

Investor day

November 17, 2010

Finance presentation

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Disclaimer

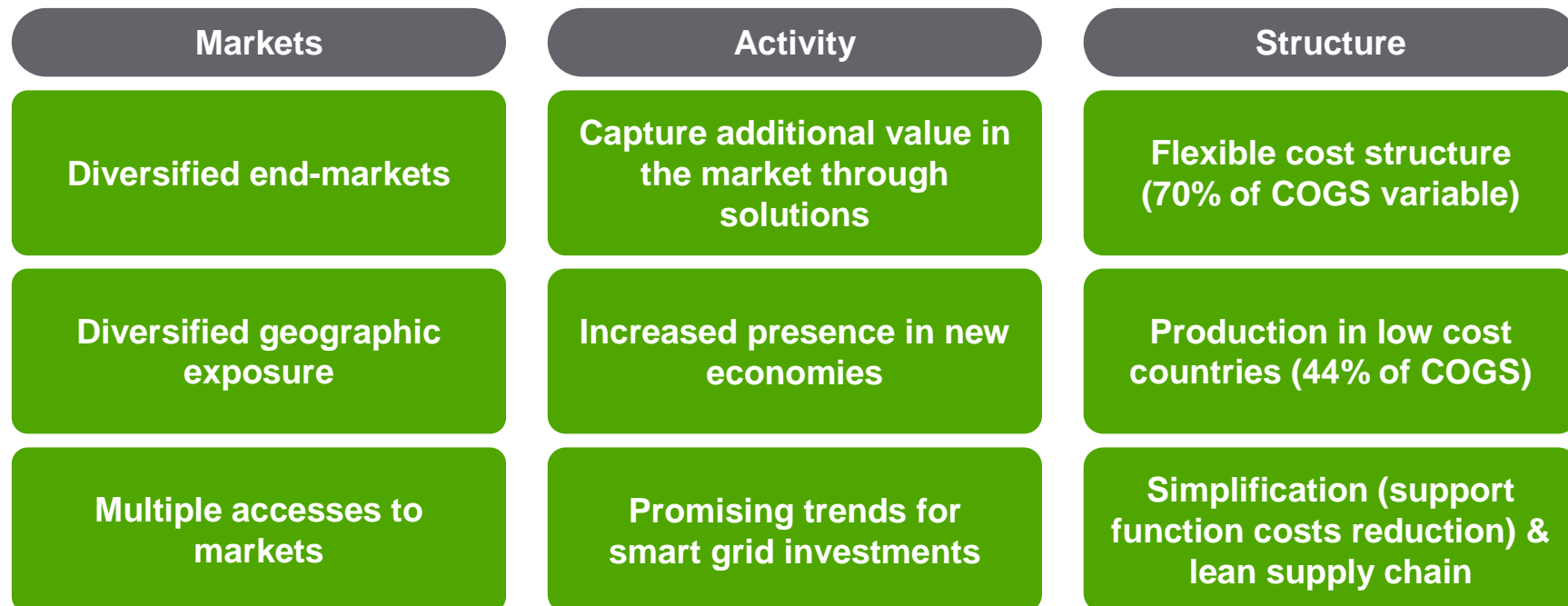
All forward-looking statements are Schneider Electric management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.



