

**THIRD PROSPECTUS SUPPLEMENT DATED 4 SEPTEMBER 2018
TO THE BASE PROSPECTUS DATED 6 OCTOBER 2017**



SCHNEIDER ELECTRIC SE

Euro 7,500,000,000

Euro Medium Term Note Programme

Due from seven days from the date of original issue

This prospectus supplement (the "**Third Prospectus Supplement**") is supplemental to, and should be read in conjunction with, the Base Prospectus dated 6 October 2017 which received visa no. 17-538 on 6 October 2017 from the *Autorité des marchés financiers* (the "**AMF**") as supplemented by the first prospectus supplement dated 28 November 2017 which received visa no. 17-615 on 28 November 2017 from the AMF and by the second prospectus supplement dated 18 May 2018 which received visa no. 18-185 on 18 May 2018 from the AMF (together, the "**Base Prospectus**") prepared in relation to the Euro 7,500,000,000 Euro Medium Term Note Programme (the "**Programme**") of Schneider Electric SE (the "**Issuer**"). The Base Prospectus constitutes a base prospectus for the purpose of the Directive 2003/71/EC, as amended, (the "**Prospectus Directive**").

Application has been made for approval of the Third Prospectus Supplement to the AMF in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive.

This Third Prospectus Supplement has been prepared pursuant to Article 16.1 of the Prospectus Directive and Article 212-25 of the AMF's *Règlement Général* for the purpose of (i) incorporating the Issuer's First Half Year 2018 results, (ii) incorporating recent events in connection with the Issuer and (iii) as a consequence, amending and supplementing the following sections of the Base Prospectus:

- Summary;
- *Résumé en français*;
- Documents Incorporated by Reference;
- Recent Developments; and
- General information.

Save as disclosed in this Third Prospectus Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is material in the context of the Programme since the publication of the Base Prospectus.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this Third Prospectus Supplement.

To the extent that there is any inconsistency between (a) any statement in this Third Prospectus Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Copies of this Third Prospectus Supplement (a) may be obtained, free of charge, from the registered office of the Issuer during normal business hours, (b) will be available from the website of the Issuer (www.schneider-electric.com), (c) will be available on the website of the AMF (www.amf-france.org) and (d) will be available during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for collection at the offices of each Paying Agent(s) so long as any of the Notes are outstanding.

In accordance with Article 16.2 of the Prospectus Directive, in the case of an offer of Notes to the public, investors who have already agreed to purchase or subscribe for Notes issued under the Programme before this Third Prospectus Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date of publication of this Third Prospectus Supplement to withdraw their acceptances. This right to withdraw shall expire by close of business on 6 September 2018.

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SUMMARY

The section entitled "Summary" appearing on pages 3 to 19 of the Base Prospectus is amended as follows:

- Element B.4b entitled "*Description of any known trends affecting the Issuer and the industries in which it operates*" is hereby deleted in its entirety and replaced with the following:

B.4b	Description of any known trends affecting the Issuer and the industries in which it operates	<p>Following a very good H1, the Group revises its 2018 growth target upward and is now aiming at an organic growth of the adj. EBITA¹ between +7% and +9% (vs. around +7% initially).</p> <p>This strong performance would be generated by a combination of dynamic top line growth and margin expansion. The Group expects:</p> <ul style="list-style-type: none"> • Organic sales growth for 2018 to reach +5% to +6% (vs +3% to +5% initially) reflecting the success of the Group's strategy • +30 to +50 bps organic improvement of the adj. EBITA margin, taking into account investments needed to drive top line growth as well as some increase in costs such as currently anticipated tariff impacts
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- Element B.12 entitled "*Selected historical key financial information*" is hereby updated with the following:

B.12	Selected historical key financial information	<p>The selected historical consolidated financial data presented below has been derived from Schneider Electric's consolidated financial statements and related notes for the years ended 31 December 2017 and 2016 and the 2018 Half-Year Financial Report, in accordance with IFRS.</p>			
		In € million, except data per share and other data	30/06/2018	31/12/2017	31/12/2016 ²
		Consolidated Balance Sheet			
		Total Assets	43,198	39,849	41,851
		Equity attributable to owners of the Company	19,656	19,797	20,494
		FIRST HALF 2018 KEY RESULTS			
		€ million	2017 HY	2018 HY	Change
		Gross Profit	4,715	4,818	+2.2%
		Support Function Costs	(2,997)	(3,049)	+1.7%
		Adjusted EBITA	1,718	1,769	+3%

¹ Adjusted EBITA: EBITA before restructuring costs and before other operating income and expenses, which includes acquisition, integration and separation costs.

² *2016 restated for the deconsolidation of solar activities.

		Restructuring costs	(156)	(87)	
		Other operating income & expenses	71	(64)	
		EBITA³	1,633	1,618	-1%
		Amortization & impairment of purchase accounting intangibles	(61)	(79)	
		Net income (Group share)	958	1,020	+7%
		Free cash flow⁴	501	350	-30%
<p>There has been no significant change in the financial or trading position of the Issuer or of the Group since 30 June 2018 and no material adverse change in the prospects of the Issuer since 31 December 2017.</p> <p>2018 Q2 revenues are set out in Element B.13.</p>					

3. Element B.13 entitled "*Recent material events relevant to the evaluation of the Issuer's solvency*" is hereby deleted in its entirety and replaced with the following:

B.13	Recent material events relevant to the evaluation of the Issuer's solvency	SECOND QUARTER REVENUES WERE UP C.+8% ORGANICALLY					
		<p>2018 Q2 revenues were €6,517 million, up +7.7% organically and up +2.9% on a reported basis.</p> <p>The breakdown of revenue by business segment was as follows:</p>					
		€ million		H1 2018		Q2 2018	
				Revenues	Organic Growth	Revenues	Organic Growth
Energy Management	Medium Voltage		1,932	+0.4%	1,049	+3.2%	
	Low Voltage		5,630	+9.1%	2,963	+9.0%	
	Secure Power		1,691	+3.8%	916	+4.7%	
	Total		9,253	+6.1%	4,928	+6.9%	
Industrial Automation	Industrial Automation		3,064	+10.0%	1,589	+10.7%	
Group			12,317	+7.0%	6,517	+7.7%	
<p>The Group delivered a strong performance in Energy Management leveraging its complete end-to-end offering (Medium Voltage, Low Voltage, Secure Power) addressing customer needs across end-markets. The performance by technologies was as follows:</p> <p>Medium Voltage (16% of Q2 revenues) has returned to growth in Q2 (+3.2% organically) after the completion of its selectivity initiatives under its Medium Voltage Rebound program launched over two years ago. The division grew its transactional product sales (especially LV and MV products bundled and sold</p>							

³ EBITA: EBIT before amortization and impairment of purchase accounting intangibles and impairment of goodwill.

⁴ Free cash flow: Net cash provided by operating activities less change in working capital and less net operating investments.

		<p>through diffuse channels). Services were up double-digit, growing in all regions. Grid Automation developed well with several projects won in Microgrids. The U.S. and China saw strong growth in the quarter. Western Europe grew in services but suffered from a low backlog on projects. Rest of the World was down with challenging conditions particularly in Russia. The division seized opportunities in growing segments such as data centers, infrastructure and commercial & industrial buildings while the traditional utility market remained mixed.</p> <p>The Medium Voltage division has continued to deliver on its Rebound initiatives. The business put a greater focus on opportunities in its transactional business, mostly sold in packages with Low Voltage, its services and Grid Automation portfolio which are benefiting from market acceleration. It has also set-up a specialized organization, "Power Systems," focused on utilities and electro-intensive customers and with a leaner cost base. This organization is fully operational and performing at the end of H1 and will contribute to the FY adjusted EBITA margin target of +1pt to +1.5pt organically set for the full Medium Voltage Division.</p> <p>Upon completion of its strategic review, the Group has identified c. €0.5 billion of MV revenues as lower performing and less synergetic. Over the next 12 to 24 months, actions to improve their impact on the overall Schneider Electric business will be implemented. Those actions could range, among others, from partnership to disposal.</p> <p>Low Voltage (46% of Q2 revenues) was up +9.0% organically in Q2 (c.+10% including Delixi), with good growth across regions. The Group's residential and small buildings offers were up high single-digit for the quarter. Overall construction markets remained favorable and the Group saw continued success in data center markets and targeted industrial segments. Asia-Pacific saw strong growth again for the quarter. The Group's commercial initiatives helped to deliver growth in China residential markets though the Group will face a high base of comparison in H2. Rest of the World was up. The Group saw accelerated growth in North America as residential and CIB markets remained strong. Western Europe was up with growth continuing across most low voltage offers. The Group's digital offers grew well for the quarter and its new EcoStruxure Building offering as well as its Connectivity ecosystem initiative (for the living space) were well received.</p> <p>Secure Power (14% of Q2 revenues) had a strong quarter, growing +4.7% organically. The business grew in all its end markets - Data Center, Distributed Secure Power, and Non-IT markets. In data centers, the integrated offering of EcoStruxure for data center customers (including domains of Building, Power, and IT) provide a compelling value proposition for colocation companies and large data centers. Secure Power offers in the data center end-market grew mid-single digit and generated pull through opportunities for the entire Group portfolio, resulting in the data center segment growing double-digit in orders and sales for the Group. Edge computing (driven by the need for lower latency, greater security, and regulations), and new economies drove growth of smaller secure power products. Secure power offers for industrial and commercial buildings also accelerated on the back of their growing integration in the full energy management architecture. New offer launches showed successful results, and services continued to post a solid mid-single digit growth. The division achieved growth, despite market-wide pressure over the sourcing of electronic components used in some offers, which resulted in increased freight and direct costs.</p>
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**RÉSUMÉ EN FRANÇAIS
(SUMMARY)**

The section entitled "*Résumé en français (Summary)*" appearing on pages 20 to 38 of the Base Prospectus is amended as follow:

1. Element B.4b entitled "*Description de toutes les tendances connues l'ayant des répercussions sur l'Émetteur et ses secteurs d'activité*" is hereby deleted in its entirety and replaced with the following:

B.4b	Description de toutes les tendances connues l'ayant des répercussions sur l'Émetteur et ses secteurs d'activité	<p>Après un très bon premier semestre, le Groupe revoit à la hausse son objectif de croissance pour 2018 et vise désormais une croissance organique de l'EBITA ajusté⁵ comprise entre +7 % et +9 % (contre environ +7 % initialement annoncé).</p> <p>Cette forte performance attendue se fonde sur la combinaison d'une croissance dynamique du chiffre d'affaires et de l'augmentation de la marge. Le Groupe vise ainsi :</p> <ul style="list-style-type: none"> • Une croissance organique de son chiffre d'affaires en 2018 comprise entre +5 % et +6 % (contre +3 % à +5 % visé initialement) reflétant le succès de la stratégie du Groupe ; • Une amélioration organique de la marge d'EBITA ajusté comprise entre +30 et +50 points de base en tenant compte des investissements nécessaires à la croissance du chiffre d'affaires, ainsi que de l'augmentation de certains coûts tels que l'impact des droits de douane (dans leur forme actuelle).
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2. Element B.12 entitled "*Informations financières sélectionnées*" is hereby updated with the following:

B.12	Événement récent relatif à l'Émetteur présentant un intérêt significatif pour l'évaluation de sa solvabilité	<p>Les informations financières historiques consolidées sélectionnées présentées ci-dessous sont issues des comptes consolidés de Schneider Electric et les notes associées pour les exercices clos les 31 décembre 2017 et 2016 et les résultats du premier semestre 2018 préparés conformément aux normes IFRS.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">En millions d'euros, sauf les données par action et les autres informations</th> <th style="text-align: center;">31/06/2018</th> <th style="text-align: center;">31/12/2017</th> <th style="text-align: center;">31/12/2016⁶</th> </tr> </thead> <tbody> <tr> <td>Bilan consolidé</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Actif total</td> <td style="text-align: right;">43.198</td> <td style="text-align: right;">39.849</td> <td style="text-align: right;">41.851</td> </tr> <tr> <td>Capitaux propres</td> <td style="text-align: right;">19.656</td> <td style="text-align: right;">19.797</td> <td style="text-align: right;">20.494</td> </tr> </tbody> </table>	En millions d'euros, sauf les données par action et les autres informations	31/06/2018	31/12/2017	31/12/2016 ⁶	Bilan consolidé				Actif total	43.198	39.849	41.851	Capitaux propres	19.656	19.797	20.494
En millions d'euros, sauf les données par action et les autres informations	31/06/2018	31/12/2017	31/12/2016 ⁶															
Bilan consolidé																		
Actif total	43.198	39.849	41.851															
Capitaux propres	19.656	19.797	20.494															

⁵ EBITA ajusté : EBITA avant coûts de restructuration et avant autres produits et charges d'exploitation, qui incluent entre autres les coûts d'acquisition, d'intégration et de cession.

⁶ *Données 2016 retraitées des activités dans le solaire.

