding MGE Small Systems)

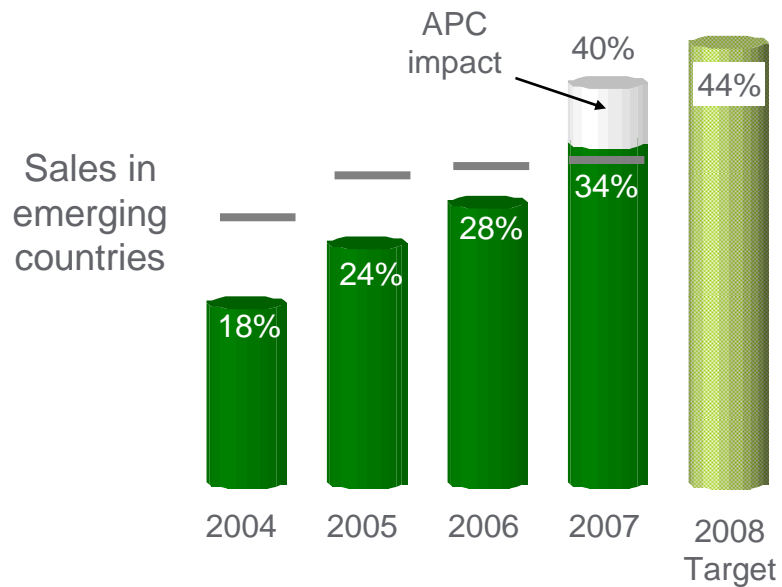
# Significant efficiency levers

## Further improvement prospects

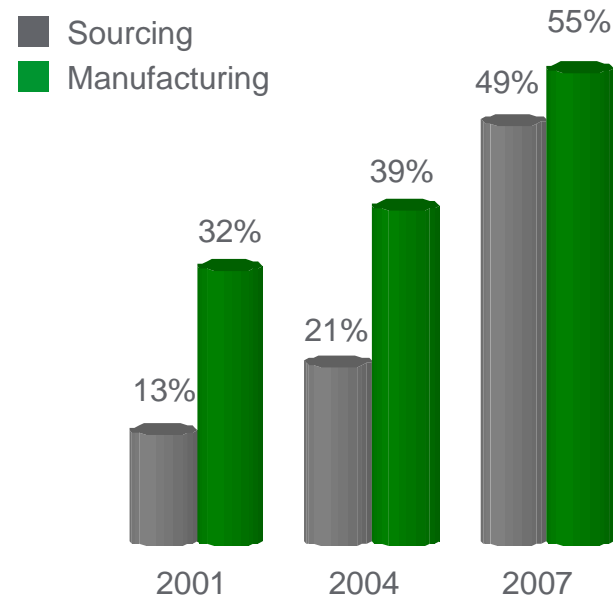


# Established sourcing and manufacturing in emerging countries

COGS  
in low cost countries

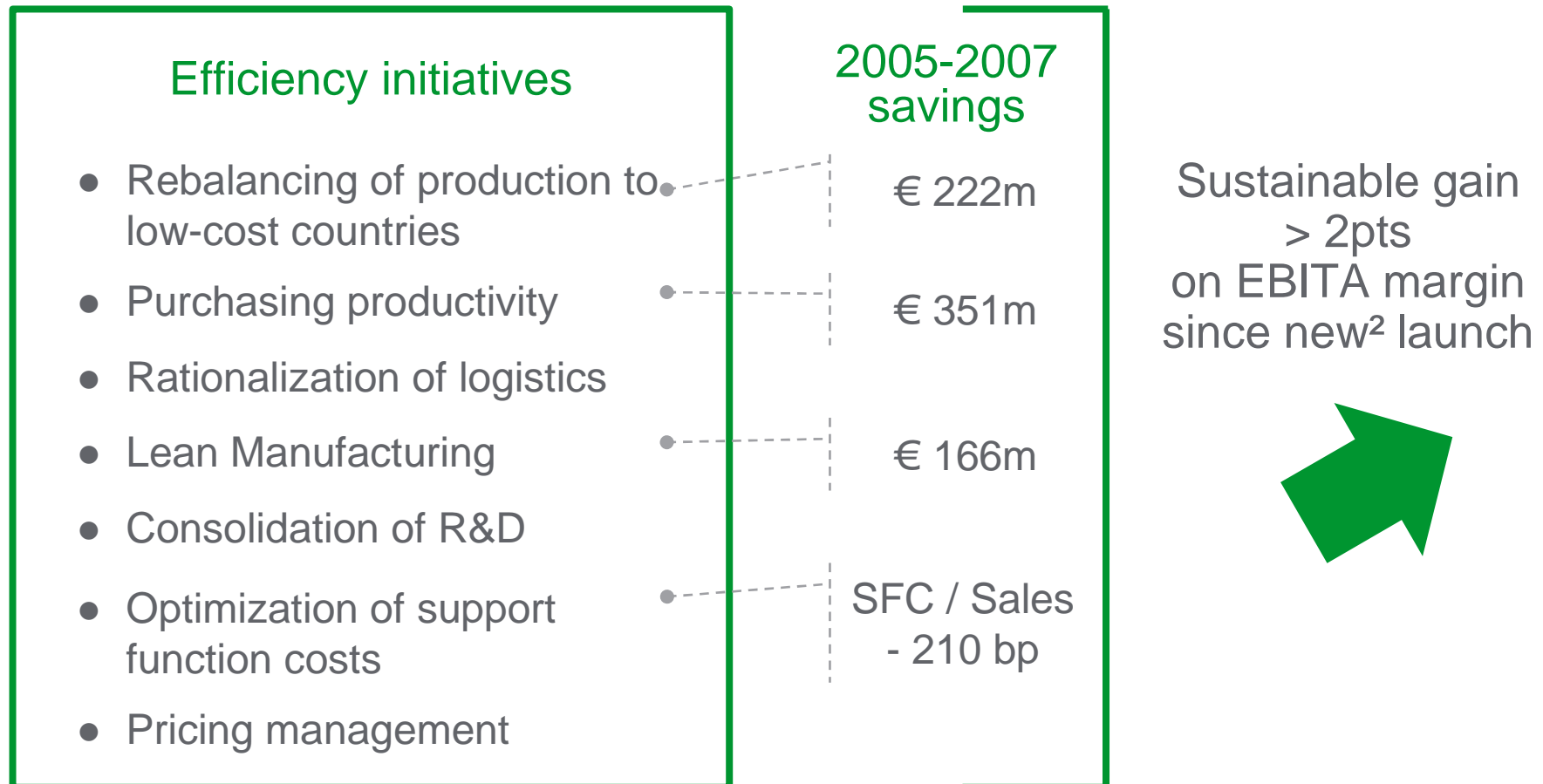


Production base  
in low cost countries



- Cost rebalancing already achieved in 2007, 2008 target to be beaten with 44% of COGS in low-cost countries including APC
- € / \$ transaction risk eliminated: negligible impact on EBITA margin from 2008

# Substantial benefits from efficiency plans



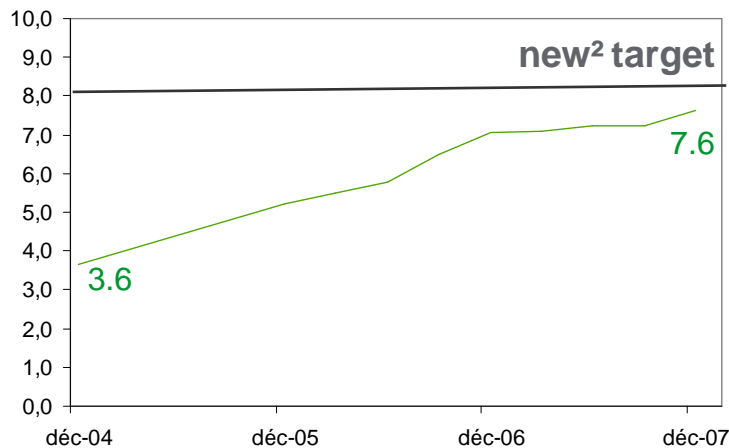
# Responsible business framework

## Corporate Responsibility

<p><b>Society: our new Foundation</b></p> <ul style="list-style-type: none"> <li>• Electrification of emerging countries</li> <li>• Insertion of underprivileged young people through our businesses</li> <li>• Contribution to start-up companies in our business</li> <li>• Reconstruction for disaster victims</li> </ul>	<p><b>Environment</b></p> <ul style="list-style-type: none"> <li>• Eco design</li> <li>• Eco processes</li> <li>• Energy consumption</li> </ul>	<p><b>Social</b></p> <ul style="list-style-type: none"> <li>• Diversity</li> <li>• Health &amp; Safety</li> <li>• Talent management</li> </ul>	<p><b>Governance</b></p> <ul style="list-style-type: none"> <li>• Our Principles of responsibility</li> <li>• Global Compact</li> <li>• SRI ratings: DJ World, ASPI Eurozone, Ethibel</li> </ul>
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## Performance monitoring

Barometer Performance evolution 2005-2007



Composite Barometer of 10 KPI for:

- Environment: 3
- Social: 3
- Society: 2
- Governance: 2

**new² 2008 target: 8/10**

**2007 actual: 7.6/10**

APC-MGE

Critical Power

business unit

performance



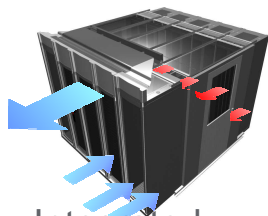
# Complete and unique solution for Data Centers

Supply data processing & storage capacity to continuously operate business  
Guarantee maximum up-time and energy efficiency, in a perfectly secure manner

## Architecture **InfraStruXure™**

Scalable Standardized & Manageable