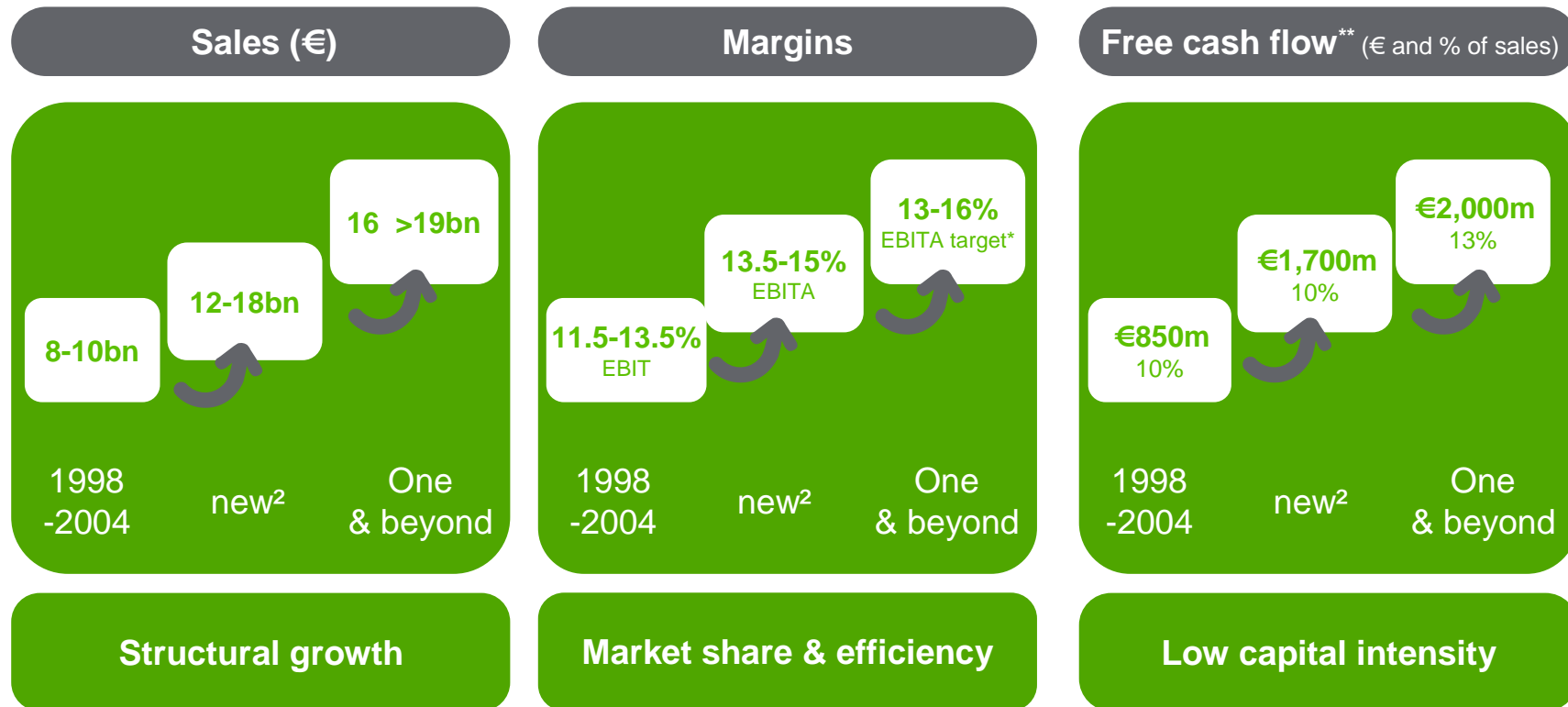
Our business model
has demonstrated its
strength



Diversified exposure has boosted resilience



Structural improvement of returns



* Except for 2009 due to exceptional economic conditions

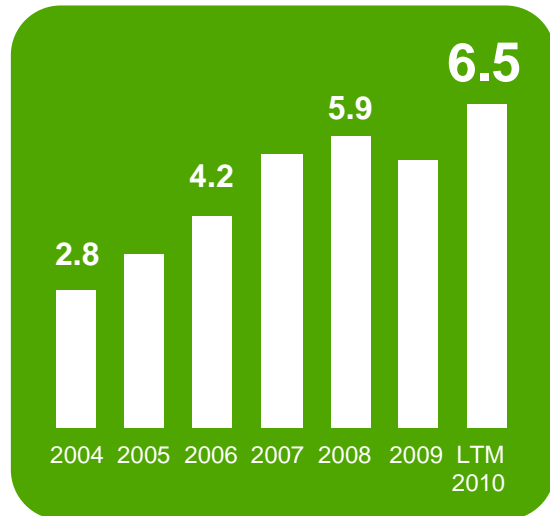
** In the best year of the period (2009 for One & beyond)

