We have built a global leader in Industry
We are a global leader in automation...

**Business size**
- €6.0bn
- 2013 revenues
- #2 worldwide Discrete Automation
- #4 worldwide Process Automation

**Our offer**
- Services: Installed Base, Project-related consulting
- Systems: For OEM Solutions, For End User, Engineered Drives, Industrial Software
- Products: H2I, PLCs, Sensors, Motion, Drives, Contactors, Customised sensors

**Key Channels**
- Distributor
- System Integrators
- OEMs
- End-users

**Geographies**
- New economies: 41%
- Mature countries: 59%

**End markets**
- Primary end market
- Other end markets
- Data centers & networks
- Non-residential & Residential Buildings
- Utilities & Infrastructure
- Industrial & Machines

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1 Pro-forma basis including LTM Sep 2013 revenues for Invensys
Successful transformations expand our business scope and segment access

Strategic development of our Industry Business in the past 10 years

- €2.7bn revenues
- Machine Struxure for machines
- €4.5bn revenues
- Plant Struxure for end-users
- ~€6.0bn

Segment competencies:
- OEMs - Machine manufacturers
- Water & Waste
- Metals & Mining
- Oil & Gas

Acquisitions:
- Citect, 2006
- SCADAgroup, 2010
- Harvest, 2011
- Solvitec, 2012
- Invensys

Sizes do not reflect actual sales proportions
serving both discrete and process segments with the integration of our power offerings

Mapping of Discrete vs. Process automation segments and Positioning of offers

1 Low voltage, medium voltage and critical power technologies

We have a comprehensive portfolio for all Industrial customers.
Our business benefits from favorable external trends
We see sustained demand for automation driven by search for maximum productivity…

Favourable Trends
- Rising costs with increased volatility
- Demand for Quality & Safety and increasing labor cost
- Volatile demand and shorter product life cycles
- Holistic Enterprise View
- Increasing Regulations

Business opportunity
- Growth in Automation
- Increasing demand for Operational Efficiency
- Energy & Automation Convergence

Enabled by Software and Connectivity
... making it an attractive market

Market Characteristics
- Sustainable high demand for automation
- Diverse customer base
- Different business model (product/solutions)

Diverse, Sustainable, Resilient

Strong Fundamentals

Growth
- Overall automation CAGR of 6.0%\textsuperscript{1}
- Industrial Software CAGR 8%\textsuperscript{1}
- CAGR of targeted segments 5% to 9%\textsuperscript{1}

Profitability
- Average sector operating margins of ~10-15%

\textit{Industry is driven by the continuous search for improved efficiency and business optimization. Automation has a key role to play.}

\textsuperscript{1} Source: ARC advisory group 2012-2017

There is increasing demand for Operational Efficiency enabled by technology

From historical plant automation  
Enabling Technologies  
To global operations efficiency

- **Plant Level Automation**
- **Holistic Enterprise Approach**

Schneider Electric manages the Data at the Plant Level and has a Key Role to play in Global Operations Efficiency and gain mindshare of the customer
... this accelerates the integration of Energy Control and Process control

Technology
- Deeper integration of architectures is expected for energy management in all industries
- Opportunity for differentiation

Access
- Energy management: part of day-to-day operations management
- Strong pull through of electrical distribution and life cycle services

Automation technologies + Installed base access => optimal delivery of our promise of efficiency to customers
We are on a clear path to capture opportunities from positive external trends
We have well structured initiatives for growth with the contribution from Invensys

Best In Class Products
- Innovation for simplicity
- Offers for New Economies

Strengthen Segment Leadership
- OEM Solutions
- End User Solutions

Enhance software portfolio
- Industry Software Business

Invensys acquisition will contribute to all above initiatives
We continue to innovate for simplicity

### Higher Efficiency

**Service-oriented drives** with
- Using QR codes and smartphones for rapid diagnostics
- Specific context-dependent identification code
- Accelerated Customer Care

**Minimize**

### Wireless and Less Wire

- **iOS** and **Android** apps for operator panels
- Intelligent USB devices for reduced wiring and increased functionality
- Wireless EMS for hoisting applications

**Best In Class Products**

- Lower costs to design, build & maintain
- Software for faster design cycle
- **Total Cost of Ownership**
- **Easier to use**
- Integrated safety and motor control
- **Energy dashboard library**
- Intuitive web-based monitoring/diagnostic configuration

**M2xx controllers**
2014 Major Launch - Altivar Process Drives

Addressing Process Customers Needs

- Higher Equipment Efficiency
- Lower Total Cost of Ownership
- Modular & Configurable

With Built –In Services

- Optimal operation point
- Built in power monitoring
- Improved MTBF’s of equipment
Our “Easy” line is customized to meet the local needs in new economies

**Fit for purpose**
- Optimized Level of Performance
- Uncompromised Robustness & Quality

**Developed in and for the new economies**
- Widespread availability
- Designed and manufactured in China for new economies

**Typical industrial applications**
- Textile
- Packaging
- Pump/HVAC
- Hoisting
- General purpose machines

**Our Offer**
- Easy HMI
- Easy PLC
- Easy Pushbuttons
- Easy Motion
- Easy LV Drive
- Easy Relays

Our **MachineStruxure** reduces complexity for OEM's

**MachineStruxure**

- One single software environment
- Unique TVDA\(^1\) value proposition
- End-to-end service support
- Simple and easy to use

**Strengthen Segment Leadership**

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1 TVDA: Tested, Validated, Documented Architectures

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Sales CAGR 28%

> 3500 converted customers

13 new launches in 2014

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Graph showing growth from 1,000 machines to >200,000 machines with years 2008 to 2013.
...leading to Continued OEM Growth