Air-conditioning control



Integrated in-row cooling

Cable management



Security, Video surveillance, environmental monitoring

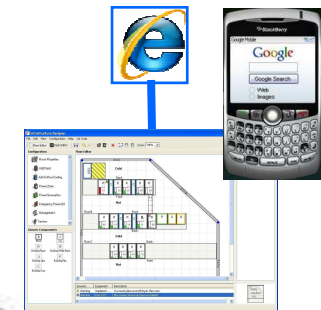


Critical Power Continuity

MV/LV electrical distribution

## Suite of management software

Connectivity and remote supervision



## Services

Consultancy & design  
Facility audits & equipment diagnosis  
Expansion & revamping  
Maintenance contracts

# A clear and ambitious strategy

A leader in Critical Power  
with high profitability...

- Extended portfolio and innovative technology
- Global footprint addressing multiple applications
- Successful integration process
- Rapid turnaround of the ex-APC business

... in a unique position for  
strong profitable growth

- Tripled accessible market leveraging the Group offering
- Complete solutions for highly growing Data Centers market
- Home & Distributed deployment in new segments
- High potential in BRIC countries



# Doubling of Critical Power EBITA, driven by the turnaround of APC

(in \$m)	2006 Proforma*	2007 Proforma*	Change
Sales	3,023	3,520	+16%
<i>Organic growth</i>			+14%
EBITA before non recurring charges**	209	440	x2.1
<i>Margin %</i>	6.9%	12.5%	+5.6pts
EBITA	150	402	
<i>Margin %</i>	5.0%	11.4%	

- Strong volume increase led by Enterprise Systems & Services
- Termination of unprofitable product lines and project selection
- Optimization of supply chain and support functions

\* Results of the business unit on a 12-month basis (without MGE Small Systems business)

\*\* Before non-recurring charges: restructuring costs and assets value adjustments

2007

# Financial Results



# Strong increase of earnings

In m€	Reported figures		
	FY 2006	FY 2007	Change
<b>Sales</b>	13,730	17,309	+26.1%
Gross profit	5,679	7,099	+25.0%
<i>Margin %</i>	41.4%	41.0%	-0.4pt
EBITDA	2,506	3,114	+24.3%
<i>Margin %</i>	18.3%	18.0%	-0.3pt
<b>EBITA*</b>	2,019	2,562**	+26.9%
<i>Margin %</i>	14.7%	14.8%	+0.1pt
Net financial expense	(121)	(266)	
Income tax	(535)	(600)	
<b>Net income</b>	1,309	1,583	+20.9%
<i>Earnings per share</i>	5.95	6.78	+13.9%