RÉSULTATS DU PREMIER SEMESTRE 2018			
€ million	S1 2017	S1 2018	Variation
Marge brute	4.715	4.818	+2,2%
Coût des fonctions support	(2.997)	(3.049)	+1,7%
EBITA ajusté	1.718	1.769	+3%
Coûts de restructuration	(156)	(87)	
Autres charges et produits d'exploitation	71	(64)	
EBITA⁷	1.633	1.618	-1%
Amortissement et dépréciation des actifs incorporels issus des acquisitions	(61)	(79)	
Résultat net (part du Groupe)	958	1 020	+7%
Cash flow libre⁸	501	350	-30%
<p>Il n'y a pas eu de changement significatif dans la situation financière ou commerciale de l'Emetteur ou du Groupe depuis le 30 juin 2018 et pas de détérioration significative dans ses perspectives depuis le 31 décembre 2017.</p> <p>Le chiffre d'affaires du deuxième trimestre de 2018 apparaît dans l'Elément B.13.</p>			

3. Element B.13 entitled "*Evénement récent propre à l'Emetteur et présentant un intérêt significatif pour l'évaluation de sa solvabilité*" is hereby deleted in its entirety and replaced with the following:

B.13	Evénement récent propre à l'Emetteur et présentant un intérêt significatif pour l'évaluation de sa solvabilité	CHIFFRE D'AFFAIRES DU DEUXIÈME TRIMESTRE EN HAUSSE ORGANIQUE D'ENVIRON +8 %			
		Le chiffre d'affaires du deuxième trimestre 2018 s'élève à 6 517 millions d'euros, en hausse organique de +7,7 % et en progression de +2.9 % en croissance publiée.			
		Le chiffre d'affaires par activité se répartit comme suit :			
En millions d'euros		S1 2018		T2 2018	
		Chiffre d'affaires	Croissance organique	Chiffre d'affaires	Croissance organique
Gestion de l'énergie	Moyenne tension	1 932	+0,4 %	1 049	+3,2 %
	Basse tension	5 630	+9,1 %	2 963	+9,0 %

⁷ EBITA : EBIT avant amortissement et dépréciation des actifs incorporels comptables et dépréciation du goodwill.

⁸ Cash-flow libre : Autofinancement d'exploitation moins la variation de BFR moins les investissements nets d'exploitation.

	Énergie sécurisée	1 691	+3,8 %	916	+4,7 %
	Total	9 253	+6,1 %	4 928	+6,9 %
Automatismes industriels	Automatismes industriels	3 064	+10,0 %	1 589	+10,7 %
Groupe		12 317	+7,0 %	6 517	+7,7 %

Le Groupe enregistre une forte performance de son activité Gestion de l'énergie, tirant profit de son portefeuille complet d'offres intégrées (Moyenne tension, Basse tension et Énergie sécurisée), lui permettant de répondre au mieux aux problématiques de ses clients sur l'ensemble de ses marchés. La performance par technologie est la suivante :

L'activité Moyenne tension (16 % des ventes au T2) renoue avec la croissance au deuxième trimestre (hausse organique de +3,2 %), ayant achevé ses initiatives de sélectivité dans le cadre du programme *Rebound* de l'activité, lancé il y a un peu plus de deux ans. L'activité enregistre une augmentation des ventes de ses produits (notamment les offres de Moyenne tension, combinées à des produits de Basse tension et commercialisées par des canaux de distribution diffus). Les services sont en hausse à deux chiffres (« *double-digit* »), réalisant une progression sur l'ensemble des régions. L'activité *Grid Automation* évolue positivement, remportant plusieurs projets dans le domaine des micro-réseaux. Les États-Unis et la Chine connaissent une forte croissance sur le trimestre. L'Europe de l'Ouest affiche une croissance dans les services, mais subit les conséquences du faible carnet de commandes sur les projets. Le Reste du Monde est en baisse, faisant face à des conditions difficiles en Russie tout particulièrement. L'activité saisit des opportunités sur des segments en croissance comme les centres de données, les infrastructures et les bâtiments industriels et commerciaux, le marché traditionnel des régions demeurant contrasté.

L'activité Moyenne tension poursuit la mise en œuvre de ses initiatives dans le cadre de son programme *Rebound*. L'activité se concentre davantage sur les opportunités liées à la vente de produits, sous forme d'offres combinées avec l'activité Basse tension, aux services et aux solutions d'automatismes des réseaux qui bénéficient d'un marché en croissance. L'activité a également mis en place une organisation spécifique (« *Power Systems* ») axée sur les régions d'électricité et clients électro-intensifs et bénéficiant d'une base de coûts plus efficace. Cette organisation pleinement opérationnelle à la fin du deuxième trimestre affiche une bonne performance et contribuera à atteindre l'objectif d'une amélioration organique de la marge d'EBITA ajusté de 1pt à 1,5pt en 2018 pour la Moyenne Tension.

À l'issue de la revue stratégique de l'activité Moyenne Tension, le Groupe a identifié environ 0,5 milliards d'euros de ventes annuelles apparaissant comme moins synergétiques et moins performantes. Dans les prochains 12 à 24 mois, des actions seront mises en place afin d'améliorer leur impact pour le Groupe. Ces actions pourraient prendre différentes formes allant, parmi d'autres, de partenariats jusqu'à des cessions.

L'activité Basse tension (46% des ventes au T2) enregistre une hausse organique de +9,0 % au deuxième trimestre (environ +10 % avec Delixi), l'ensemble des régions réalisant une bonne croissance. L'activité du Groupe sur le résidentiel et les petits bâtiments est en croissance haute à un chiffre (« *high single-digit* ») sur le trimestre. Dans l'ensemble, les marchés de la construction restent favorables et le Groupe poursuit avec succès son bon développement dans le domaine des centres de données et sur des segments industriels ciblés. L'Asie-Pacifique affiche à nouveau une croissance forte sur le trimestre. Les initiatives commerciales du Groupe contribuent à la croissance sur le marché résidentiel chinois, le Groupe fera cependant face à une base de comparaison plus élevée au S2. Le Reste du Monde est en croissance. Le

	<p>Groupe enregistre une hausse plus marquée en Amérique du Nord où les marchés résidentiels et des bâtiments industriels et commerciaux demeurent solides. L'Europe de l'Ouest est en hausse, poursuivant sa croissance sur la plupart des offres de Basse tension. Les offres digitales du Groupe se développent favorablement sur le trimestre tandis que sa nouvelle offre EcoStruxure Building et l'initiative Ecosystème Connectivité (pour les espaces de vie) ont été bien reçues.</p> <p>L'activité Énergie sécurisée (IT, 14 % des ventes au T2) réalise un trimestre solide, en hausse organique de +4,7 %. L'activité progresse sur tous ses marchés finaux : centres de données, énergie sécurisée distribuée et non IT. Pour les centres de données, l'offre intégrée d'EcoStruxure (incluant les domaines EcoStruxure Building, Power, et IT) représente une proposition de valeur convaincante pour les clients opérant des centres de colocations et des centres de données de taille importante. Les offres d'Énergie sécurisée à destination des centres de données enregistrent une croissance moyenne à un chiffre (« <i>mid-single digit</i> ») et génèrent de nouvelles opportunités pour l'ensemble du portefeuille du Groupe, se traduisant par une croissance à deux chiffres (« <i>double-digit</i> ») des commandes et des ventes du segment des centres de données. Le « <i>Edge-Computing</i> », porté par les besoins de faibles temps de latence, de plus de sécurité et par la réglementation, ainsi que la demande dans les nouvelles économies tirent la croissance des petits produits d'énergies sécurisées. Les offres d'Énergie sécurisée pour les bâtiments industriels et commerciaux accélèrent grâce à leur intégration croissante dans l'architecture complète de gestion de l'énergie. Les lancements de nouvelles offres apportent de bons résultats et les Services continuent d'enregistrer une solide croissance moyenne à un chiffre (« <i>mid-single digit</i> »). L'activité est en croissance, malgré la tension du marché sur l'approvisionnement en composants électroniques utilisés dans certaines offres, entraînant une augmentation des frais de transport et une hausse de certains coûts d'achats.</p>
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DOCUMENTS INCORPORATED BY REFERENCE

The section entitled "**Documents Incorporated by Reference**", appearing on pages 57 to 61 of the Base Prospectus is deleted in its entirety and replaced with the following:

"This Base Prospectus should be read and construed in conjunction with the sections set out in the cross - references tables below from the following documents which have been filed with the AMF:

- the pages referred to in the table below which are included in the *document de référence* in the French language of the Issuer which received the visa n° D.18-0138 from the AMF on 16 March 2018, except for the third paragraph of the section "*Responsables du document de référence*" on page 377 (the "**2017 Reference Document**");
- the pages referred to in the table below which are included in the *document de référence* in the French language of the Issuer which received the visa n° D.17-0177 from the AMF on 17 March 2017, except for the third paragraph of the section "*Responsables du document de référence*" on page 367 (the "**2016 Reference Document**");
- the pages referred to in the table below which are included in the Issuer's interim financial report in French language for the six-month period ended 30 June 2018, dated 25 July 2018 (the "**2018 Half-Year Financial Report**"); and
- the terms and conditions of the notes contained in the base prospectuses of the Issuer dated, respectively, 31 August 2016 (the "**2016 EMTN Conditions**"), 31 July 2015 (the "**2015 EMTN Conditions**"), 15 July 2014 (the "**2014 EMTN Conditions**"), 25 June 2013 (the "**2013 EMTN Conditions**"), 25 June 2012 (the "**2012 EMTN Conditions**"), 24 June 2011 (the "**2011 EMTN Conditions**"), 24 June 2010 (the "**2010 EMTN Conditions**"), 19 June 2009 (the "**2009 EMTN Conditions**"), 22 May 2008 (the "**2008 EMTN Conditions**"), 21 May 2007 (the "**2007 EMTN Conditions**"), (together with the 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015 and 2016 EMTN Conditions, the "**EMTN Previous Conditions**").

Any reference in this Base Prospectus, in the 2017 Reference Document or in the 2016 Reference Document to the registration documents and/or annual reports (either 2017 or 2016) shall be deemed to exclude the above-mentioned excluded sections.

Any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus may be obtained, free of charge, from (i) the registered office of the Issuer, (ii) the website of the Issuer (www.schneider-electric.com) and/or (iii) at the offices of each Paying Agent set out at the end of this Base Prospectus during normal business hours.

The 2017 Reference Document and the 2016 Reference Document are available on the website of the AMF (www.amf-france.org).

The information incorporated by reference in this Base Prospectus shall be read in connection with the cross-reference list below.

Any information not listed in the cross-reference list below but included in the documents incorporated by reference shall not form part of this Base Prospectus and is not relevant for investors.

The English translation of the 2017 Reference Document, the 2016 Reference Document and the 2018 Half-Year Financial Report are available on the website of the Issuer (<https://www.schneider-electric.com/en/about-us/investor-relations/#>). Such English translations are available for information purposes only and are not incorporated by reference in this Base Prospectus. Only the French versions of the 2017 Reference Document, the 2016 Reference Document and the 2018 Half-Year Financial Report may be relied upon.

Prospectus Regulation – Annex IV and Annex IX	2016 Reference Document	2017 Reference Document	2018 Half- Year Financial Report
2 STATUTORY AUDITORS			
2.1 Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).		Page 378	
2.2 If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, details if material.		N/A	
4 RISK FACTORS			
4.1 Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors"		Pages 47 to 55	Page 30
5 INFORMATION ABOUT THE ISSUER			
5.1 <u>History and development of the Issuer:</u>		Pages 35 to 37	
5.1.1 the legal and commercial name of the Issuer;		Page 318	
5.1.2 the place of registration of the Issuer and its registration number;		Page 318	
5.1.3 the date of incorporation and the length of life of the Issuer, except where indefinite;		Page 318	
5.1.4 the domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office).		Page 318	
5.1.5 Recent events		Page 279	
5.2 INVESTMENTS			
5.2.1 Principal investments		Page 223	
5.2.2 Principal future investments		Page 223	
5.2.3 Anticipated sources of funds		Page 223	
6 BUSINESS OVERVIEW			
6.1 <u>Principal activities:</u>			
6.1.1 A brief description of the Issuer's principal activities stating the main categories of products sold and/or services performed; and		Pages 26 to 30	
6.2 <u>Principal markets</u>			
6.3 The basis for any statements in the registration document made by the Issuer regarding its competitive position		Pages 31 to 33	

Prospectus Regulation – Annex IV and Annex IX		2016 Reference Document	2017 Reference Document	2018 Half-Year Financial Report
7	ORGANISATIONAL STRUCTURE			
7.1	If the issuer is part of a group, a brief description of the group and of the issuer's position within it.		Pages 43 to 46 and pages 281 to 290	
8	TREND INFORMATION			
8.2	Information on any known trends		Page 224	
10	ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES			
10.1	Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital.		(a) Pages 154-166 (b) Not Applicable	
10.2	<u>Administrative, Management, and Supervisory bodies conflicts of interests</u> Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, make a statement to that effect.		Page 179	
11	BOARD PRACTICES			
11.1	Audit committee		Pages 173 to 177	
12	MAJOR SHAREHOLDERS			
12.1	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.		Pages 9 and 325 to 326	
13	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES			
13.1	<u>Historical Financial Information</u> Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. (a) balance sheet; (b) income statement; (c) cash flow statement; and	Pages 209– 274 Pages 213 - 214 Pages 210 and 211 Page 212	Pages 226 to 294 Pages 229- 230 Pages 226 and 227 Page 228	Pages 3 to 20 Pages 6-7 Pages 3-4 Page 5

Prospectus Regulation – Annex IV and Annex IX	2016 Reference Document	2017 Reference Document	2018 Half- Year Financial Report
(d) accounting policies and explanatory notes	Pages 217 - 272	Pages 233 to 290	Pages 9 to 20
13.3 <u>Auditing of historical annual financial information</u>	Pages 273 to 274	Pages 291 to 294	Pages 32- 33 (review report)
13.6 <u>Legal and arbitration proceedings</u> Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer and/or group's financial position or profitability, or provide an appropriate negative statement.		Pages 53 to 54	Page 30
14 <u>ADDITIONAL INFORMATION</u>			
14.1 <u>Share capital</u>			
14.1.1 amount of issued capital		Page 321	
14.2 <u>Memorandum and Articles of Association</u>			
14.2.1 the register and the entry number therein, if applicable, and a description of the Issuer's objects and purposes and where they can be found in the memorandum and articles of association		Page 318	
15 MATERIAL CONTRACTS			
15.1 A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued.		Page 279	

The EMTN Previous Conditions are incorporated by reference in this Base Prospectus for the purpose only of further issues of Notes to be assimilated (*assimilées*) and form a single series with Notes already issued under the relevant EMTN Previous Conditions.