We will continue to
create significant
value



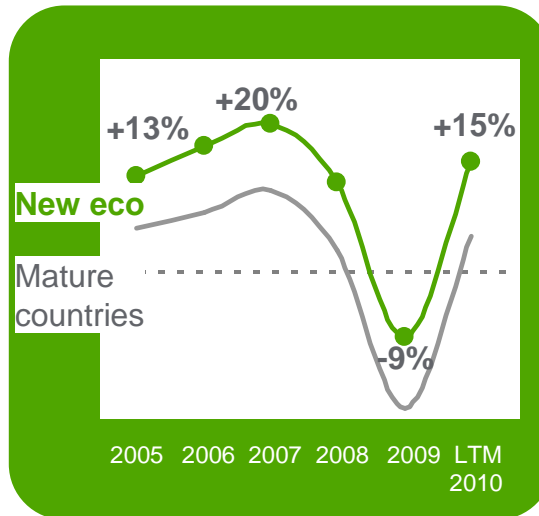
Our strategic priorities are boosting topline growth and returns: new economies

Sales (€bn)



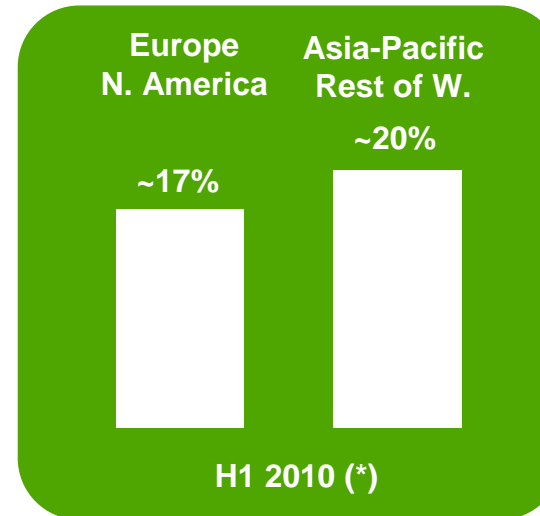
Sales CAGR +16%

Organic growth



Avg organic growth +11%

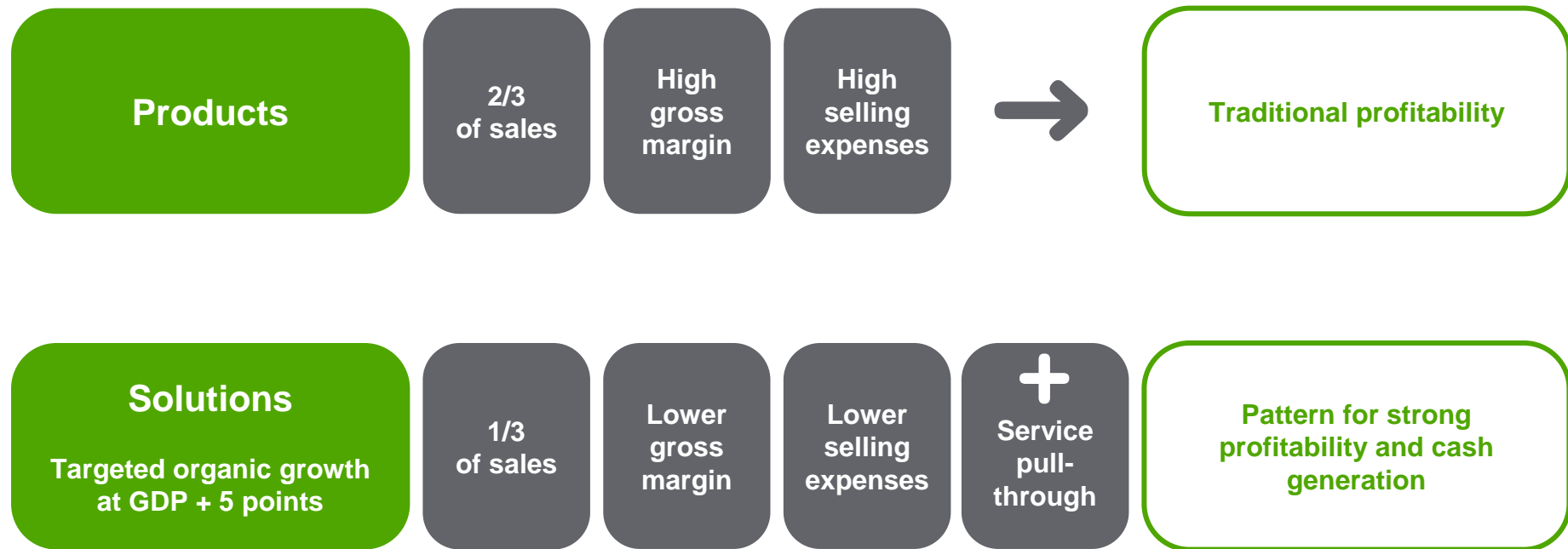