\* Before amortization of purchase accounting intangibles of €78m in 2007 (€18m in 2006) and including restructuring costs & impairment of €138m in 2007 (€116m in 2006)

\*\* Including capital gain on MGE Small Systems divestment of €60m and provisions on IT systems upgrade of €72m

# Profitability enhanced by APC turnaround

In m€	Comparable figures		
	FY 2006*	FY 2007	Change
<b>Sales</b>	15,469	17,309	+11.9%
Gross profit	6,319	7,099	+12.3%
<i>Margin %</i>	40.8%	41.0%	+0.2pt
EBITDA	2,633	3,114	+18.3%
<i>Margin %</i>	17.0%	18.0%	+1.0pt
<b>EBITA</b>	2,103	2,562	+21.8%
<i>Margin %</i>	13.6%	14.8%	+1.2pt

\*Including APC on a proforma basis since February 15, 2006

# Solid profitability improvement throughout the different regions

Breakdown by region  
(before corporate costs\*)

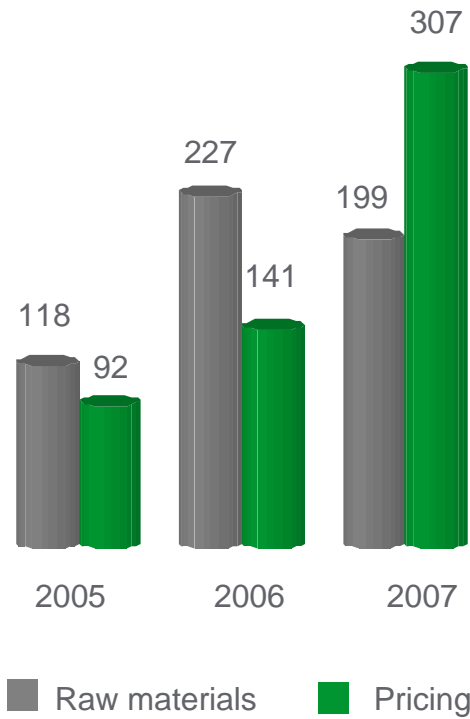
	Europe	North America	Asia Pacific	Rest of World
<i>Sales breakdown</i>	45%	28%	19%	8%
EBITA** (€m)	1,349 +16%	787 +30%	440 +21%	232 +21%
EBITA Margin**	17.2% +0.4pt	16.5% +3.0pts	13.6% +0.7pt	15.9% +0.4pt

\* Corporate costs of -1.4% of sales in 2007 (-1.4% in 2006)

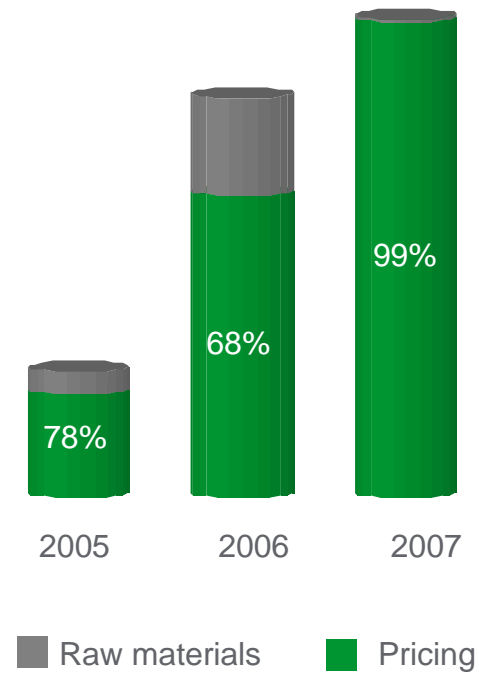
\*\* Compared to 2006 EBITA including APC on a proforma basis since February 15, 2006

# Strong pricing dynamics

Raw materials & Pricing annual impact



Pricing vs Raw materials on a cumulative basis



# Strong free cash flow contributing to APC acquisition financing

Analysis of debt change in €m	2007
Net debt at January 1	(1,835)
Operating cash flow	2,211
Capital expenditure – net*	(560)
Change in operating working capital	(261)
Change in non-operating working capital	140
<b>Free cash flow</b>	<b>1,530</b>
Dividends	(670)
Acquisitions	(5,291)
Capital increase	1,271
Other	59**
<b>Increase in net debt</b>	<b>(3,101)</b>
<b>Net debt at December 31</b>	<b>(4,936)</b>

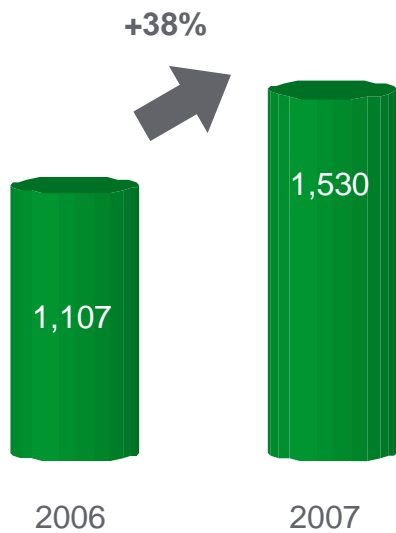
**+38%**

\* Including R&D capitalization of €131m in 2007 (€132m in 2006)