EMTN Previous Conditions	
2007 EMTN Conditions	Pages 33 to 59
2008 EMTN Conditions	Pages 30 to 57
2009 EMTN Conditions	Pages 31 to 58
2010 EMTN Conditions	Pages 38 to 64
2011 EMTN Conditions	Pages 35 to 60
2012 EMTN Conditions	Pages 36 to 64
2013 EMTN Conditions	Pages 54 to 82
2014 EMTN Conditions	Pages 51 to 81

EMTN Previous Conditions	
2015 EMTN Conditions	Pages 57 to 88
2016 EMTN Conditions	Pages 62 to 94

Information contained in the Documents Incorporated by Reference other than information listed in the table above is for information purposes only."

RECENT DEVELOPMENTS

The section entitled "**Recent developments**" appearing on pages 96 to 112 of the Base Prospectus is deleted and replaced by the following press release published by the Issuer on 26 July 2018:

Press release of 26 July 2018 on Schneider Electric second quarter revenues and first half results for the period ending 30 June 2018

Successful execution of strategy drives strong results in H1:

Revenues up +7% organic, adj. EBITA up +11% organic, Net income up +7%. Full year target upgraded

- *Q2 Revenues up c.+8%: All businesses and regions growing*
- *Energy Management and Industrial Automation deliver strong organic growth, up c.+8%¹ and c.+11% in Q2 respectively*
- *All business operational results improving*
- *H1 adj. EBITA €1,769m, c.+11% org; 14.4% margin up +50bps org.*
- *H1 Net Income €1,020m, up +7%*
- *FY adj. EBITA organic growth target upgraded*

Rueil-Malmaison (France), July 26, 2018 - Schneider Electric announced today its second quarter revenues and half year results for the period ending June 30, 2018.

Key figures (€ million)	2017 H1	2018 H1	Organic Change	Reported Change
Revenues	12,173	12,317	+7.0%	+1.2%
Adjusted EBITA	1,718	1,769	+11.1	+3.0%
% of revenues	14.1%	14.4	+50	+30
Net Income (Group share)	958	1,020		+7%
Earnings per share (Basic)	1.72	1.83		+6%

Jean-Pascal Tricoire, Chairman and CEO, commented:

In Q2, we accelerate both in growth and performance, with revenues up c. +8% organic, bringing our H1 2018 organic growth to +7% and H1 adjusted EBITA organic growth to a strong +11%. Our focused and synergetic portfolio continues to gain share, benefitting both our core businesses of Energy Management and Industrial Automation, which record strong growth in Q2, respectively at c.+8%^{Error! Bookmark not defined.} and c.+11%. Both businesses combine to provide full solutions of energy and process efficiency, and

1. Including Delixi, reported under equity method since 2016

generate solid and increasing traction for our EcoStruxure platform. We also continue to focus and invest on furthering our digital journey.

We keep working on our portfolio and announce the agreement, in partnership with Temasek, to acquire L&T E&A business in India. In addition, we reinforce our presence in Software with the finalization of the AVEVA transaction in our Industrial Automation business, and the closing of IGE+XAO in our Energy Management business.

In H2 2018, the Group expects to benefit from its balanced exposure to end-markets and geographies. We keep focusing our efforts on driving our strategy of selling more products, more services, more software; and we keep developing our strong value proposition to customers, bringing together our synergetic portfolio into EcoStruxure. Consequently, we upgrade our Adjusted EBITA organic growth objective for 2018; now expected between +7% and +9%.

I. SECOND QUARTER REVENUES WERE UP c.+8% ORGANICALLY

2018 Q2 revenues were **€6,517 million**, up +7.7% organically and up +2.9% on a reported basis.

The breakdown of revenue by business segment was as follows:

€ million		H1 2018		Q2 2018	
		Revenues	Organic Growth	Revenues	Organic Growth
Energy Management	Medium Voltage	1,932	+0.4%	1,049	+3.2%
	Low Voltage	5,630	+9.1%	2,963	+9.0%
	Secure Power	1,691	+3.8%	916	+4.7%
	Total	9,253	+6.1%	4,928	+6.9%
Industrial Automation	Industrial Automation	3,064	+10.0%	1,589	+10.7%
Group		12,317	+7.0%	6,517	+7.7%

The breakdown of revenue by geography was as follows:

€ million		H1 2018		Q2 2018	
		Revenues	Organic growth	Revenues	Organic growth
Western Europe		3,385	+2%	1,752	+5%
Asia-Pacific		3,566	+13%	1,936	+12%
North America		3,375	+7%	1,799	+8%
Rest of the World		1,991	+5%	1,030	+5%
Group		12,317	+7.0%	6,517	+7.7%

GOOD DYNAMIC IN ENERGY MANAGEMENT UP c.+7% IN Q2, WITH GROWTH ACROSS ALL REGIONS

Geographical trends for Energy Management:

Western Europe: Residential markets continued to develop well, further helped by successful launches in residential and small buildings offers. Commercial and Industrial Buildings demand kept growing. The data center end-market generated strong growth for the Group's entire portfolio. Spain and Italy kept their growth momentum. France saw good development in offers for construction and industrial markets, while performance was impacted by low MV backlog. UK remained resilient though the uncertainty around Brexit continued to impact investment decisions. The Nordics saw positive trends in construction markets, but saw a slowdown in Sweden. In Germany, the activity suffered from fewer projects in the utilities segment while other markets remained favorable.

Asia-Pacific: Energy Management was up double-digit in Q2 benefitting from continued strength in construction, industrial and infrastructure markets, and data center development. China continued to grow strongly, up in all Energy Management technologies. China residential markets continued to grow and the country saw investment increase in green energy projects with traction in delivering the Group's EcoStruxure offers. India, Thailand and Philippines all grew double-digit and Australia and Singapore saw good growth.

North America: Energy Management accelerated to high single digit growth in Q2 in North America. The Group offers for residential as well as CIB performed well in a positive market, helped by channel initiatives and the roll-out of recent offers. In Industrial & Infrastructure markets, the Group saw increasing demand in several segments such as Food & Beverage, Water & Waste Water and OEM. In Data Center and IT markets, the Group, benefitting from its complete portfolio for Data Centers delivered several large projects in the region.

Rest of the World: Energy Management grew across the region. The Middle-East was up due to continued good growth in Turkey and Gulf countries, while Saudi Arabia sequentially improved. CIS was about flat, with lower O&G related activities in Russia counterbalanced by good project execution in the region. The Group saw its business in Russia impacted by market uncertainty related to recent sanctions. South America was up, with growth in Argentina and Colombia, offsetting Brazil.

Performance of Energy Management by technology:

The Group delivered a strong performance in Energy Management leveraging its complete end-to-end offering (Medium Voltage, Low Voltage, Secure Power) addressing customer needs across end-markets. The performance by technologies was as follows:

Medium Voltage (16% of Q2 revenues) has returned to growth in Q2 (+3.2% organically) after the completion of its selectivity initiatives under its Medium Voltage Rebound program launched over two years ago. The division grew its transactional product sales (especially LV and MV products bundled and sold through diffuse channels). Services were up double-digit, growing in all regions. Grid Automation developed well with several projects won in Microgrids. The U.S. and China saw strong growth in the quarter. Western Europe grew in services but suffered from a low backlog on projects. Rest of the World was down with challenging conditions particularly in Russia. The division seized opportunities in growing segments such as data centers, infrastructure and commercial & industrial buildings while the traditional utility market remained mixed.

The Medium Voltage division has continued to deliver on its Rebound initiatives. The business put a greater focus on opportunities in its transactional business, mostly sold in packages with Low Voltage, its services and Grid Automation portfolio which are benefiting from market acceleration. It has also set-up a specialized organization, "Power Systems," focused on utilities and electro-intensive customers and with a

leaner cost base. This organization is fully operational and performing at the end of H1 and will contribute to the FY adjusted EBITA margin target of +1pt to +1.5pt organically set for the full Medium Voltage Division.

Upon completion of its strategic review, the Group has identified c. €0.5 billion of MV revenues as lower performing and less synergetic. Over the next 12 to 24 months, actions to improve their impact on the overall Schneider Electric business will be implemented. Those actions could range, among others, from partnership to disposal.

Low Voltage (46% of Q2 revenues) was up +9.0% organically in Q2 (c.+10% including Delixi), with good growth across regions. The Group's residential and small buildings offers were up high single-digit for the quarter. Overall construction markets remained favorable and the Group saw continued success in data center markets and targeted industrial segments. Asia-Pacific saw strong growth again for the quarter. The Group's commercial initiatives helped to deliver growth in China residential markets though the Group will face a high base of comparison in H2. Rest of the World was up. The Group saw accelerated growth in North America as residential and CIB markets remained strong. Western Europe was up with growth continuing across most low voltage offers. The Group's digital offers grew well for the quarter and its new EcoStruxure Building offering as well as its Connectivity eco-system initiative (for the living space) were well received.

Secure Power (14% of Q2 revenues) had a strong quarter, growing +4.7% organically. The business grew in all its end markets - Data Center, Distributed Secure Power, and Non-IT markets. In data centers, the integrated offering of EcoStruxure for data center customers (including domains of Building, Power, and IT) provide a compelling value proposition for colocation companies and large data centers. Secure Power offers in the data center end-market grew mid-single digit and generated pull through opportunities for the entire Group portfolio, resulting in the data center segment growing double-digit in orders and sales for the Group. Edge computing (driven by the need for lower latency, greater security, and regulations), and new economies drove growth of smaller secure power products. Secure power offers for industrial and commercial buildings also accelerated on the back of their growing integration in the full energy management architecture. New offer launches showed successful results, and services continued to post a solid mid-single digit growth. The division achieved growth, despite market-wide pressure over the sourcing of electronic components used in some offers, which resulted in increased freight and direct costs.

INDUSTRIAL AUTOMATION GREW STRONGLY IN Q2

Geographical trends for Industrial Automation:

Western Europe: Industrial Automation growth accelerated to double-digit in Q2, with growth across the main markets in the region, benefiting from good demand in discrete markets and improved investment in process markets. The growth was supported by successful actions on targeted OEM offers, particularly in Italy and Spain. The Group continued to build on its momentum in EcoStruxure offer in the region.

Asia-Pacific: Industrial Automation was up as double-digit growth continued for Q2, with overall demand from OEM and electro-intensive customers driving both discrete and process automation offers. China's industrial demand remains strong and the Group benefitted from its strategy to expand its offer reach in fast developing segments. India was up, driven by modernization and capacity expansion projects, and growth in targeted OEM segments. Australia was down due to a high base of comparison while South-East Asia continued to grow in several countries.

North America: was up high-single digit with growth in the U.S., Canada and Mexico. The group recorded good demand for offers for discrete and machine manufacturers, benefitting from greater focus on channel expansion. The Group's offers for process industries saw accelerated growth with improved capital expenditure for efficiency.

Rest of the World: was up double-digits. The Middle-East and Africa were up, benefitting from growth in Turkey, improving demand from electro-intensive customers in Saudi Arabia and Gulf countries, and good project execution in North Africa. South America grew while CIS declined.

Performance of Industrial Automation:

Industrial Automation (24% of Q2 revenues) was up strongly with +10.7% organic growth in Q2 with growth in all four regions. The Group benefitted from strong OEM demand, traction for EcoStruxure and the Group's complete, integrated, and differentiated portfolio of software. Process Automation saw good growth in the quarter with good demand for efficiency from electro-intensive customers. The value proposition was further enhanced in H1 by the closing of the transaction with AVEVA, which provides an end-to-end digital solution from design and build to operation and maintenance for operators in hybrid and process end-markets.

Across the Group, Products were up +7% organically in Q2. Services were up +12%.

CONSOLIDATION² AND FOREIGN EXCHANGE IMPACTS IN Q2

Net acquisitions had an impact of +€77 million or +1.2% on Group revenues in Q2. This includes mainly the consolidation of Asco Power (Low Voltage) and AVEVA (Industrial Automation), the disposal of DTN (Medium Voltage) and some minor acquisitions / disposals.

The impact of foreign exchange fluctuations was negative at -€343 million or -6.0% on Group revenues in Q2, primarily due to the weakening of the U.S. Dollar and several new economies' currencies against the Euro.

Based on current rates, the FX impact on FY 2018 revenues is estimated to be around -€1.0bn. The FX impact at current rates on adjusted EBITA margin is expected to be c.-20bps.