EBITAR margins



Profitable growth

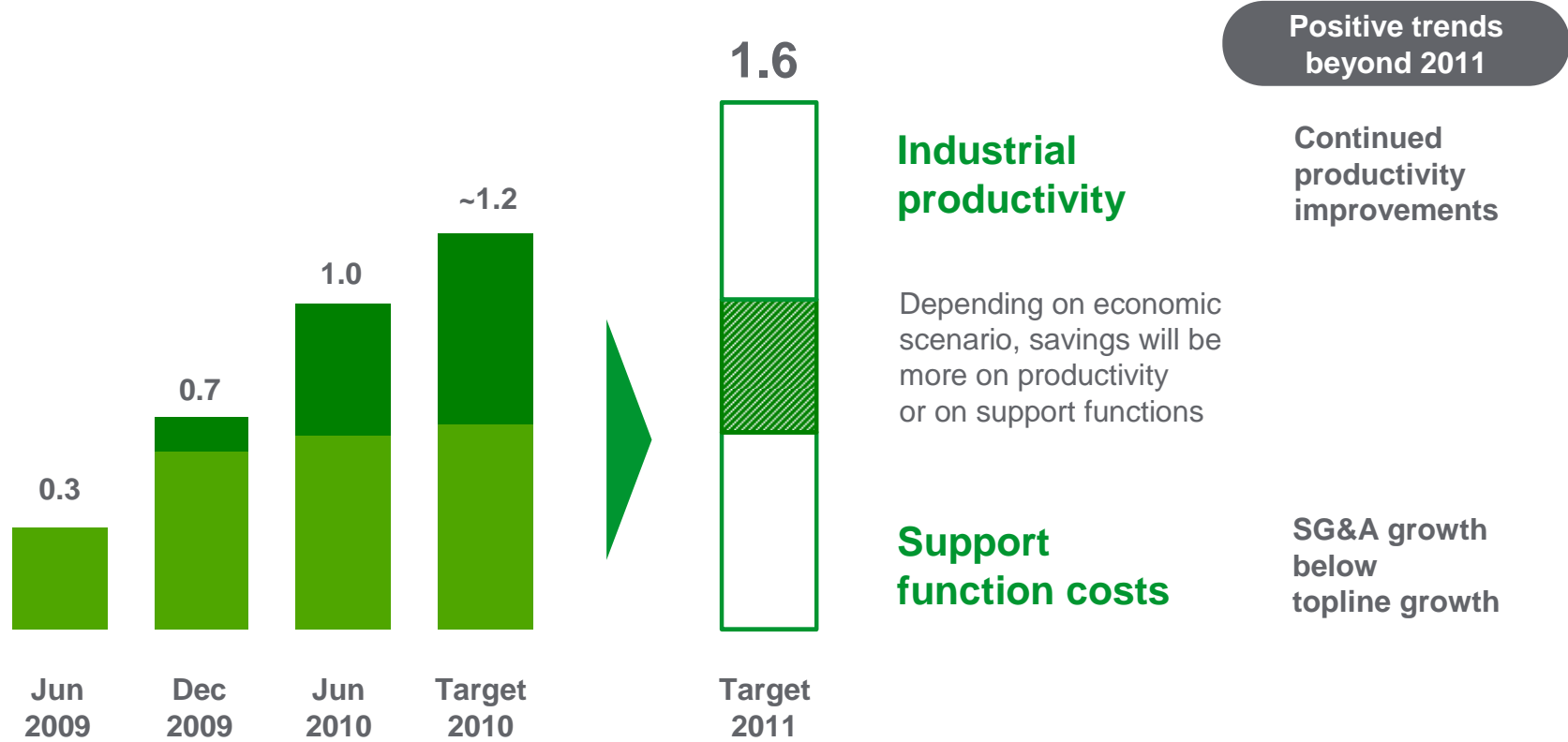
(*) Non-audited figures, based on sales by country of origin, before corporate costs

Our strategic priorities are boosting topline growth and returns: products and solutions



One simplification program structurally improves our cost structure...