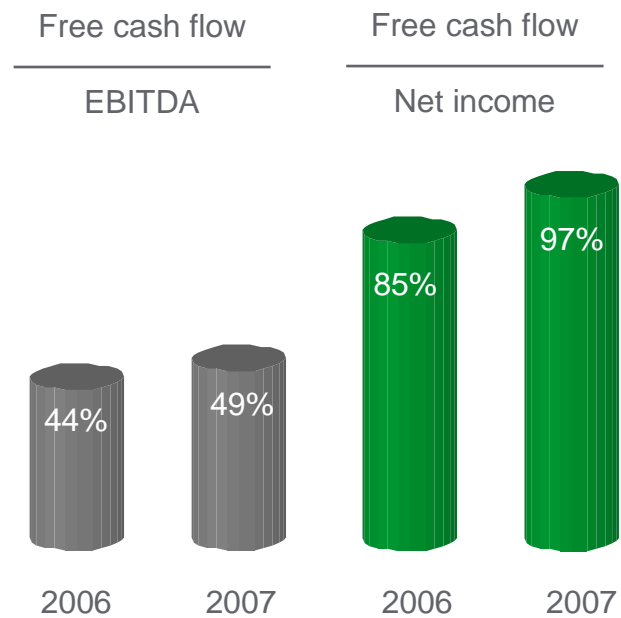
\*\* Including currency effect on debt of €200m

# Cash generation significantly enhanced

Free cash flow  
in € m

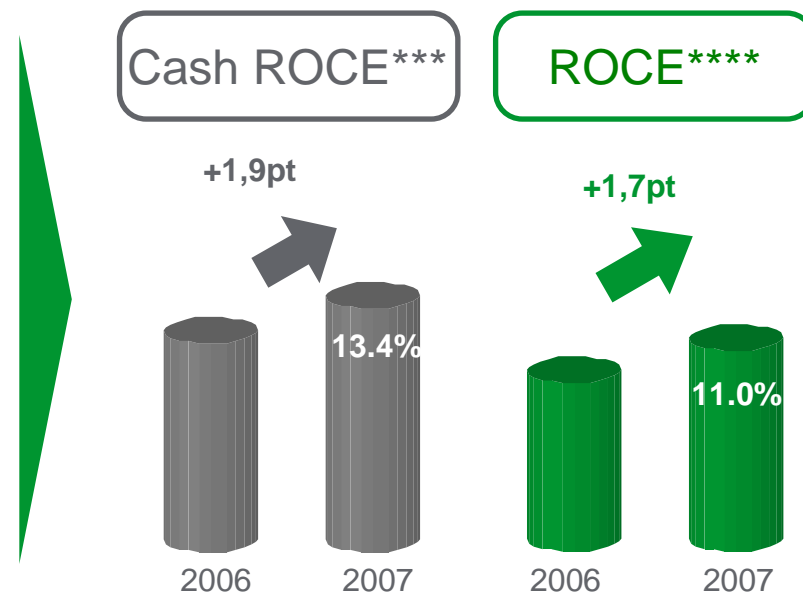


Cash conversion indicators



# Limitation of capital employed leading to significant ROCE increase

€m	2007	Change*
Capital Employed**	16,956	+4%
EBITDA	3,114	+18%
EBITA	2,562	+22%



\* Change vs 2006 Including APC acquisition at December 31, 2006 and before capital increase on a pro forma basis

\*\* Shareholders' equity + net debt + provisions

\*\*\* Cash ROCE: After tax EBITDA / Capital Employed

\*\*\*\* ROCE: After tax EBITA / Capital Employed

# Strengthened financial structure

Financial ratios in €m

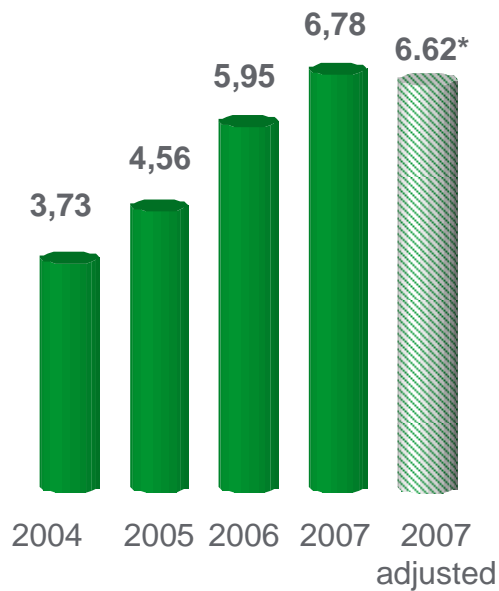
	2006 Including APC*	2007
Consolidated shareholders' equity	8,838	10,314
Net debt	6,087	4,936
Net debt-to-equity ratio	69%	48%
Interest coverage (EBITDA/Debt costs)	na	13x
Operating cash flow/net debt	32%	45%
<b>Funds from operations/net debt**</b>	<b>27%</b>	<b>38%</b>
S&P rating	BBB+	BBB+

\* Including APC acquisition at December 31, 2006 and before capital increase on a pro forma basis

\*\* S&P definition

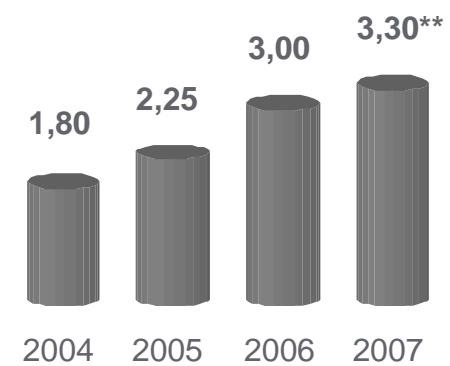
# Sustained increase of EPS and dividend

Earnings per share



+22% p. y.