Italy: Beverage & Cosmetics Labeling Machine Range

Customer needs
- One supplier for all machines
- Scalable & modular offer across machine range
- International Support

Customer View
“Schneider Electric’s broad offer and global positioning gave me comfort that I could standardize automation across all machines thereby reducing costs while getting support anywhere in the world where our machines are installed”

SoMachine software
Co-design from the early starting stage

High performance offer
Multi-axes Motion Controller
Motion Drives and Motors
Safety offer
AC Drives
HMI Panels & Push buttons

We have a broad End Users Systems Portfolio

Small-to-Large, Discrete-to-Process Coverage

The combination of:
- Foxboro/Triconex
- PlantStruxure PES
- Wonderware System Platform

Gives Schneider Electric the broadest systems portfolio in the industry
- Small-to-large DCS
- Discrete to Hybrid to Continuous Process
- Leading Software position

Reinforcing our End User business and creating value for our large accounts

1 PES: Process Engineering Systems
PlantStruxure has proven its early success

Brazil: Anglo American mining

Customer needs
- Upgrade to increase Niobium production from 3800 tonnes per year to 6500 tonnes

Schneider Electric Solution

A complete Mining Information & Control System:

- Design & Simulation
- Operation Management
- Control & Supervision

- AMPLA + Vijeo Historian
- PES + Quantum
- Ethernet iMCC + Profibus Field Connectivity

Customer Benefits

“Schneider Electric were able to offer us a cost effective solution from a very broad portfolio that met our strict technical requirements.”

Strengthen Segment Leadership

30 Smart Software Objects developed according to Anglo’s standards
We’re well positioned to cover the entire value chain in Oil & Gas segment

UPSTREAM

MIDSTREAM

DOWNSTREAM

DISTRIBUTION

Smart Field O&G

Enterprise Pipeline Management

Simulation/-modelling

Fuel Supply Chain Automation

Process Control & Safety

Sub-Sea Power - Power Equipment – Optimized E-house – Security System

Energy Management and Control Solutions

Schneider Electric existing offer

Invensys offer
We continue to upgrade process offerings to keep our technologic advantage

Launched Award Winning Foxboro Evo™

Key Customer Benefits

Increased Operational Integrity
- Integration with Triconex
- Increased cyber security
- Reduced mean time to diagnose

Enhanced Operational Insight
- Faster operator response
- More proactive maintenance

Future Proof investment
- Lowest total cost of ownership

Market Reactions

"This is the clearest and most on-target mission statement for process automation that ARC has heard. It’s worth memorizing.” – Harry Forbes, ARC Advisory Group

“We have stress tested the CP280 to and beyond its limits and it was absolutely awesome to see the power and stability this new controller has” - A. Weiss (INEOS)

"Now we see where you have spent your R&D money the last couple of years…” - Customer, Large Biofuels Company
Our software competence spans across total industrial efficiency

Higher customer benefits leading to higher customer mindshare
Our integrated software and hardware bring higher customer value

One of the largest sugar producers in South Africa

**Customer needs**
- Implement MES system to track plant performance
- Replace legacy DCS with SCADA + PLC solution

**Customer Benefits**
"The ability of the Wonderware System Platform to integrate & consolidate data across the different systems & deliver it to managers’ desktops enables us to be pro-active, rather than reactive"

**Schneider Electric Solution**
Wonderware System Platform working seamlessly with Schneider Electric PLC’s to replace a legacy DCS.

**Business Systems**

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<thead>
<tr>
<th>Design &amp; Simulation</th>
<th>Operations Management</th>
<th>Control &amp; Supervision</th>
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<tbody>
<tr>
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<td>MES Performance</td>
<td>SE Quantum PLC’s</td>
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<td>InTouch + Historian</td>
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Invensys: a strong strategic fit to drive higher growth and value creation

The Invensys acquisition reinforces our business

1. Reinforce industrial automation capabilities
2. Boost our positions in key electro-intensive segments
3. Strengthen software for customer operational efficiency

Capture growing need for automation
There is strong cultural fit of both Companies Employees

Shared Values
- Customer focus
- Deep industry knowledge
- Culture of innovation
- Collaborative mindset
- Trust

1 Organization Health Index Survey Conducted by McKinsey & Co.
Integration is well prepared to ensure business continuity along with value creation

Phase 1 “Mobilize”

Phase 2 “Pre-closing planning”

Phase 3 “Stabilize”

Phase 4 “Realize value”

Day 1 Jan 17th
Early business workshops confirmed our synergy targets

**Major Workstreams**

**HR Workstream**
- Many shared values between the two companies

**Synergies Workstream**
- Multiple concrete revenue synergy levers confirmed
- Complimentary commercial access (channels/accounts)
- Procurement synergies identified

**Technology Workstream**
- Offers are complementary with very limited overlap.

**Key takeaways**

- Integration on track: basics already in place, eg SE intranet access for Invensys
- Enhanced User Value Propositions for Global Strategic Accounts
- Network of sales champions already in place in both companies
- Invensys & SE sales teams are excited by the opportunity
We are well positioned to grow due to our strong foundation and value addition from Invensys

Key Strengths

Deep expertise in automation with proven leadership position
One of the few players credible in both Discrete and Process
Cross selling opportunities and Pull through other business
Strong industrial software platform

Business Opportunities

Growth in Automation
Focus on Operational Efficiency
Energy & Automation Convergence

Clear growth Initiatives

Best In Class Products
Strengthen Segment Leadership
Enhance software portfolio

Focused Invensys integration
Help people make the most of their energy