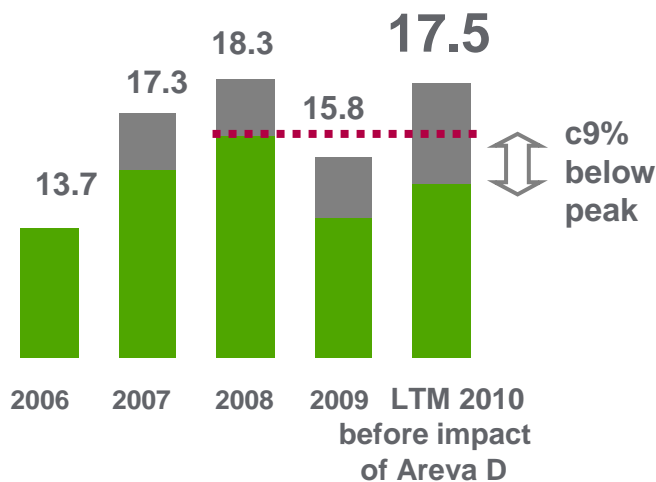
Efficiency savings ramp up to 2011 (€bn)



~€400m additional cost savings potential in 2011

... allowing for a return to almost peak margins while volumes remain below peak

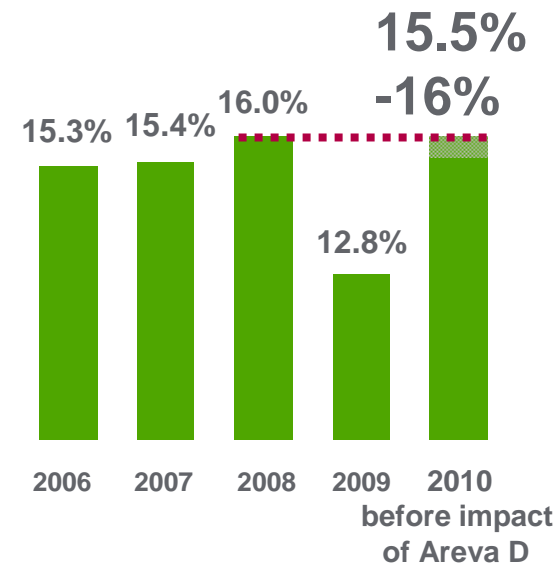
Sales (€ bn)



Organic sales still below their 2008 peak

■ Organic
■ Fx and scope impacts

Margins



Margins are already close to peak level

■ EBITA margin before restructuring and one-offs



Areva Distribution will significantly improve its contribution

2010 targets

- ✓ On track to reach **€1.1bn** sales target for the June to December period, with a **5% margin**
- ✓ To be merged with Schneider Electric's current medium voltage activity to form the new business called **Energy**