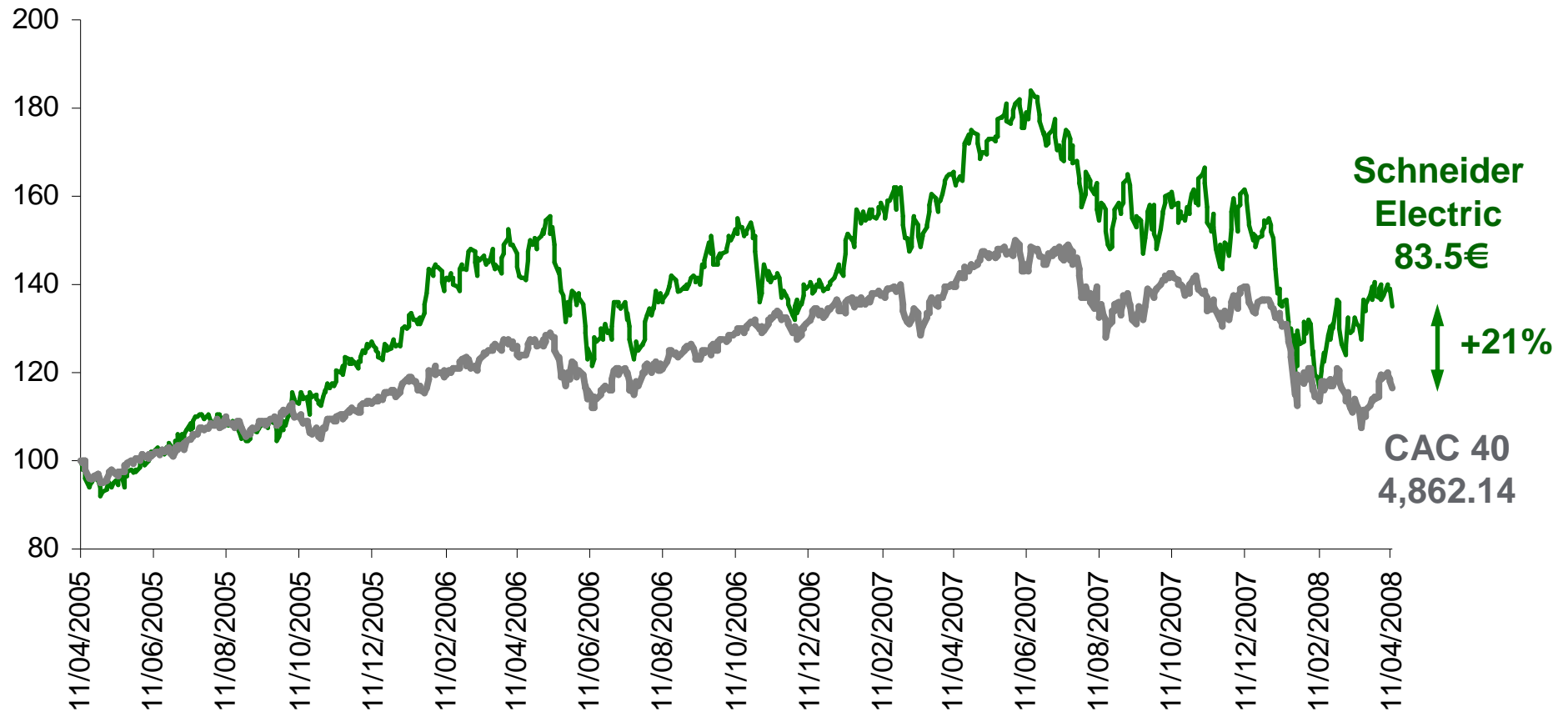
Dividend per share



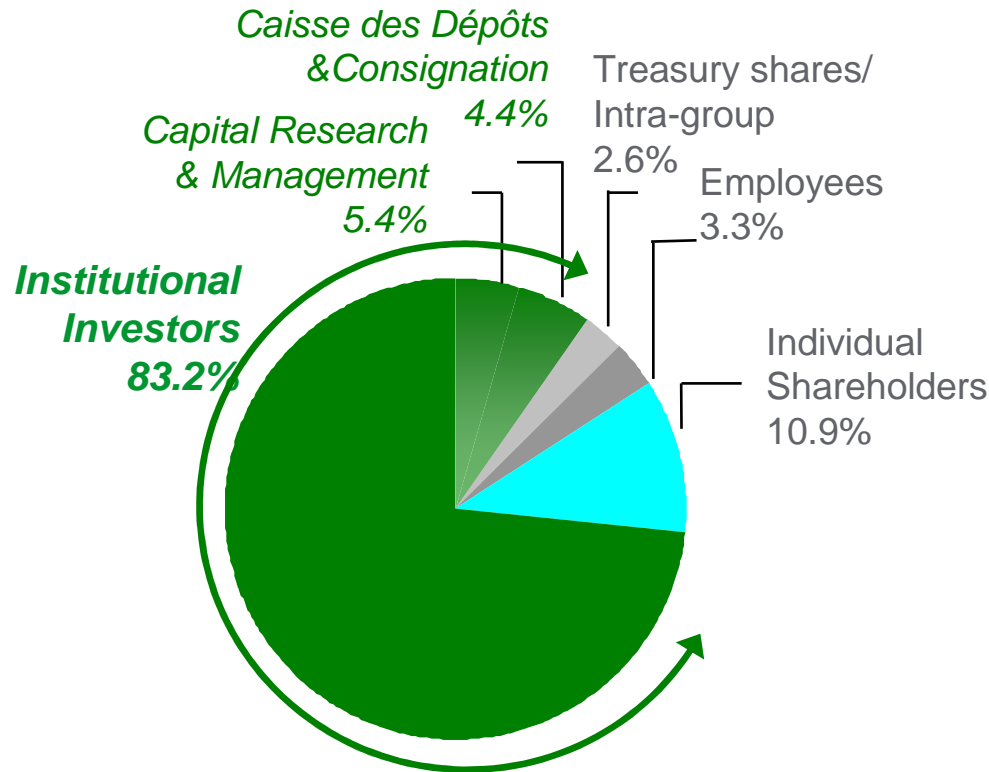
+22% p. y.