II. H1 2018 KEY RESULTS

€ million	2017 H1	2018 H1	Change	Organic change
Revenues	12,173	12,317	+1.2%	+7.0%
Gross Profit	4,715	4,818	+2.2%	+7.2%
<i>Gross profit margin</i>	<i>38.7%</i>	<i>39.1%</i>	<i>+40bps</i>	<i>+10bps</i>
Support Function Costs	(2,997)	(3,049)	+1.7%	+5.1%
Adjusted EBITA	1,718	1,769	+3.0%	+11.1%
<i>Adjusted EBITA margin</i>	<i>14.1%</i>	<i>14.4%</i>	<i>+30bps</i>	<i>+50bps</i>
Restructuring costs	(156)	(87)		
Other operating income & expenses	71	(64)		
EBITA	1,633	1,618	-1%	
Amortization & impairment of purchase accounting intangibles	(61)	(79)		
Net income (Group share)	958	1,020	+7%	
Free Cash Flow	501	350	-30%	

2. Changes in scope of consolidation also include some minor reclassifications of offers among different businesses.

- **ADJUSTED EBITA MARGIN AT 14.4%, UP +50 BPS ORGANIC THANKS TO THE COMBINATION OF STRONG TOP LINE PERFORMANCE, PRODUCTIVITY AND ONGOING PRICING ACTIONS**

Gross profit was up +7.2% organically with Gross margin improving by **10bps organically** to **39.1%** in H1 2018 mainly driven by price increases and productivity.

H1 2018 Adjusted EBITA reached **€1,769** million, increasing organically by +11.1% and the Adjusted EBITA margin improved +50 bps organically to 14.4%.

The key drivers contributing to the earnings change were the following:

- Volume impact was a positive **€284** million.
- Solid execution of Tailored, Sustainable & Connected (TSC 4.0) supply chain initiatives contributed to an H1 industrial productivity level of **+€174** million. In a positive environment for volume, the Group faced challenges in its supply chain, notably in relation to tensions in the market of electronic components, and increased freight costs. In H1 actions have been taken to moderate this impact in the second part of the year.
- Pricing was positive +€50m in H1 18. The net price³ impact was negative at **-€39** million in H1 18, impacted by the raw materials headwind of c. -€89 million. The raw material increase on products was more than covered outside of China. In China, the price trend improved compared to last year. Raw material impact in 2018 is expected to be around -€200m at current prices.
- Cost of Goods Sold inflation was **-€63** million in H1 18, of which the production labor cost and other cost inflation was **-€48** million, and an increase in R&D in Cost of Goods Sold was **-€15** million.
- Overall SFC to Sales ratio went from 24.6% to 24.8%, improving organically by 50bps, but higher by +20bps due to scope and currency impact. Support function costs increased organically by **-€137** million in H1 18, including investment in strategic initiatives to support growth such as enhancing the Group's digital offer, marketing of new product launches, and expanding the services footprint.
- Currency decreased the adjusted EBITA by **-€141** million in H1 18, mainly due to the depreciation of the US Dollar, Indian Rupee, Chinese Yuan, and some other new economies' currencies against the euro.
- Mix was about neutral at **-€11** million in H1 18.
- Acquisitions, net of divestments were positive at **+€23** million in H1 18 due mainly to the inclusion of ASCO Power for 6 months and AVEVA for 4 months, partly compensated by the disposal of DTN, as well as minor acquisitions and disposals.

By business, the H1 2018 adjusted EBITA for **Medium Voltage** was €162 million, or **8.4%** of revenues, flat year-on-year and c. +1.1pt organic, thanks to higher system gross margin and lean cost structure implementation in the Power Systems organization. **Low Voltage** adjusted EBITA reached €1,176 million, or **20.9%** of revenues, up +0.1 points (c. +0.4pt organic) year-on-year. **Secure Power** business reported an adjusted EBITA of €246 million, **14.6%** of revenues, up +0.1 points compared to 2017 (around flat organic). **Industrial Automation** generated an adjusted EBITA of €528 million, or **17.3%** of

3. Price less raw material impact

revenues, up +0.5 points and c. +0.1pt organic, including impact of digital investments and higher inflation.

Corporate costs in H1 2018 amounted to **€343 million** or 2.8% of revenues.

▪ **NET INCOME UP +7%**

The restructuring charges were **-€87 million** in H1 2018, €69m lower than last year as the Group concluded the program for efficiency and simplification launched in 2015. Restructuring costs are expected in the foreseeable future to be back to a normative recurring amount of €150m to €200m per year corresponding in majority to the costs required to generate the manufacturing productivity and to continue to drive simplification.

Other operating income and expenses had a negative impact of **-€64 million**, mainly due to M&A and integration costs, vs. +€71 million in H1 2017 when the disposal of DTN generated a capital gain.

The amortization and depreciation of intangibles linked to acquisitions was **-€79 million** compared to -€61 million in the first half of last year. The increase in amortization comes mainly due to intangible assets recognized in association with the AVEVA and ASCO Power acquisitions.

Net financial expenses were **-€159 million**, €25 million lower than in 2017, driven by a continued decrease in the cost of debt.

Income tax amounted to **-€318 million**, lower by €43m than last year. The effective tax rate was down to 23.0%, in line with the expected range of ETR of 22%-24% in 2018 and in the medium term.

Share of profit on associates increased slightly to **+€36 million**. Delixi revenues increased by c. +25% organic in H1 18 and Group share of Delixi net income was **€30m**, up c.€12m year-on-year.

The Net Income reached a record amount for H1 of **€1,020 million** in H1 2018, up +7% from H1 2017.

▪ **OPERATING CASH FLOW NET OF CAPEX REACHED €1.2BN, UP +19% FROM H1 2017, while free cash flow for h1 2018 was €350m, impacted by working capital evolution, as expected.**

Operating Cash Flow, net of CAPEX, was reported at €1,207 million, thanks to strong operating cash flow and a decrease in net capital expenditure which reached €308 million, representing ~2.5% of revenues. The strong topline growth of the Group resulted in an increased consumption of trade working capital, up €562 million in H1 18. Overall free cash flow was €350 million.

▪ **BALANCE SHEET REMAINS SOLID**

Schneider Electric's net debt at June 30, 2018 amounted to **€6,059 million** (€4,296 million in December 2017) after payment of **€1.2 billion** in dividend, a share buyback of c. **€160 million** in H1 2018 and net acquisitions of **€698 million** (mainly the AVEVA acquisition).

III. DIGITAL

The Group continued to invest in digital capabilities, further developing its open ecosystem of applications, and gaining good traction with customers across end-markets.

In the first half, the Group's board of directors have constituted a Digital Committee to further advance the Group's digital initiatives and governance.

During H1, the growth in Assets under Management was in excess of 20% year over year, while revenues from the two top layers of EcoStruxure, (Edge Control and Apps, Analytics & Digital Services) grew organically faster than the Group.

IV. SHARE BUY BACK

The Group has repurchased 2.3 million shares for a total amount of c. €160 million in the first half, with an average price of c.€70 per share. By the end of H1, the Group has bought back in total c. €335m of the about €1bn buyback announced in mid-2017 and to be completed by mid-2019.

V. GOVERNANCE

The five committees of the Schneider Electric SE Board of Directors met, in their new composition, at least once since the latest Annual General Meeting held on April 24, 2018:

- Audit & risks committee: Cecile Cabanis (Chairperson), Antoine Gosset-Grainville, Fred Kindle, Willy Kissling, Fleur Pellerin;
- Governance & remunerations committee: Leo Apotheker (Chairperson), Fred Kindle, Willy Kissling, Linda Knoll, Greg Spierkel;
- Human resources & CSR committee: Linda Knoll (Chairperson), Willy Kissling, Xiaoyun Ma, Fleur Pellerin;
- Investment committee: Fred Kindle (Chairperson), Betsy Atkins, Xiaoyun Ma, Patrick Montier, Anders Runevad, Greg Spierkel;
- Digital committee: Greg Spierkel (Chairperson), Leo Apotheker, Betsy Atkins, Fleur Pellerin.

VI. DIVIDEND

The dividend payment for Fiscal Year 2018 will be on May 3, 2019.

VII. 2018 TARGET UPGRADED

Following a very good H1, the Group revises its 2018 growth target upward and is now aiming at an organic growth of the adj. EBITA between +7% and +9% (vs. around +7% initially).

This strong performance would be generated by a combination of dynamic top line growth and margin expansion. The Group expects:

- Organic sales growth for 2018 to reach +5% to +6% (vs +3% to +5% initially) reflecting the success of the Group's strategy
- +30 to +50 bps organic improvement of the adj. EBITA margin, taking into account investments needed to drive top line growth as well as some increase in costs such as currently anticipated tariff impacts.

Further notes on 2018 available in appendix

The financial statements of the period ending June 30, 2018 were established by the Board of Directors on July 25, 2018 and certified by the Group auditors on July 25, 2018.

The Q2 2018 & H1 2018 Results presentation is available at www.schneider-electric.com

Q3 2018 Revenues will be presented on October 25, 2018.

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. For a detailed description of these factors and uncertainties, please refer to the section "Risk Factors" in our Annual Registration Document (which is available on www.schneider-electric.com). Schneider Electric undertakes no obligation to publicly update or revise any of these forward-looking statements.

About Schneider Electric: Schneider Electric is leading the Digital Transformation of Energy Management and Automation in Homes, Buildings, Data Centers, Infrastructure and Industries. With global presence in over 100 countries, Schneider is the undisputable leader in Power Management – Medium Voltage, Low Voltage and Secure Power, and in Automation Systems. We provide integrated efficiency solutions, combining energy, automation and software. In our global Ecosystem, we collaborate with the largest Partner, Integrator and Developer Community on our Open Platform to deliver real-time control and operational efficiency. We believe that great people and partners make Schneider a great company and that our commitment to Innovation, Diversity and Sustainability ensures that **Life Is On** everywhere, for everyone and at every moment.

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www.schneider-electric.com

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Appendix – Further notes on 2018

- **Exchange rates impact:** Based on current rates, the FX impact on FY 2018 revenues is estimated to be around -€1.0bn. The FX impact at current rates on adjusted EBITA margin is expected to be around -20bps.
- **Scope:** Based on the most recent fiscal years for acquisitions, scope impact is currently estimated around +€400 million in revenues and expected to be around +10bps at the level of the Group adj. EBITA margin. This includes AVEVA which would be fully consolidated for 10 months starting with March 2018.
- **Tax rate:** Thanks to the positive evolution of the corporate income tax rates in several countries where the Group operates, the ETR is expected to be in a 22%-24% range in 2018 and in the medium term.
- **Restructuring:** Restructuring costs are expected in the foreseeable future to be back to a normative recurring amount of €150m to €200m corresponding in majority to the costs required to generate the manufacturing productivity and to continue to drive simplification.
- **Industrial productivity:** In an environment of increased freight costs and tariffs, the Group expects a good level of productivity for 2018, though not at 2017 levels.

Appendix – Revenues breakdown by business

Second quarter 2018 revenues by business were as follows:

<u>€ million</u>		<u>Q2 2018</u>				
		<u>Revenues</u>	<u>Organic growth</u>	<u>Changes in scope of consolidation</u>	<u>Currency effect</u>	<u>Reported growth</u>
<u>Energy Management</u>	<u>Medium Voltage</u>	<u>1,049</u>	<u>+3.2%</u>	<u>-3.9%</u>	<u>-5.7%</u>	<u>-6.4%</u>
	<u>Low Voltage</u>	<u>2,963</u>	<u>+9.0%</u>	<u>+3.5%</u>	<u>-6.1%</u>	<u>+6.4%</u>
	<u>Secure Power</u>	<u>916</u>	<u>+4.7%</u>	<u>0.0%</u>	<u>-6.9%</u>	<u>-2.2%</u>
	<u>Total</u>	<u>4,928</u>	<u>+6.9%</u>	<u>+1.1%</u>	<u>-6.2%</u>	<u>1.8%</u>
<u>Industrial Automation</u>	<u>Industrial Automation</u>	<u>1,589</u>	<u>+10.7%</u>	<u>+1.6%</u>	<u>-5.7%</u>	<u>+6.6%</u>
<u>Group</u>		<u>6,517</u>	<u>+7.7%</u>	<u>+1.2%</u>	<u>-6.0%</u>	<u>+2.9%</u>

Half year 2018 revenues by business were as follows:

<u>€ million</u>		<u>H1 2018</u>				
		<u>Revenues</u>	<u>Organic growth</u>	<u>Changes in scope of consolidation</u>	<u>Currency effect</u>	<u>Reported growth</u>
<u>Energy Management</u>	<u>Medium Voltage</u>	<u>1,932</u>	<u>+0.4%</u>	<u>-4.7%</u>	<u>-6.1%</u>	<u>= 10.4%</u>
	<u>Low Voltage</u>	<u>5,630</u>	<u>+9.1%</u>	<u>+3.8%</u>	<u>-7.5%</u>	<u>+5.4%</u>
	<u>Secure Power</u>	<u>1,691</u>	<u>+3.8%</u>	<u>0.0%</u>	<u>-8.2%</u>	<u>-4.4%</u>
	<u>Total</u>	<u>9,253</u>	<u>+6.1%</u>	<u>+1.1%</u>	<u>-7.3%</u>	<u>-0.1%</u>
<u>Industrial Automation</u>	<u>Industrial Automation</u>	<u>3,064</u>	<u>+10.0%</u>	<u>+2.2%</u>	<u>-6.8%</u>	<u>+5.4%</u>
<u>Group</u>		<u>12,317</u>	<u>+7.0%</u>	<u>+1.4%</u>	<u>-7.2%</u>	<u>+1.2%</u>