Reporting

- ✓ **Energy** will be reported separately from **2011** onwards

Full synergy impact by 2014

Commercial	~€300m*
	~€50m*

Purchasing	
Manufacturing	~€70m
Support functions	

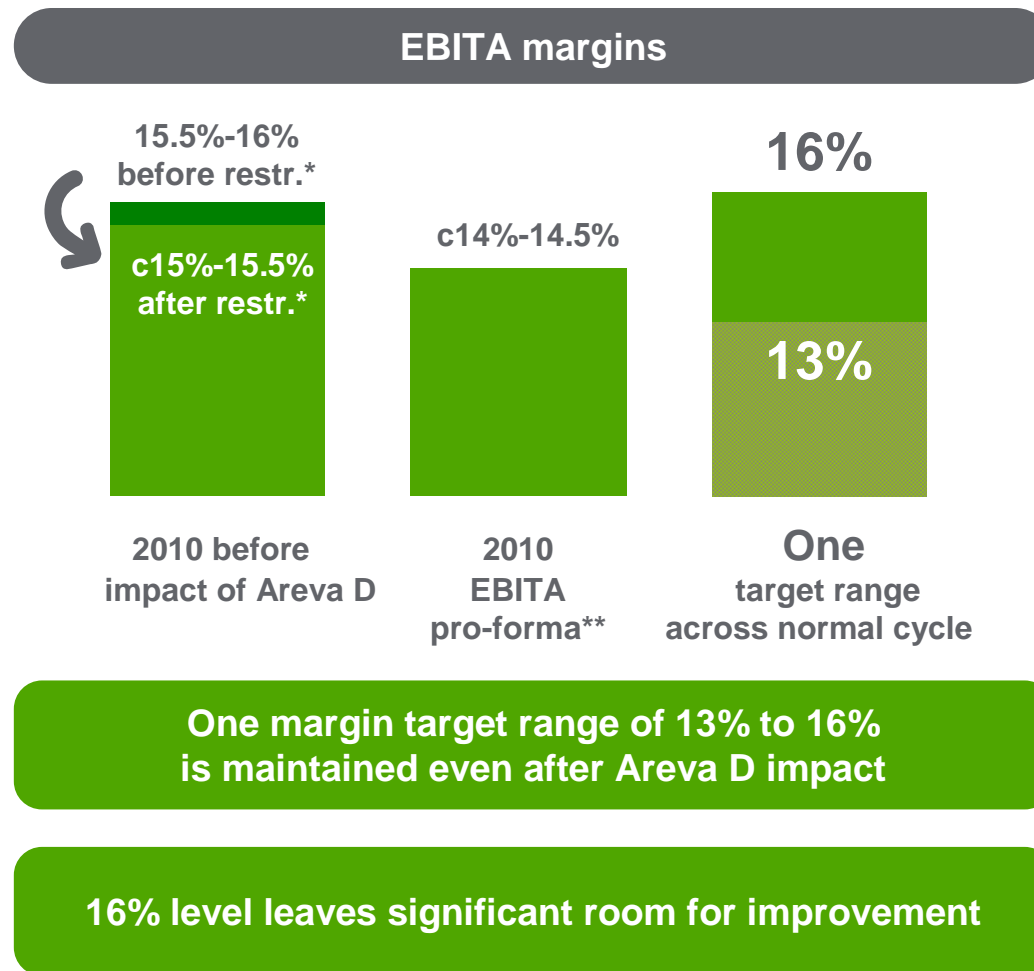
Sales impact	~€300m
EBITA impact	~€120m

**Target
2014**

**Synergies of ~€120m
Double-digit EBITA margins**

**Energy
business**

The EBITA margin range across a cycle confirmed after consolidation impact of Areva D



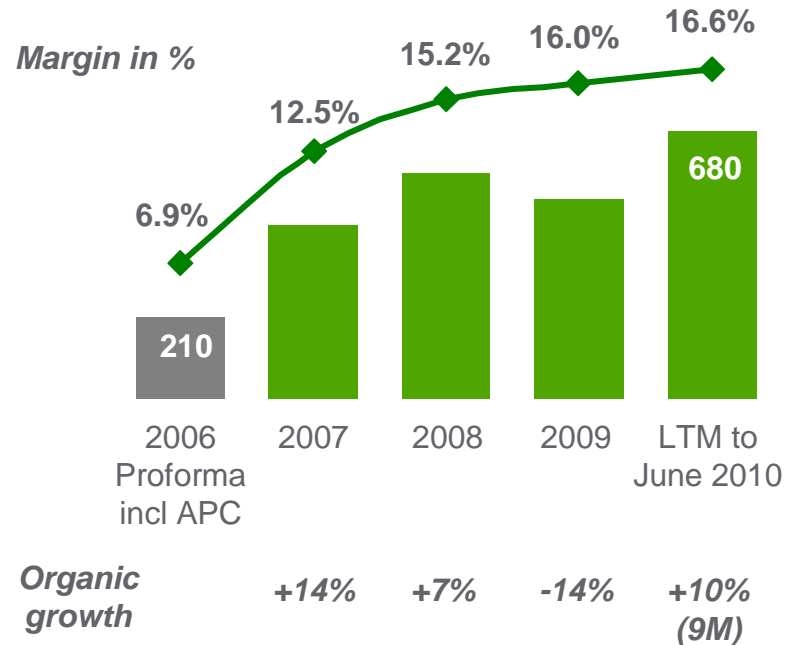
* Guidance for 2010 restructuring charges: € 100-150m or 0.5% to 0.8% of sales

** On a proforma basis including 12 months of Areva Distribution EBITA and based on a 5% margin assumption

Creating value through acquisitions

APC (Feb. 2007)

APC-MGE EBITA in \$m
before restructuring



Unleashed value of global #1 in Critical Power
Implied multiple after 3 years is 9x EBITA