\* EPS calculated on a 238.9 million shares at December 31, 2007  
\*\*Subject to shareholder approval, payable in cash on April 30, 2008

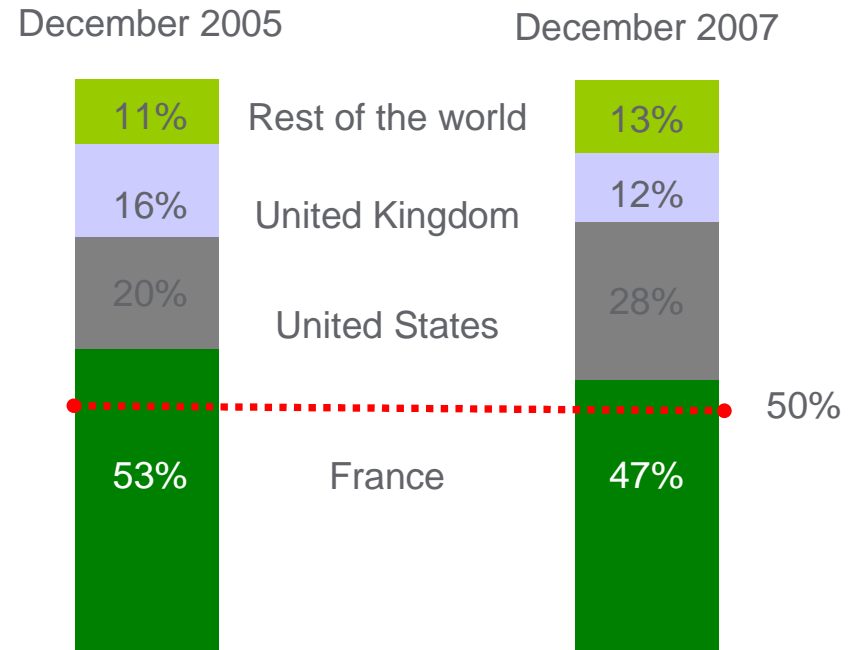
# Stock market performance since the beginning of new<sup>2</sup> program



# Schneider Electric shareholder base at the end of 2007



**Shares Outstanding**  
**239 million**  
 (31 December 2007)



**Market Capitalisation**  
**€ 20bn**  
 (17 April 2008)

# Outlook



# Strong organic growth in first quarter 2008

## Sales organic growth by region

	Q1 2008
Europe	+7.1%
North America	+6.7%
Asia-Pacific	+13.6%
Rest of the World	+22.9%
<b>Group</b>	<b>+9.5%</b>
<i>Group adjusted from business days</i>	<i>+11.0%</i>
Inc. Emerging countries*	+17%

## Breakdown of sales current growth

	Q1 2008
Organic growth	+9.5%
Perimeter effect	+6.9%
Currency effect	-5.7%
<b>Current growth</b>	<b>+10.7%</b>

\* Emerging countries: Eastern Europe + Asia-Pacific + Rest of the World

# Outlook

Assuming current economic conditions,  
Schneider Electric confirms for 2008:

- an organic sales growth between 6% and 8%
- an EBITA margin at 15%

in line with its new<sup>2</sup> program targets

# Governance



# Efficient corporate governance

- **A new governance mode that ensures a true separation between control (Supervisory Board) and management (Management Board), guarantee of transparency**
- **A Supervisory Board with a diverse membership (nationalities, backgrounds, etc.)**
- **Internal rules that define the Board's missions and operations**
- **Two dedicated committees to prepare decisions**
- **Procedures to ensure members are informed in advance:**
  - Meeting agenda and draft minutes: 10 days before meeting
  - Board meeting file: 4 to 5 days before meeting, with if necessary, financial statements approved by the Management Board
- **Rich ongoing information:**
  - Monthly letter, press releases and reviews, analysts' reports, ...
  - Opportunities to meet with executives
- **Productive relationship with the Management Board:**
  - Open and constructive dialogue with the Management Board
  - Relationship of trust between the two Chairmen and complementary strengths

# Supervisory Board Meetings in 2007 and early 2008

- **Supervisory Board meetings:**

- 6 meetings in 2007, with an attendance rate of 87%, lasting 3.5 hours on average including one full-day session on strategy
- Management Board members attended all Supervisory Board meetings and Executive Committee members presented projects under their responsibility

- **Main topics covered by the Board:**

- The strategy review and execution, notably the integration of APC and acquisition of Pelco
- Business performance and financial position monitoring, in particular through the Management Board's quarterly report
- Review of the financial statements
- Incentive plans for executives and employees
- Review of the Board's membership and decisions to bring in Mr Thoman and Mr Apotheker

# Audit Committee Meetings in 2007 and early 2008

- **The Committee has four members**
- **4 meetings in 2007, with a 94% attendance rate**
- **Statutory auditors, representatives from the Finance Department and Internal Audit attended the meetings**
- **Main topics in 2007:**
  - The annual and interim financial statements and management reports
  - The work of the internal auditors and statutory auditors
  - As part of the risks review: the acquisition goodwills, the outsourcing and globalizing of IT systems, ...
  - The dividend policy for shareholders
  - The amount of fees paid to the Statutory Auditors and their networks
  - The Committee's operating procedures and missions in light of work conducted by *Institut Français d'Administrateurs (IFA)*

# Remuneration and Appointments & Corporate Governance Committee Meetings in 2007 and early 2008

- **The Committee has four members.**
- **It held three meetings in 2007, with an attendance rate of 92%.**
- **Main topics in 2007:**
  - Recommendations to the Supervisory Board on Board and Committee membership.
  - Recommendations to the Supervisory Board on compensation and benefits paid to corporate officers.
  - Review of Management Board recommendations concerning a stock option and stock grant plan.
  - Review of the succession plan for the Management Board and Executive Committee.
  - Analysis of compensation policy for senior executives.