Appendix – Revenues breakdown by geography

<u>€ million</u>	<u>Q2 2018</u>			<u>H1 2018</u>		
	<u>Revenues</u>	<u>Organic growth</u>	<u>Reported growth</u>	<u>Revenues</u>	<u>Organic growth</u>	<u>Reported growth</u>
<u>Western Europe</u>	<u>1,752</u>	<u>+5%</u>	<u>+4%</u>	<u>3,385</u>	<u>+2%</u>	<u>+2%</u>
<u>Asia-Pacific</u>	<u>1,936</u>	<u>+12%</u>	<u>+8%</u>	<u>3,566</u>	<u>+13%</u>	<u>+7%</u>
<u>North America</u>	<u>1,799</u>	<u>+8%</u>	<u>+2%</u>	<u>3,375</u>	<u>+7%</u>	<u>-2%</u>
<u>Rest of the World</u>	<u>1,030</u>	<u>+5%</u>	<u>-4%</u>	<u>1,991</u>	<u>+5%</u>	<u>-5%</u>
<u>Group</u>	<u>6,517</u>	<u>+7.7%</u>	<u>+2.9%</u>	<u>12,317</u>	<u>+7.0%</u>	<u>+1.2%</u>

Appendix – Consolidation

In number of months	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
DTN Medium Voltage Business \$213 million revenues in 2016		1m	3m	3m	3m	2m		
Asco Low Voltage Business \$468 million revenues in 2016				2m	3m	3m	3m	1m
AVEVA Industrial Automation Business £216 million revenues in FY2017 (ending March 2017)					1m	3m	3m	3m
IGE+XAO Low Voltage Business €29 million revenues in FY2017 (ending July 2017)					2m	3m	3m	3m

Appendix - Gross Margin, Analysis of Change

	H1
	Gross Margin
2017 GM	38.7%
Volume	0.0 pt
Net Price	(0.5) pt
Productivity	1.4 pt
Mix	(0.1) pt
R&D & Production Labor Inflation	(0.5) pt
FX	0.0 pt
Scope & Others	0.1 pt
2018 GM	39.1%

Appendix - Results breakdown by business

€ million		H1 2017	H1 2018
Revenues		12,173	12,317
Energy Management	Medium Voltage	2,156	1,932
	Low Voltage	5,341	5,630
	Secure Power	1,769	1,691
	Total	9,266	9,253
Industrial Automation	Industrial Automation	2,907	3,064
Adjusted EBITA		1,718	1,769
Energy Management	Medium Voltage	180	162
	Low Voltage	1,111	1,176
	Secure Power	256	246
	Total	1,547	1,584
Industrial Automation	Industrial Automation	487	528
Corporate	Corporate costs	(316)	(343)

Adjusted EBITA margin, in % of revenues		H1 2017	H1 2018	Organic
Energy Management	<i>Medium Voltage</i>	8.4%	8.4%	~+110 bps
	<i>Low Voltage</i>	20.8%	20.9%	~+40 bps
	<i>Secure Power</i>	14.5%	14.6%	~0 bps
	<i>Total</i>	16.7%	17.1%	~+70 bps
Industrial Automation	<i>Industrial Automation</i>	16.7%	17.3%	~+10 bps

Appendix – Free Cash Flow

Analysis of debt change in €m	H1 2017	H1 2018
Net debt at opening at Dec. 31	(4,824)	(4,296)
Operating cash flow	1,367	1,515
Capital expenditure – net	(351)	(308)
Operating cash flow, net of capex	1,016	1,207
Change in trade working capital	(238)	(562)
Change in non-trade working capital	(277)	(295)
Free cash flow	501	350
Dividends	(1,133)	(1,223)
Acquisitions – net	558	(698)
Net capital increase	10	(160)
FX & other	(59)	(32)
(Increase) / Decrease in net debt	(123)	(1,763)
Net debt at Jun. 30	(4,948)	(6,059)

GENERAL INFORMATION

The section "**General Information**" on pages 146 to 148 of the Base Prospectus is amended as follows:

1. Paragraph (4) is deleted in its entirety and replaced by the following:
"4. There has been no significant change in the financial or trading position of the Issuer or the Group since 30 June 2018 and no material adverse change in the prospects of the Issuer since 31 December 2017."
2. Paragraph (9)(ii) is deleted in its entirety and replaced by the following:
"9. (ii) the published annual report (*document de référence*) of the Issuer for the financial years ended 31 December 2017 and 31 December 2016 and the 2018 Half-Year Financial Report;"
3. Paragraph (10)(iii) is deleted in its entirety and replaced by the following:
"10. (iii) the documents incorporated by reference in this Base Prospectus (excluding the 2018 Half-Year Financial Report)."

**PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE THIRD PROSPECTUS
SUPPLEMENT**

In the name of the Issuer

Having taken all reasonable measures for this purpose, I declare that the information contained in this Third Prospectus Supplement is in accordance with the facts and contains no omission likely to affect its import.

Issued in Rueil-Malmaison, on 4 September 2018

Schneider Electric SE
35, rue Joseph Monier
92500 Rueil-Malmaison
France

Duly represented by:
Véronique Blanc
Senior Vice President Financing and Treasury

Duly authorised
on 4 September 2018



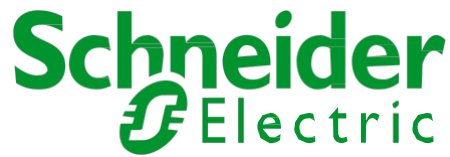
Autorité des marchés financiers

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement général*) of the *Autorité des marchés financiers* (AMF), in particular Articles 212-31 to 212-33, the AMF has granted to this Third Prospectus Supplement the visa n° 18-413 on 4 September 2018. This Third Prospectus Supplement has been prepared by the Issuer and its signatories assume responsibility for it.

In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information in it is coherent". It does not imply that the AMF has approved the opportunity of the transaction, nor any authentication by the AMF of the accounting and financial data that is presented herein.

In accordance with Article 212-32 of the General Regulations (*Règlement Général*) of the AMF, every issue or admission of Notes under the Base Prospectus as supplemented by this Third Prospectus Supplement will require the publication of final terms.

**SECOND PROSPECTUS SUPPLEMENT DATED 18 MAY 2018
TO THE BASE PROSPECTUS DATED 6 OCTOBER 2017**



**SCHNEIDER ELECTRIC SE
Euro 7,500,000,000
Euro Medium Term Note Programme
Due from seven days from the date of original issue**

This prospectus supplement (the "**Second Prospectus Supplement**") is supplemental to, and should be read in conjunction with, the Base Prospectus dated 6 October 2017 which received visa no. 17-538 on 6 October 2017 from the *Autorité des marchés financiers* (the "**AMF**") as supplemented by the first prospectus supplement dated 28 November 2017 which received visa no. 17-615 on 28 November 2017 from the AMF (together, the "**Base Prospectus**") prepared in relation to the Euro 7,500,000,000 Euro Medium Term Note Programme (the "**Programme**") of Schneider Electric SE (the "**Issuer**"). The Base Prospectus constitutes a base prospectus for the purpose of the Directive 2003/71/EC, as amended, (the "**Prospectus Directive**").

Application has been made for approval of the Second Prospectus Supplement to the AMF in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive.

This Second Prospectus Supplement has been prepared pursuant to Article 16.1 of the Prospectus Directive and Article 212-25 of the AMF's *Règlement Général* for the purpose of (i) incorporating the 2017 Reference Document of the Issuer, (ii) incorporating recent events in connection with the Issuer and (iii) as a consequence, amending and supplementing the following sections of the Base Prospectus:

- Cover page
- Summary;
- *Résumé en français*;
- Risk factors relating to the Issuer;
- Risks factors relating to the Notes;
- Documents incorporated by Reference;
- Description of the Issuer;
- Recent Developments;
- Taxation;
- Form of final terms for Notes with a denomination of less than €100,000;
- Form of final terms for Notes with a denomination of at least €100,000; and
- General information.

Save as disclosed in this Second Prospectus Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is material in the context of the Programme since the publication of the Base Prospectus.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this Second Prospectus Supplement.

To the extent that there is any inconsistency between (a) any statement in this Second Prospectus Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Copies of this Second Prospectus Supplement (a) may be obtained, free of charge, from the registered office of the Issuer during normal business hours, (b) will be available from the website of the Issuer (www.schneider-electric.com), (c) will be available on the website of the AMF (www.amf-france.org) and (d) will be available during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for collection at the offices of each Paying Agent(s) so long as any of the Notes are outstanding.

In accordance with Article 16.2 of the Prospectus Directive, in the case of an offer of Notes to the public, investors who have already agreed to purchase or subscribe for Notes issued under the Programme before this Second Prospectus Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date of publication of this Second Prospectus Supplement to withdraw their acceptances. This right to withdraw shall expire by close of business on 23 May 2018.

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AMENDMENTS TO THE COVER PAGE

The cover page of the Base Prospectus is amended as follow:

1. The reference appearing on the cover page of the Base Prospectus to “Markets in Financial Instruments Directive 2004/39/EC, as amended” shall refer to “Markets in Financial Instruments Directive 2014/65/EU, as amended”.
2. The following paragraph shall be added at the end of the cover page of the Base Prospectus.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes may include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Notes, taking into account the five (5) categories referred to in item 18 of the Guidelines published by the European Securities and Markets Authority (ESMA) on 5 February 2018 and which channels for distribution of the Notes are appropriate. Any person subsequently selling or recommending the Notes (a "**distributor**" as defined in MIFID II) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID II Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer as defined in MIFID II in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID II Product Governance Rules. For the avoidance of doubt, the Issuer is not a MiFID II regulated entity and does not qualify as a distributor or a manufacturer under MiFID II Product Governance Rules.

SUMMARY

The section entitled "Summary" appearing on pages 3 to 19 of the Base Prospectus is amended as follows:

- The first paragraph of the Element A.2 entitled "*Information regarding consent by the Issuer to the use of the Prospectus*" is hereby deleted and replaced with the following:

A.2	Information regarding consent by the Issuer to the use of the Prospectus	In the context of any offer of Notes in France and in the Grand Duchy of Luxembourg (the " Public Offer Jurisdictions ") that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended, (a " Public Offer "), the Issuer consents to the use of the Base Prospectus and the relevant Final Terms (together with the Base Prospectus, the " Prospectus ") in connection with a Public Offer of any Notes during the offer period specified in the relevant Final Terms (the " Offer Period ") and in the Public Offer Jurisdiction(s) specified in the relevant Final Terms and in compliance with the target market and distribution channels identified under the "MiFID II product governance" legend set out in the relevant Final Term, by any financial intermediary duly authorised designated in such Final Terms (each an " Authorised Offeror "). The consent referred to above relates to Offer Periods (if any) ending no later than the date falling 12 months from the date of the approval of the Base Prospectus by the <i>Autorité des marchés financiers</i> .
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- Element B.4b entitled "*Description of any known trends affecting the Issuer and the industries in which it operates*" is hereby deleted in its entirety and replaced with the following:

B.4b	Description of any known trends affecting the Issuer and the industries in which it operates	<p>The Group continues to successfully implement its strategy in a positive market environment in Q1 with strong growth in Products, Services and Digital offers, leveraging cross-selling of the full portfolio. The strong performance in Q1 bodes well for the organic top line growth for the year.</p> <p>In this context, the Group re-affirms its target to deliver strong organic growth of adjusted EBITA in 2018, around the high-end of the +4% to +7% bracket earlier communicated as the average yearly objective for 2017-2019.</p> <p>To deliver this strong performance the Group will maximize its organic top line growth and will make the necessary investments to capture growth in developing digital markets. Therefore, for 2018, the Group will target:</p> <ul style="list-style-type: none"> • An organic top line growth towards the higher half of the +3% to +5% range; and • An organic adj. EBITA margin expansion towards the upper end of the +20bps to +50bps range targeted as yearly average improvement for 2017-2019.
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- Element B.12 entitled "*Selected historical key financial information*" is hereby deleted in its entirety and replaced with the following:

B.12	Selected historical key financial information	The selected historical consolidated financial data presented below has been derived from Schneider Electric's consolidated financial statements and related notes for the years ended 31 December 2017 and 2016 in accordance with IFRS.		
		In € million, except data per share and other data	31/12/2017	31/12/2016*
		Consolidated Income Statement		
		Revenue	24,743	24,459
		Net Profit – Group Share	2,150	1,750

		Net Income per Share:		
		Basic	3.85	3.12
		Diluted	3.81	3.09
		Consolidated Balance Sheet		
		Total Assets	39,849	41,851
		Equity attributable to owners of the Company	19,797	20,494
		Other Data		
		Number of Outstanding Shares	596,916,242	592,498,759
		Dividend per Share	2.20	2.04
		<p>There has been no significant change in the financial or trading position of the Issuer or of the Group and no material adverse change in the prospects or affairs of the Issuer since 31 December 2017.</p> <p>2018 Q1 revenues are set out in Element B.13.</p> <p>*2016 restated for the deconsolidation of solar activities.</p>		

4. Element B.13 entitled "*Recent material events relevant to the evaluation of the Issuer's solvency*" is hereby deleted in its entirety and replaced with the following:

B.13	Recent material events relevant to the evaluation of the Issuer's solvency	<p>2018 Q1 revenues were €5,800 million, up +6.2% organically, +7.7% working day adjusted and down -0.7% on a reported basis.</p> <p>The Group's complete end-to-end offering continued to drive strong cross-selling across segments, with pull through technologies orders growing faster than the lead technology.</p> <p>The breakdown of revenue by technology was as follows:</p>																																																												
		<table border="1"> <thead> <tr> <th colspan="2" rowspan="2">€ million</th> <th colspan="3">Q1 2018</th> </tr> <tr> <th>Revenues</th> <th>Organic Growth</th> <th>Reported Growth</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Energy Management</td> <td>Medium Voltage</td> <td>883</td> <td>-2.7%</td> <td>-14.7%</td> </tr> <tr> <td>Low Voltage</td> <td>2,667</td> <td>+9.1%</td> <td>+4.4%</td> </tr> <tr> <td>Secure Power</td> <td>775</td> <td>+2.7%</td> <td>-6.9%</td> </tr> <tr> <td>Total Energy Management</td> <td>4,325</td> <td>+5.2%</td> <td>-2.2%</td> </tr> <tr> <td>Industrial Automation</td> <td>Industrial Automation</td> <td>1,475</td> <td>+9.2%</td> <td>+4.1%</td> </tr> <tr> <td colspan="2">Group</td> <td>5,800</td> <td>+6.2%</td> <td>-0.7%</td> </tr> </tbody> </table> <p>The breakdown of revenue by geography was as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">€ million</th> <th colspan="3">Q1 2018</th> </tr> <tr> <th>Revenues</th> <th>Organic growth</th> <th>Reported growth</th> </tr> </thead> <tbody> <tr> <td>Western Europe</td> <td>1,633</td> <td>0%</td> <td>0%</td> </tr> <tr> <td>Asia-Pacific</td> <td>1,630</td> <td>+14%</td> <td>+6%</td> </tr> <tr> <td>North America</td> <td>1,576</td> <td>+5%</td> <td>-5%</td> </tr> <tr> <td>Rest of the World</td> <td>961</td> <td>+5%</td> <td>-5%</td> </tr> <tr> <td>Group</td> <td>5,800</td> <td>+6.2%</td> <td>-0.7%</td> </tr> </tbody> </table> <p>GOOD DYNAMIC IN ENERGY MANAGEMENT UP +5.2% ORG., UP C.+6% INCLUDING DELIXI</p>	€ million		Q1 2018			Revenues	Organic Growth	Reported Growth	Energy Management	Medium Voltage	883	-2.7%	-14.7%	Low Voltage	2,667	+9.1%	+4.4%	Secure Power	775	+2.7%	-6.9%	Total Energy Management	4,325	+5.2%	-2.2%	Industrial Automation	Industrial Automation	1,475	+9.2%	+4.1%	Group		5,800	+6.2%	-0.7%	€ million	Q1 2018			Revenues	Organic growth	Reported growth	Western Europe	1,633	0%	0%	Asia-Pacific	1,630	+14%	+6%	North America	1,576	+5%	-5%	Rest of the World	961	+5%	-5%	Group	5,800
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Geographical trends for Energy Management:

North America: Energy Management grew mid-single digit in North America. The Group continued to benefit from the rollout of recent launches in positive residential markets. The market for Commercial and Industrial buildings saw growth and the Group benefited from investments in Datacenters leveraging its complete portfolio to win several large projects. In Industry & Infrastructure markets, the Group saw increasing demand in several segments such as Metals & Mining and Transportation and had a strong performance in services. Both the U.S. and Canada posted growth while Mexico was down.

Western Europe: Energy Management was impacted by working days, with a mixed picture across countries. Spain posted strong growth, with channel initiatives delivering results in favorable markets across residential and commercial buildings, infrastructure and data centers. Italy continued to deliver solid growth. France and Germany were down mainly due to a low backlog in Medium Voltage and working days, partially offset by growth in the residential and non-residential markets. The U.K. was down on low backlog with utilities and general slowdown of the economy. Overall in Europe, residential markets developed well, with good results for the Group's offers in Final Distribution & Wiring Devices. Commercial and Industrial Buildings demand continued to be positive, as did the Data center end-market which generated strong growth for the Group's entire portfolio.

Asia-Pacific: Energy Management was up double-digits in Q1. Residential and Commercial & Industrial Buildings segments saw continued growth across the region. China was up strongly across all Energy Management technologies, with good growth in targeted segments and supported by distributor restocking. China residential markets continued to perform well, though are expected to grow more slowly through 2018. Elsewhere in Asia, Australia was up with good demand from Cloud & Service Providers and growth in non-residential construction while India was up due to Data Centers and residential construction markets. Indonesia benefited from growth in residential markets while Singapore was up due to project execution.

Rest of the World: Energy Management grew in the region. Construction markets (both residential and commercial/ industrial buildings) continued to be positive in the region. Datacenter activity was good and the Group delivered several projects for Cloud & Services Providers across Energy Management. Utilities investments continued to be weak in the Middle-East. CIS declined due to lower O&G related activities in Russia. The Middle-East was up thanks to good growth in Turkey while Saudi Arabia remained difficult. Africa grew and South America was about flat.

Performance of Energy Management technologies:

The Group delivered strong performance in Energy Management leveraging its complete end-to-end offering (Medium Voltage, Low Voltage, Secure Power). The Group's go-to-market is oriented to address customer needs across end-markets and therefore incorporates the full Energy Management technology portfolio. The performance by technology was as follows:

Medium Voltage (15% of Q1 revenues) was down -2.7% organically, with strong order growth over the last six months. Q1 Sales performance was impacted by low backlog built from the beginning of 2017, especially in Western Europe. The performance of the division was particularly challenged in India and Russia. The division is expected to be back to growth in Q2 2018. The division saw good results from its strategic initiatives: more products through partners, more services and more digital, with additional wins in ADMS (Advanced Distribution Management System). Investment in the traditional utility segment and Oil & Gas sector remained difficult, but the division seized opportunities in growing in segments such as data centers, infrastructure and commercial & industrial buildings.

With regard to the Power Systems business, the Group continues to implement the new organization which would be fully operational at the end of H1 2018, and to strategically evaluate the performance across geographies.

Low Voltage (47% of Q1 revenues) was up +9.1% organically in Q1. (+c.10.3% including Delixi), with good results across all regions, with double-digit growth in Asia Pacific and Rest of World. Western Europe grew mid-single digit, working days adjusted, with good results in both residential and non-residential markets. The Group continued to build on the strengths of its portfolio with new offer launches and its strong focus on digital initiatives through its

EcoStruxure value proposition. The division saw broad-based growth across its low voltage offers and benefitted from the Group's large geographical presence. The strategic initiatives also contributed to delivering growth in favorable end-markets. Final Distribution & Wiring Devices saw an acceleration in growth, up high-single digit, supported by new product launches and channel initiatives. The Group's offers for Commercial & Industrial Buildings grew across all regions, and across multiple segments.

Secure Power (13% of Q1 revenues) was up +2.7% organically in Q1 with growth in all regions. Secure Power offers sold through the IT channel and non-IT channel posted growth, despite the impact of negative working days. Secure Power offers for data centers grew and continued to be the catalyst for strong growth of the entire Energy Management portfolio. Data centers were one of the fastest growing end-markets for the Group with double-digit growth over the quarter.

INDUSTRIAL AUTOMATION GREW STRONGLY IN Q1

Geographical trends for Industrial Automation:

North America was up mid-single digit. Industrial Automation in the U.S. continued to grow in discrete and machine manufacturers markets and targeted end-users segments. O&G saw some improvement from low levels, mainly in capital expenditures for efficiency. Canada and Mexico were up.

Western Europe was up as OEM demand remained favorable. France benefited from continued growth in industrial investment, while Germany and Italy grew thanks to Machine Solutions initiatives. The Group saw good momentum in EcoStruxure in the region.

Asia-Pacific was up with double-digit growth in the region. Industrial demand was strong in China, with continued success in the Group's OEM offers including automation solutions and machine advisor. In the rest of Asia, Australia was up due to successful implementation of growth initiatives in targeted segments and South East Asia grew due to OEM demand and good successes in some hybrid & process industries. India grew in OEM while process automation was down, but with orders growing in Q1.

Rest of the World was up with all regions outside CIS posting growth. Russia was down on lower execution of projects, notably in O&G. Middle-East was up benefiting from good growth in discrete industries, notably in Turkey and from the execution of some projects in process industries in the region. South America was up.

Performance of Industrial Automation:

Industrial Automation (25% of Q1 revenues) was up +9.2% organically in Q1, with growth in all four regions driven by strong OEM demand and continued success in the execution of the Group's strategy. Process Automation was slightly down with mixed results: North America and Asia Pacific saw growth, while Europe continued to be impacted by a sluggish O&G market. Industrial software revenues were up mid-single digit in the quarter. In addition, sales for the legacy AVEVA group were strong, up double-digit in Q1 on a currency neutral basis. Further details will be provided when AVEVA announces its results for the financial year on 14 June 2018.

Products were up +8% organically in Q1. Solutions were up +4% organically in Q1. Within Solutions, Services were up +6%. The Solutions business represented 39% of revenues in Q1.

5. Element D.2 entitled "*Key information on the key risks that are specific to the Issuer*" is hereby deleted and replaced with the following:

<p>D.2</p>	<p>Key information on the key risks that are specific to the Issuer</p>	<p>There are certain factors that may affect the Issuer's ability to fulfill its obligations under the Notes. These risk factors are related to the Issuer, its operations, industry and its structure. These risk factors are not exhaustive.</p> <p>The Group and its business are subject to various risks relating to changing competitive, economic, legal, political, social, industrial, business and financial conditions. Its operations and profit could be affected mainly by:</p> <ul style="list-style-type: none"> - Risk factors related to the operational risk: <ul style="list-style-type: none"> - The worldwide markets for the Group's products are competitive in terms of pricing, quality of products, systems and services, development and introduction time for new offers. The Group faces strong competitors, some of whom are larger than it is or is developing in certain lower cost countries. The Group is exposed to fluctuations in economic growth cycles and to the respective levels of investments within the different countries in which it operates, as well as to political or social instability. - The growth and success of the Group's products depend on its ability to constantly adapt to and leverage new technologies to deliver high value products and solutions. There are major transformations impacting the markets in which Schneider Electric operates. This includes IoT and its major accelerators of mobility, the cloud, pervasive sensing, big data and analytics. Customers expect ever more intelligent products with open interfaces enabling them to be tightly integrated into more and more complex software-based solutions. The resulting digitization of products, including native web connectivity opens numerous new opportunities, but will also accelerate the convergence of IT and OT technologies, thus making it possible for new players to enter our markets. The widespread usage of mobile devices creates new expectations from customers as far as the general usability of products. Last but not least, the increased connectivity of products increases the risk of cyber-attacks. - The Group's strategy involves strengthening its positions through acquisitions, strategic alliances, joint ventures and mergers. External growth transactions are inherently risky because of the difficulties that may arise in integrating people, operations, technologies and products, and the related acquisition, administrative and other costs. - Competition for highly qualified management and technical personnel is intense in the Group's industry, and becomes a bigger challenge as the Group continues on its trajectory of growth in mature economies as well as in new economies. Future continued success depends in part on the Group's ability to attract, hire, on board and retain the best qualified personnel, especially in the area of technology and energy efficiency solutions. - Industrial and environmental risks: <ul style="list-style-type: none"> - The Group's products might not operate properly or might contain design faults or defects, which could give rise to disputes in respect of its liability as seller or manufacturer, leading to a loss of revenue, claims under warranty and legal proceedings. Such disputes could reduce demand for the Group's products or harm their reputation for safety and quality. - The Group's plants and products are subject to extensive and increasingly stringent environmental laws and regulations in the countries in which it operates. In addition to the cost of complying with those rules, it is possible that the Group be required to pay significant fines or compensation or incur significant other costs as a result of past, current or future breaches of environmental laws and regulations. - Management of risks in relation to climate change - Information systems risk:
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		<ul style="list-style-type: none"> - The Group operates, either directly or through service providers, a wide range of highly complex information systems, including servers, networks, applications and databases, on premise and in the cloud, that are essential to the efficiency of its sales and manufacturing processes. Failure of any of these hardware or software systems, a fulfilment failure by a service provider, human errors or computer viruses could adversely affect the quality of service offered by the Group. - Market risks: <ul style="list-style-type: none"> - The Group is exposed to risks associated with the effect of changing interest rates. - The Group's international operations expose it to currency exchange risk. - The Group is exposed to equity risk primarily due through its holdings of treasury shares. - The Group is exposed to fluctuations in energy and raw material prices, in particular steel, copper, aluminum, silver, lead, nickel, zinc and plastics. - The Group is exposed to counterparty risk and liquidity risk. - Legal risks: <ul style="list-style-type: none"> - The Group's products are subject to varying national and international standards and regulations, including sales restrictions, customs tariffs, tax laws, security standards. Changes to any of these regulations or standards or their applicability to the Group's business could lead to lower sales or increased operating costs. - In case of malfunction or failure of one of its products, systems or solutions, the Group could incur liability arising from any resulting tangible or intangible damages, or personal injury. Similarly, the Group could incur liability based on errors in the design of a product, system or solution or because of a malfunction related to the interface with other products or systems. The failure of a product, system or solution may involve costs related to the product recall, result in new expenditures, and consume technical and economic resources. Such cost could have a significant impact on the profitability and cash and cash equivalents of the Group. The business reputation of the Group could also be negatively impacted. - The Group's future success depends to a significant extent on the development, protection and maintenance of its intellectual property rights. Third parties may also infringe its intellectual property rights, and the Group may have to expend significant resources monitoring, protecting and enforcing its rights. If the Group fails to protect or enforce its intellectual property rights, its competitive position and its business could suffer. - Disputes: Various claims, administrative notices and legal proceedings have been filed against the Group concerning such issues as contractual demands, counterfeiting, risk of bodily harm linked to asbestos in certain older products and work contracts. Although it is impossible to predict the results and/or costs of these proceedings with certainty, the Group considers that they will not, by their nature, have significant effects on the Group's business, assets, financial position or profitability. The company is not aware of any other governmental, court or arbitration proceedings, which are pending or which threaten the company, that are liable to have or, during the last 12 months have had, a material effect on the financial position or profitability of the company and/or the Group.
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6. Element D.3 entitled "*Key information on the key risks that are specific to the Notes*" is hereby supplemented with the following:

D.3	Key information on the key risks that are specific to the Notes	[(Insert for Floating Rate Notes) The Notes which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be [added or subtracted] from such base rate. There will be a periodic adjustment of the reference rate (every [three months]/[six months]/[●]) which itself will change in accordance with general market conditions. Accordingly, the market value of the Notes may be volatile if changes to the reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate. Moreover, investors will not be able to calculate in advance their rate of return on floating rate Notes. In addition, certain benchmarks (e.g. LIBOR) are the subject of ongoing national and international regulatory reform. Following the implementation of any such reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past. Any such consequence could have a material adverse effect on the value of any such Notes.]
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**RÉSUMÉ EN FRANÇAIS
(SUMMARY)**

The section entitled "*Résumé en français (Summary)*" appearing on pages 20 to 38 of the Base Prospectus is amended as follow:

1. The first paragraph of Element A.2 entitled "*Information relative au consentement de l'Émetteur concernant l'utilisation du Prospectus*" is hereby deleted and replaced with the following:

A.2	Information relative au consentement de l'Émetteur concernant l'utilisation du Prospectus	<p>Dans le cadre de toute offre de Titres en France et au Grand-Duché de Luxembourg (les « Pays de l'Offre au Public ») qui ne bénéficie pas de l'exemption à l'obligation de publication d'un prospectus en vertu de la Directive Prospectus, telle que modifiée, (une « Offre au Public »), l'Émetteur consent à l'utilisation du Prospectus de Base et des Conditions Définitives applicables (ensemble, le « Prospectus ») dans le cadre d'une Offre au Public des Titres durant la période d'offre indiquée dans les Conditions Définitives concernées (la « Période d'Offre ») et dans les Pays de l'Offre au Public indiqué(s) dans les Conditions Définitives concernées et en conformité avec le marché cible et les canaux de distribution identifiés au sein de la légende "MiFID II gouvernance produit" insérée dans les Conditions Définitives concernées par tout intermédiaire financier désigné dans ces Conditions Définitives (chacun un « Établissement Autorisé »). Le consentement mentionné ci-dessus s'applique à des Périodes d'Offre (le cas échéant) se terminant au plus tard à l'issue d'une période de 12 mois à compter de la date d'approbation du Prospectus de Base par l'Autorité des marchés financiers.</p>
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2. Element B.4b entitled "*Description de toutes les tendances connues l'ayant des répercussions sur l'Émetteur et ses secteurs d'activité*" is hereby deleted in its entirety and replaced with the following:

B.4b	Description de toutes les tendances connues l'ayant des répercussions sur l'Émetteur et ses secteurs d'activité	<p>Au T1, le Groupe a continué à mettre en œuvre avec succès sa stratégie dans un environnement favorable, avec une forte croissance des produits, des services et des offres digitales, en exploitant les ventes croisées sur l'ensemble de son portefeuille d'offres. La forte performance du T1 est de bon augure pour la croissance organique du chiffre d'affaires 2018.</p> <p>Dans ce contexte, le Group réitère son objectif de réaliser en 2018 une croissance organique forte de l'EBITA ajusté, se situant autour de la borne haute de la fourchette de +4 % à +7 %, communiquée précédemment comme objectif annuel moyen pour la période 2017-2019.</p> <p>Afin de réaliser cette forte performance, le Groupe maximisera la croissance organique du chiffre d'affaires et réalisera les investissements nécessaires pour capturer la croissance des marchés digitaux en développement. Par conséquent, en 2018, le Groupe vise :</p> <ul style="list-style-type: none"> • Une croissance organique du chiffre d'affaires dans la moitié haute de la fourchette de +3 % à +5 %, • Une amélioration organique de la marge d'EBITA ajusté située vers le haut de la fourchette de +20 à +50 points de base, fourchette correspondant à l'amélioration annuelle moyenne visée pour la période 2017-2019.
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3. Element B.12 entitled "*Informations financières sélectionnées*" is hereby deleted in its entirety and replaced with the following:

B.12	Événement récent relatif à l'Émetteur présentant un intérêt significatif pour l'évaluation de sa solvabilité	<p>Les informations financières historiques consolidées sélectionnées présentées ci-dessous sont issues des comptes consolidés de Schneider Electric et les notes associées pour les exercices clos les 31 décembre 2017 et 2016 préparés conformément aux normes IFRS.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">En millions d'euros, sauf les données par action et les autres informations</td> <td style="text-align: center;">31/12/2017</td> <td style="text-align: center;">31/12/2016*</td> </tr> </table>	En millions d'euros, sauf les données par action et les autres informations	31/12/2017	31/12/2016*
En millions d'euros, sauf les données par action et les autres informations	31/12/2017	31/12/2016*			

		Compte de résultat consolidé		
		Chiffre d'affaires	24.743	24.459
		Résultat net part du Groupe	2.150	1.750
		Résultat net par action		
		Avant dilution	3.85	3.12
		Après dilution	3.81	3.09
		Bilan consolidé		
		Actif total	39.849	41.851
		Capitaux propres	19.797	20.494
		Autres informations		
		Nombre d'actions en circulation	596.916.242	592.498.759
		Dividende par action	2.20	2.04
		<p>Il n'y a pas eu de changement significatif dans la situation financière ou commerciale de l'Émetteur ou du Groupe et pas de détérioration significative dans ses perspectives ou ses activités depuis le 31 décembre 2017.</p> <p>Le chiffre d'affaires du premier trimestre de 2018 apparaît dans l'Élément B.13.</p> <p>*Données 2016 retraitées des activités dans le solaire.</p>		

4. Element B.13 entitled "Événement récent propre à l'Émetteur et présentant un intérêt significatif pour l'évaluation de sa solvabilité" is hereby deleted in its entirety and replaced with the following:

B.13	Événement récent propre à l'Émetteur et présentant un intérêt significatif pour l'évaluation de sa solvabilité	<p>Le chiffre d'affaires du premier trimestre de 2018 s'établit à 5 800 millions d'euros, en hausse organique de +6,2 %, soit +7,7 % hors impact des jours ouvrés, et en baisse de -0,7 % en croissance publiée.</p> <p>Le portefeuille complet d'offres intégrées du Groupe continue de favoriser les ventes croisées sur les différents segments, les commandes des technologies liées aux ventes croisées affichant une croissance plus élevée que la technologie principale.</p> <p>Le chiffre d'affaires par technologie se répartit comme suit :</p>																																			
		<table border="1"> <thead> <tr> <th colspan="2" rowspan="2">En millions d'euros</th> <th colspan="3">T1 2018</th> </tr> <tr> <th>Chiffre d'affaires</th> <th>Croissance organique</th> <th>Croissance publiée</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Gestion de l'Énergie</td> <td>Moyenne tension</td> <td>883</td> <td>-2,7 %</td> <td>-14,7 %</td> </tr> <tr> <td>Basse tension</td> <td>2 667</td> <td>+9,1 %</td> <td>+4,4 %</td> </tr> <tr> <td>Énergie Sécurisée</td> <td>775</td> <td>+2,7 %</td> <td>-6,9 %</td> </tr> <tr> <td>Total Gestion de l'Énergie</td> <td>4 325</td> <td>+5,2 %</td> <td>-2,2 %</td> </tr> <tr> <td>Automatismes Industriels</td> <td>Automatismes Industriels</td> <td>1 475</td> <td>+9,2 %</td> <td>+4,1 %</td> </tr> <tr> <td></td> <td>Groupe</td> <td>5 800</td> <td>+6,2 %</td> <td>-0,7 %</td> </tr> </tbody> </table>	En millions d'euros		T1 2018			Chiffre d'affaires	Croissance organique	Croissance publiée	Gestion de l'Énergie	Moyenne tension	883	-2,7 %	-14,7 %	Basse tension	2 667	+9,1 %	+4,4 %	Énergie Sécurisée	775	+2,7 %	-6,9 %	Total Gestion de l'Énergie	4 325	+5,2 %	-2,2 %	Automatismes Industriels	Automatismes Industriels	1 475	+9,2 %	+4,1 %		Groupe	5 800	+6,2 %	-0,7 %
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Le chiffre d'affaires par géographie se répartit comme suit :

En millions d'euros	T1 2018		
	Chiffre d'affaires	Croissance organique	Croissance publiée
Europe de l'Ouest	1 633	0 %	0 %
Asie-Pacifique	1 630	+14 %	+6 %
Amérique du Nord	1 576	+5 %	-5 %
Reste du Monde	961	+5 %	-5 %
Groupe	5 800	+6,2 %	-0,7 %

BONNE DYNAMIQUE DE L'ACTIVITÉ GESTION DE L'ENERGIE, EN HAUSSE ORGANIQUE DE +5,2 % AU T1, SOIT ~+6 % AVEC DELIXI

Principales tendances par géographie pour l'activité Gestion de l'Energie :

Amérique du Nord : L'activité Gestion de l'Energie est en croissance moyenne à un chiffre (« *mid-single digit* ») en Amérique du Nord. Le Groupe continue de tirer profit du déploiement deancements récents sur des marchés résidentiels favorables. Le marché des bâtiments industriels et commerciaux est en hausse, et le Groupe bénéficie notamment d'investissements dans les centres de données, son portefeuille d'offres complet lui permettant de remporter plusieurs projets importants. Sur les marchés industriels et d'infrastructure, le Groupe observe une augmentation de la demande de plusieurs segments comme ceux des secteurs miniers et des transports, et réalise une forte performance dans les services. Les États-Unis, comme le Canada, sont en croissance, alors que le Mexique est en recul.

Europe de l'Ouest : L'activité Gestion de l'Energie est impactée par les jours ouvrés et présente des tendances contrastées selon les pays. L'Espagne enregistre une forte croissance : les initiatives portant sur les canaux de distribution produisent des résultats, et bénéficient également de marchés favorables pour les bâtiments résidentiels et commerciaux, les infrastructures et les centres de données. L'Italie réalise encore une croissance solide. La France et l'Allemagne sont en baisse notamment en raison du faible carnet de commandes sur l'activité Moyenne Tension et de l'impact négatif des jours ouvrés, compensés en partie par la croissance sur les marchés résidentiels et tertiaires. Le Royaume-Uni est en recul, avec un carnet de commandes faible des régions d'électricité et le ralentissement général de l'économie. À l'échelle de l'Europe, le marché résidentiel se développe bien, les offres du Groupe de distribution finale et appareillage (*Final Distribution & Wiring Devices*) affichant de bons résultats. La demande du marché des bâtiments industriels et commerciaux est toujours positive, à l'image de celle du marché final des centres de données qui génère une forte croissance de l'ensemble du portefeuille du Groupe.

Asie-Pacifique : L'activité Gestion de l'Energie est en croissance à deux chiffres (« *double digit* ») au T1. Le résidentiel et le marché des bâtiments industriels et commerciaux continuent de croître sur l'ensemble de la région. La Chine est en forte hausse sur l'ensemble des technologies de l'activité Gestion de l'Energie et réalise une bonne croissance sur des segments ciblés, soutenue par un restockage des distributeurs. Le marché résidentiel chinois poursuit sa bonne dynamique, même s'il devrait croître plus lentement sur le reste de l'année 2018. Ailleurs en Asie, l'Australie est en hausse avec une bonne demande des fournisseurs de Cloud & Services et une croissance du marché de la construction non résidentielle, alors que l'Inde progresse grâce aux centres de données et marchés de la construction résidentielle. L'Indonésie bénéficie de la croissance des marchés résidentiels, tandis que Singapour est en croissance grâce à l'exécution de projets.

Reste du Monde : L'activité Gestion de l'Energie est en croissance dans la région. Les marchés de la construction (tant résidentiel que tertiaire) restent en hausse dans la région. L'activité des centres de données est bonne, le Groupe réalise plusieurs projets pour les fournisseurs de Cloud & Services impliquant l'ensemble de l'activité Gestion de l'Energie. Les investissements des régions d'électricité restent faibles au Moyen-Orient. La CEI est en recul en raison de la baisse des activités liées au secteur pétrolier et gazier en Russie. Le Moyen-Orient est en hausse grâce à la bonne croissance de la

Turquie, tandis que l'Arabie Saoudite reste un marché difficile. L'Afrique est en croissance et l'Amérique du Sud est quasi stable.

Performance des technologies de la Gestion de l'Energie :

Le Groupe enregistre une forte performance de son activité de Gestion de l'Energie, tirant profit de son portefeuille complet d'offres intégrées (Moyenne tension, Basse tension et Énergie Sécurisée). Les canaux d'accès aux marchés du Groupe sont organisés de façon à répondre aux besoins des clients sur l'ensemble de ses marchés finaux, et englobent par conséquent l'ensemble du portefeuille technologique de l'activité Gestion de l'Energie. La performance par technologie se présente de la manière suivante :

Moyenne Tension (15 % des ventes au T1) est en baisse organique de -2,7 %, avec une forte croissance des commandes au cours des six derniers mois. La performance des ventes au T1 est impactée par le faible carnet de commandes constitué début 2017, notamment en Europe de l'Ouest. La performance de la division est particulièrement compliquée en Russie et en Inde. La division devrait renouer avec la croissance au T2 2018. Les initiatives stratégiques – plus de produits avec des partenaires, plus de services et plus de digital – obtiennent de bons résultats, et de nouveaux contrats sont remportés dans le domaine des systèmes de gestion avancée de la distribution électrique (ADMS). Les investissements dans le segment des régies traditionnelles et dans le secteur pétrolier et gazier demeurent difficiles, mais la division saisit des opportunités de croissance dans des segments comme les centres de données, les infrastructures et les bâtiments industriels et commerciaux.