Areva D (Jun. 2010)

Areva D
2009 pro-forma sales ~€1.8bn



Schneider Electric MV

Energy

Global #1 in medium voltage
Key bricks for the smart grid

Acquired for EV* of ~0.65x sales
and 5.7x EBITA assuming €120m synergies

* Based on total acquisition cost of €1.2bn to be finalized, €1.8bn sales, assumption of 5% EBITA margin, €120m synergies expected by 2014

Creating value through acquisitions

M&A rationale

Accelerate penetration
in some high-growth countries

Energy efficiency and smart grid
require more skills

Market share and profitability
are often correlated

M&A target areas

Local businesses in new economies

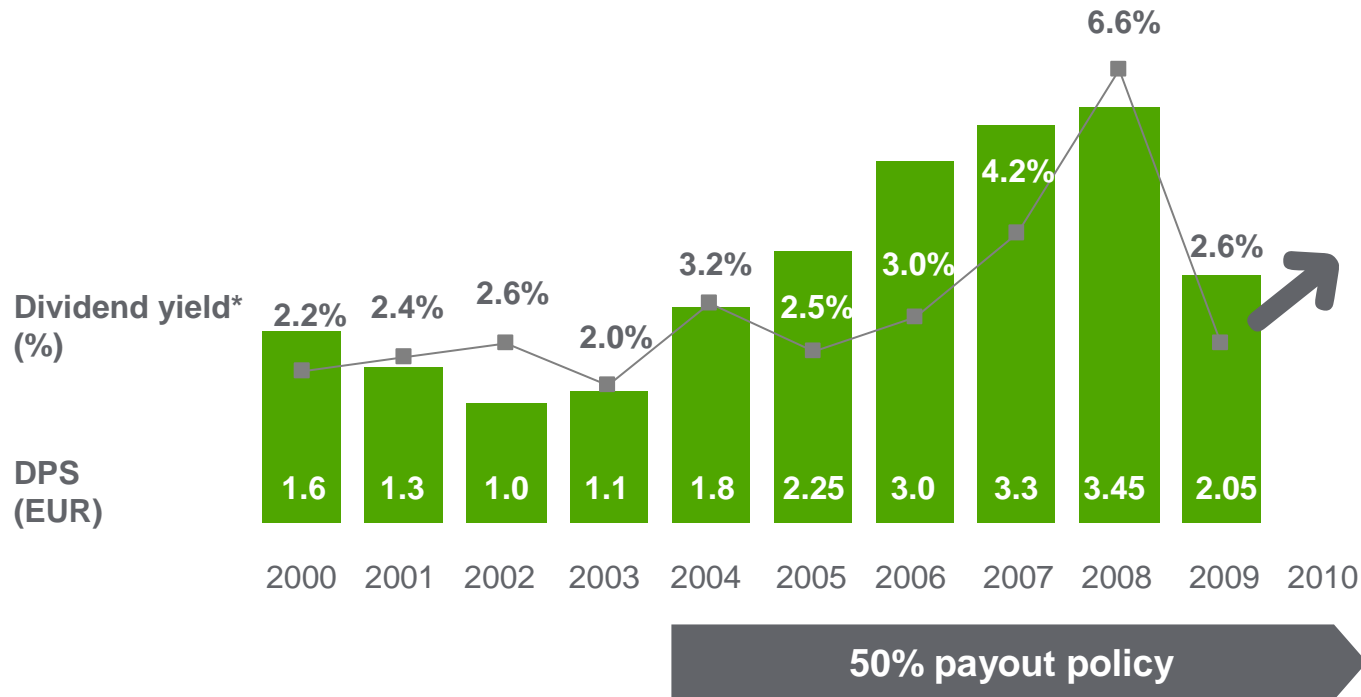
Specific skills for integration and services
geared towards energy management

Businesses that could reinforce
our global leadership

Boosting growth and returns
Targeting quick EPS accretion + ROCE above WACC beyond year 3

Our dividend policy is attractive

Dividend payments since 2000



Average dividend yield of 3.7%
since setting up 50% payout policy

* Based on share price as of date of dividend payment

Our business model is strong

Our strategic priorities are
boosting topline growth and returns

We capture value through acquisitions

We offer an attractive dividend policy



**we will continue to deliver
growth and attractive returns**

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