# Presentation of the Resolutions



# Main resolutions submitted to shareholders for approval

- Approval of the financial statements, dividend (€3.30 per share) and regulated agreements (commitments towards Jean-Pascal Tricoire)
- Partial renewal of the Supervisory Board
- Election of a member of the Supervisory Board representing employee shareholders (article 11-c of the bylaws, six candidates for one seat)
- Amendments of the bylaws to comply with the French Commercial Code's guidelines concerning record date and electronic signature
- Renewal of financial authorisations to:
  - Buy back and cancel Schneider Electric shares
  - Issue shares to employees who are members of an Employee Stock Purchase Plan or to entities set up to hold shares on behalf of employees

# Statutory Auditors' report



# Statutory Auditors' report

- **Report on the parent company financial statements.**
- **Report on the consolidated financial statements.**
- **Special report on regulated agreements.**
- **Special reports on financial authorisations:**
  - Authorisation to issue shares to employees who are members of an Employee Stock Purchase Plan, with cancellation of shareholders' pre-emptive subscription rights.
  - Authorisation to issue shares to employees of Group companies outside France, with cancellation of shareholders' pre-emptive subscription rights.
- **Report on the Chairman's report on internal control.**

# Shareholders' questions

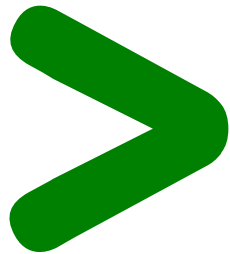


# Vote of the Resolutions



## First resolution

# Approval of the parent company financial statements

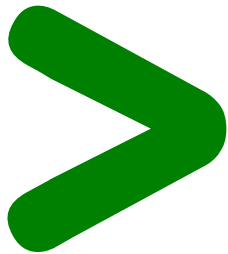


Approval of the transactions and parent company financial statements for the year ended 31 December 2007

Second resolution

AGM

Approval of the consolidated financial statements

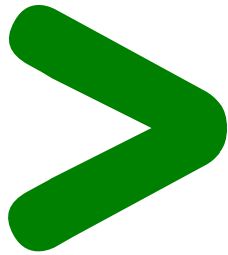


Approval of the consolidated financial statements  
for the year ended 31 December 2007

# Third resolution

## Dividend payment

AGM

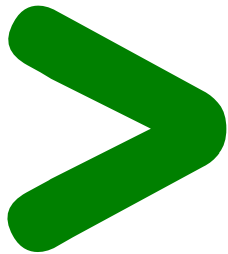


Approval of a dividend payment of €3.30 per share

- *The dividend, taken partly from the share premium Account, will be paid on April 30, 2008*

# Fourth resolution Regulated agreements

AGM

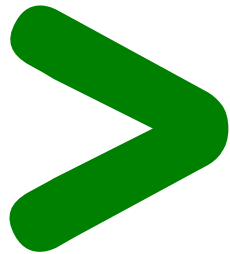


Regulated agreements signed in a  
previous year

# Fifth resolution

## Regulated agreement

AGM



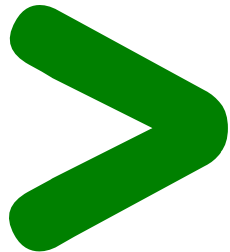
Regulated agreement concerning compensations payable to Jean-Pascal Tricoire in the event of termination, in accordance with the provisions of France's "TEPA" law

## Sixth resolution

AGM

# Election of members to the Supervisory Board

Election of Léo Apotheker as a member of the Supervisory Board for a period of four years



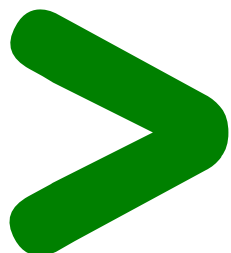
Mr Apotheker, 54 and a German national, is President CSO and Deputy CEO of SAP AG

He will not be considered an independent member as defined in the Bouton report on corporate governance

## Seventh resolution

# Election of members to the Supervisory Board

Re-election of Mr Jérôme Gallot as a member of the Supervisory Board for a period of four years



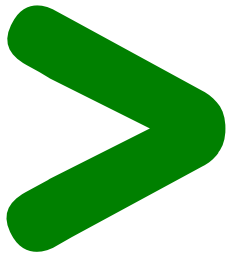
Mr Gallot, 48, is Chairman of CDC Entreprises

He is considered an independent member as defined in the Bouton report on corporate governance

## Eighth resolution

# Election of members to the Supervisory Board

Re-election of Mr Willy Kissling as a member of the Supervisory Board for a period of four years



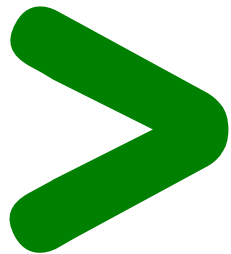
Mr Kissling, 63 and a Swiss national, is corporate director

He is considered an independent member as defined in the Bouton report on corporate governance

## Ninth resolution

# Election of members to the Supervisory Board

Re-election of Mr Piero Sierra as a member of the Supervisory Board for a period of one year



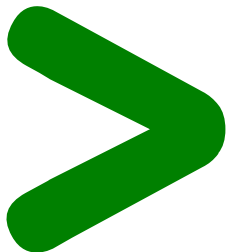
Mr Sierra, 73 and an Italian national, is a Director of the international companies of Pirelli SpA (Milan)

He is considered an independent member as defined in the Bouton report on corporate governance

## Tenth resolution

# Election of members to the Supervisory Board

Ratification of the decision to co-opt Richard Thoman as a member of the Supervisory Board for a period of four years

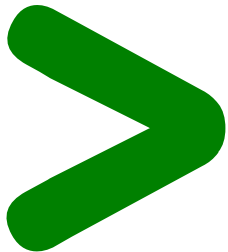


Mr Thoman, 63 and an American national, is a corporate director

He is considered an independent member as defined in the Bouton report on corporate governance

## Eleventh resolution

# Election of members to the Supervisory Board



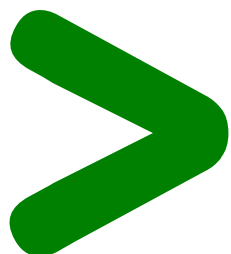
In accordance with article 11-c of the bylaws, election of Roland Barrier as a member of the Supervisory Board representing employee shareholders for a period of four years

Mr Barrier, 57, is a French citizen

The Management Board has not approved this resolution and recommends that you abstain

## Twelfth resolution

# Election of members to the Supervisory Board



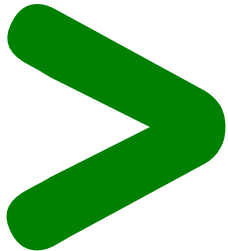
In accordance with article 11-c of the bylaws, election of Claude Briquet as a member of the Supervisory Board representing employee shareholders for a period of four years

Mr Briquet, 47, is a French citizen

The Management Board recommends that you approve this resolution

## Thirteenth resolution

# Election of members to the Supervisory Board



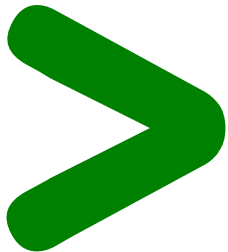
In accordance with article 11-c of the bylaws, election of Alain Burq as a member of the Supervisory Board representing employee shareholders for a period of four years

Mr Burq, 54, is a French citizen

The Management Board has not approved this resolution and recommends that you abstain

## Fourteenth resolution

# Election of members to the Supervisory Board



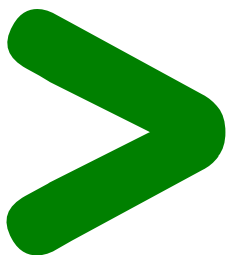
In accordance with article 11-c of the bylaws, election of Rüdiger Gilbert as a member of the Supervisory Board representing employee shareholders for a period of four years

Mr Rüdiger, 41, is a German citizen

The Management Board has not approved this resolution and recommends that you abstain

## Fifteenth resolution

# Election of members to the Supervisory Board



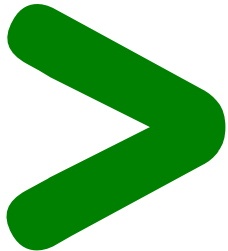
In accordance with article 11-c of the bylaws, election of Cam Moffat as a member of the Supervisory Board representing employee shareholders for a period of four years

Mr Moffat, 45, is a Canadian citizen

The Management Board has not approved this resolution and recommends that you abstain

## Sixteenth resolution

# Election of members to the Supervisory Board



In accordance with article 11-c of the bylaws, election of Virender Shankar as a member of the Supervisory Board representing employee shareholders for a period of four years

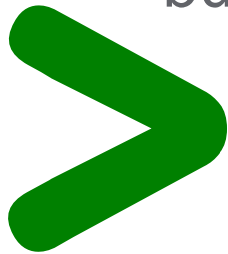
Mr Shankar, 49, is an Indian citizen

The Management Board has not approved this resolution and recommends that you abstain

# Seventeenth resolution

## Shares buyback

Authorisation granted to the Management Board to buy back the Company's shares, notably:

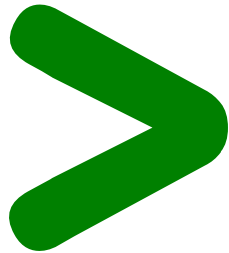


- To reduce the issued capital by cancelling shares
- In connection with stock option or stock grant plans
- For the purpose of market making

Limits:

- Total buybacks may represent at most 10% of the issued capital
- Maximum purchase price: €130
- Authorisation will expire on 20 October 2009 at the latest

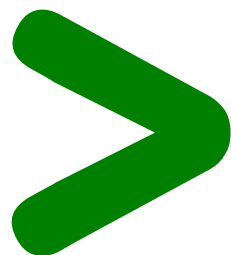
# Eighteenth resolution Amendment of the bylaws



Amendment of article 23 of the bylaws to reflect the Commercial Code's new guidelines concerning the record date and electronic signatures

## Nineteenth resolution

# Authorisation to cancel shares purchased under the shareholder approved buyback program



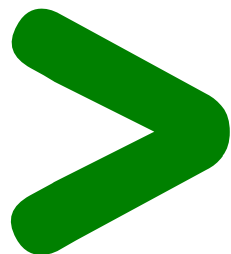
Authorisation granted to the Management Board to cancel shares purchased under the buyback program, if necessary, within a limit of 10% of the Company's capital

Authorisation granted for a period of 24 months

# Twentieth resolution

## Employee share issue

Authorisation given to the Management Board to issue shares to employees who are members of an Employee Stock Purchase Plan:

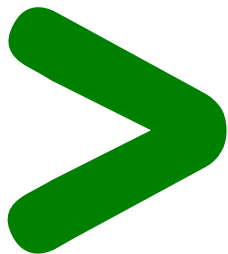


- By issuing shares or share equivalents
- With a maximum discount of 20% to the average Schneider Electric share price
- Shareholders will waive their pre-emptive subscription rights
- Within a limit of 5% of the issued capital
- The authorisation is granted for a period of five years
- The authorisation will cancel and replace the unused portion of the authorisation given at the General Meeting of 26 April 2007

# Twenty-First resolution

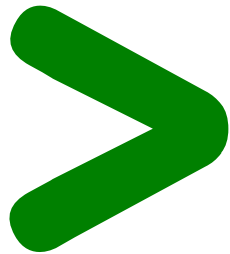
## Issuance of shares to employees of Group companies outside France

Authorisation given to the Management Board to issue shares to employees of Group companies outside France:



- By issuing shares or share equivalents
- With a maximum discount of 20% to the average Schneider Electric share price
- Shareholders will waive their pre-emptive subscription rights
- Within a limit of 0.5% of the issued capital. The amount of any capital increase pursuant to this resolution will be deducted from the 5% ceiling on shares issued in relation to the Employee Stock Purchase Plan
- The authorisation will cancel and replace the unused portion of the authorisation given at the General Meeting of 26 April 2007
- The authorisation is granted for 18 months

# Twenty-Second resolution Powers



Power to carry out formalities

**Help people make the  
most of their energy**



# Definitions

- EBITDA: EBIT before net depreciation and amortization
- EBITA: EBIT before amortization and depreciation of purchase accounting intangibles
- Capital Employed: Shareholders' equity + net debt + provisions
- ROCE:  $\text{After tax EBITA} / \text{Capital Employed}$
- Cash ROCE:  $\text{After tax EBITDA} / \text{Capital Employed}$

# Contacts & agenda

Alexandre Brunet - Head of IR - alexandre.brunet@schneider-electric.com  
Grégoire Rougnon - IR manager - gregoire.rougnon@schneider-electric.com

01 August

2008 Half-Year  
Results

Conference call  
9:30am

22 October

Q3 2008 Sales

Conference call  
9:30am

**Help people make the  
most of their energy**