En ce qui concerne l'activité « *Power Systems* », le Groupe continue de mettre en place la nouvelle organisation, qui devrait être pleinement opérationnelle à la fin du premier semestre, et de procéder à des évaluations stratégiques de la performance sur l'ensemble des géographies.

Basse Tension (47 % des ventes au T1) est en croissance organique de +9,1 % (environ +10,3 % avec Delixi) et obtient de bons résultats dans toutes les régions, avec une croissance à deux chiffres (« double-digit ») en Asie-Pacifique et dans le Reste du Monde. L'Europe de l'Ouest est en croissance moyenne (« mid-single digit ») à un chiffre hors impact des jours ouvrés, avec de bons résultats tant sur les marchés résidentiels que tertiaires. Le Groupe continue de tirer profit des forces de son portefeuille en lançant de nouvelles offres et en portant une forte attention aux initiatives liées au digital, au travers de sa proposition de valeur EcoStruxure. La division connaît une croissance générale de ses offres et bénéficie de la présence géographique étendue du Groupe. La mise en oeuvre des initiatives stratégiques contribue également à la croissance sur des marchés finaux favorables. L'offre distribution finale et appareillage (Final Distribution & Wiring Devices) accélère sa croissance, en hausse élevée à un chiffre (« high-single digit »), portée par de nouveauxancements de produits et des initiatives sur les canaux de distribution. Les offres du Groupe destinées au marché des bâtiments industriels et commerciaux sont en hausse sur toutes les régions, et sur de multiples segments de marchés.

Énergie Sécurisée (13 % des ventes du T1) est en hausse organique de +2,7 %, en croissance dans toutes les régions. Les offres d'Énergie Sécurisée vendues au travers de la distribution informatique ainsi que sur les marchés non IT sont en croissance, et ce malgré l'impact des jours ouvrés. Les offres d'Énergie Sécurisée destinées aux centres de données sont en croissance et continuent d'être un catalyseur de la forte croissance du portefeuille tout entier de l'activité Gestion de l'Energie. Le marché des centres de données est un des marchés qui croît le plus vite pour le Groupe, avec une croissance à deux chiffres (« double-digit ») sur le trimestre.

AUTOMATISMES INDUSTRIELS EN FORTE HAUSSE AU T1

Tendances géographiques pour les Automatismes Industriels

L'Amérique du Nord est en croissance moyenne à un chiffre (« mid-single digit »). L'activité Automatismes Industriels poursuit sa croissance aux Etats-Unis sur les marchés des industries du discret et des fabricants de machines (« OEM »), ainsi que sur des segments finaux ciblés. Le secteur pétrolier et gazier affiche une certaine

		<p>amélioration après un niveau d'activité bas, avec des investissements portant principalement sur des mesures d'efficacité. Le Canada et le Mexique sont en croissance.</p> <p>L'Europe de l'Ouest est en croissance, le marché des OEM demeurant favorable. La France bénéficie d'une croissance continue des investissements industriels. L'Allemagne et l'Italie progressent grâce aux initiatives dans le domaine des solutions pour les OEM. Le Groupe observe une bonne dynamique d'EcoStruxure dans la région.</p> <p>L'Asie-Pacifique est en croissance à deux chiffres (« <i>double digit</i> ») dans la région. La demande industrielle est forte en Chine, avec un succès continu des offres du Groupe à destination des OEM, notamment les solutions d'automatismes et applications digitales (« <i>advisors</i> »). Ailleurs en Asie, l'Australie est en croissance du fait de la mise en oeuvre réussie des initiatives de croissance sur des segments ciblés. L'Asie du Sud-Est enregistre une progression en raison de la demande des OEM et de belles réussites dans certains segments industriels de procédés continus et hybrides. L'Inde est en croissance sur les OEM tandis que l'activité Process Automation est en baisse, avec cependant des commandes en hausse au T1.</p> <p>Le Reste du Monde est en hausse, toutes les régions à l'exception de la CEI affichant une croissance. La Russie est en baisse en raison d'une plus faible exécution de projets, notamment dans le secteur pétrolier et gazier. Le Moyen-Orient est en hausse, profitant d'une bonne croissance des industries du discret, notamment en Turquie, et de l'exécution de certains projets dans les industries de procédés continus dans la région. L'Amérique du Sud est en hausse.</p> <p>Performance des Automatismes Industriels :</p> <p>Automatismes Industriels (25 % des ventes du T1) est en hausse organique de +9,2 % au premier trimestre, avec une croissance dans les quatre régions, portée par une forte demande des OEM et la poursuite réussie de la mise en oeuvre de la stratégie du Groupe. L'activité Process Automation est en légère baisse, affichant des résultats contrastés : l'Amérique du Nord et l'Asie-Pacifique sont en croissance, tandis que l'Europe continue d'être impactée par un secteur pétrolier et gazier ralenti. Le chiffre d'affaires des logiciels industriels affiche une croissance moyenne à un chiffre (« <i>mid-single digit</i> ») sur le trimestre hors effet de change. Par ailleurs, les ventes sur l'ancien périmètre du groupe AVEVA sont fortes, en hausse à deux chiffres (« <i>double-digit</i> ») au T1. Plus de détails seront donnés par AVEVA lors de l'annonce de leurs résultats annuels le 14 juin 2018.</p> <p>Les Produits sont en croissance organique de +8 % au premier trimestre tandis que les Solutions sont en hausse de +4% en organique. Au sein des Solutions, les Services affichent une croissance de +6 %. Les Solutions représentent 39 % du chiffre d'affaires sur la période.</p>
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5. Element D.2 entitled "*Informations clés sur les principaux risques propres à l'Emetteur*" appearing is hereby deleted and replaced with the following:

<p>D.2</p>	<p>Informations clés sur les principaux risques propres à l'Emetteur</p>	<p>Certains facteurs sont susceptibles d'affecter la capacité de l'Émetteur à remplir ses obligations découlant des Titres. Ces risques sont liés à l'Émetteur, à ses activités, son secteur et sa structure. Ces facteurs de risque ne sont pas exhaustifs.</p> <p>Le Groupe et ses activités sont soumis à différents risques liés aux changements dans les circonstances concurrentielles, économiques, juridiques, politiques, sociales, industrielles, commerciales et financières. Ses activités et son résultat pourraient être affectés principalement par :</p> <ul style="list-style-type: none"> - Risques opérationnels : <ul style="list-style-type: none"> - Les marchés sur lesquels les produits du Groupe sont commercialisés dans le monde se caractérisent par une forte concurrence sur les prix, la qualité de l'offre, les délais de développement et de mise sur le marché et le service client. Cette concurrence est exercée par des entreprises d'une taille parfois
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		<p>plus importante que le Groupe, ou qui se développent dans des pays à bas coût de main-d'œuvre. Le Groupe est exposé aux fluctuations des cycles de croissance économique et aux niveaux respectifs d'investissements des différents pays dans lesquels il est présent, ainsi qu'à l'instabilité politique ou sociale.</p> <ul style="list-style-type: none"> - La progression et le succès des produits du Groupe dépendent de sa capacité à s'adapter en permanence aux nouvelles technologies et à tirer parti de celles-ci pour proposer des produits et des solutions à forte valeur ajoutée. Les marchés où opère Schneider Electric sont soumis à des transformations majeures. Cela inclut l'IdO et ses principaux accélérateurs de mobilité, le cloud, la détection omniprésente, le Big Data et les outils d'analyse. Les clients recherchent des produits de plus en plus intelligents dotés d'interfaces ouvertes, leur permettant d'être étroitement intégrés à des solutions sur des bases logicielles de plus en plus complexes. La numérisation des produits qui en résulte, y compris la connectivité au Web en natif, ouvre de nouvelles opportunités, mais accélérera également la convergence IT/OT, rendant possible l'arrivée sur nos marchés de nouveaux acteurs. L'usage généralisé des terminaux mobiles crée de nouvelles attentes chez les consommateurs à la mesure de la fonctionnalité générale de ces produits. Dernier point et non des moindres, la connectivité accrue des produits renforce le risque de cyber-attaques. - La stratégie du Groupe implique un renforcement de ses positions par le biais d'acquisitions, d'alliances stratégiques, de joint-ventures et de fusions. Ce type d'opérations comporte des risques inhérents aux difficultés potentielles rencontrées lors de l'intégration du personnel, des activités, des technologies et des produits, ainsi que des coûts (d'acquisitions, administratifs ou autres) associés. - La concurrence pour attirer des cadres et un personnel technique très qualifiés est intense dans le secteur d'activité du Groupe. Elle devient un enjeu encore plus important à mesure que le Groupe poursuit sa trajectoire de croissance. Toutefois, sa réussite future dépend en partie de la capacité du Groupe à attirer, recruter, intégrer et fidéliser les collaborateurs les plus qualifiés, notamment dans le domaine des solutions technologiques et d'efficacité énergétique. - Risques industriels et environnementaux : <ul style="list-style-type: none"> - Les produits du Groupe peuvent présenter des risques de dysfonctionnements, d'erreurs ou de défauts, susceptibles de donner lieu à des litiges engageant sa responsabilité soit de vendeur, soit de fabricant, d'entraîner une perte de chiffre d'affaires, des réclamations au titre de la garantie, ainsi que des procédures juridiques. Ces contentieux pourraient entraîner une baisse de la demande pour les produits du Groupe et nuire à leur réputation de qualité et de sécurité. - Dans tous les pays où il est présent, les sites et les produits du Groupe sont soumis au respect des exigences nombreuses et de plus en plus strictes des lois et réglementations en matière de protection de l'environnement. Outre les coûts résultant de l'application de ces règles, il ne peut être exclu que le Groupe soit tenu de payer des amendes ou dommages et intérêts d'un montant significatif au titre de violations passées, présentes ou futures des lois et réglementations environnementales. - Risques liés aux changements climatiques - Risques liés aux systèmes d'information : <ul style="list-style-type: none"> - Le Groupe exploite, directement ou par l'intermédiaire de prestataires, un large éventail de systèmes d'information très complexes (serveurs, réseaux, applications et bases de données), sur site et dans le cloud, indispensables à la bonne conduite de ses processus commerciaux et industriels. Une défaillance (matérielle ou logicielle) de l'un de ces systèmes, ou de l'un des
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		<p>prestataires, des erreurs humaines ou encore des virus informatiques pourraient influencer sur la qualité de service du Groupe.</p> <ul style="list-style-type: none"> - Risques de marché : <ul style="list-style-type: none"> - Le Groupe est exposé aux risques liés à l'évolution des taux d'intérêt dans différents pays. - La présence à l'international du Groupe l'expose à l'évolution des devises. - L'exposition du Groupe au risque des marchés actions est essentiellement liée aux actions Schneider Electric autodétenues. - Le Groupe est exposé à des risques liés à l'évolution du prix de l'énergie et des matières premières, et notamment de l'acier, du cuivre, de l'aluminium, de l'argent, du plomb, du nickel, du zinc et des matières plastiques. - Le Groupe est exposé au risque de contrepartie et au risque de liquidité. - Risques juridiques : <ul style="list-style-type: none"> - Commercialisés dans le monde entier, les produits du Groupe sont soumis à la réglementation de chaque marché national mais également des règlements supranationaux (restrictions commerciales, barrières douanières, régimes fiscaux et normes de sécurité). Toute modification de ces réglementations, de ces normes ou de leurs conditions d'application à l'activité du Groupe est susceptible de se traduire par une baisse des ventes ou une augmentation des coûts d'exploitation. - En cas de dysfonctionnement ou de défaut de l'un de ses produits, système ou solutions, la responsabilité du Groupe pourrait être engagée du fait de préjudices corporels, matériels ou immatériels qui en résulteraient. De même, la responsabilité du Groupe pourrait être mise en cause en cas d'erreur de conception d'un produit, d'un système ou d'une solution ou du fait d'un dysfonctionnement imputable à l'interface avec d'autres produits ou systèmes. Le dysfonctionnement d'un produit, d'un système ou d'une solution pourrait impliquer des coûts liés au rappel des produits, entraîner de nouvelles dépenses de développement, et mobiliser des ressources techniques et économiques. De tels coûts pourraient avoir un impact significatif sur la rentabilité et la trésorerie du Groupe. La réputation commerciale du Groupe pourrait également être entachée. - Le développement et la protection des droits de propriété intellectuelle du Groupe jouent un rôle déterminant dans son activité et sa réussite futures. En cas de violation de ses droits de propriété intellectuelle par des tiers, le Groupe pourrait être dans l'obligation de mobiliser des ressources importantes pour contrôler, protéger et faire valoir ses droits. L'absence de mesure de protection pourrait mettre en péril l'avantage concurrentiel, voire l'activité du Groupe. - Litiges : Le Groupe est l'objet de diverses revendications, réclamations ou notifications administratives et actions judiciaires, telles que demandes en justice fondées sur des demandes contractuelles, des contrefaçons, des risques de dommages corporels potentiellement liés à la présence d'amiante dans certains anciens produits ou des actions liées aux contrats de travail. <p>Bien qu'il soit impossible de prédire avec certitude les résultats et/ou les coûts liés à ces différentes actions, le Groupe considère que celles-ci ne sont pas de nature à avoir un impact significatif sur ses activités, la valeur de ses actifs, sa solidité financière ou sa rentabilité. À la connaissance de la société, il n'existe pas d'autre procédure gouvernementale, judiciaire ou d'arbitrage, y compris toute procédure dont la société a connaissance, qui est en suspens ou dont elle est menacée, susceptible d'avoir ou ayant eu au cours des 12 derniers mois des effets significatifs sur la situation financière ou la rentabilité de la société et/ou du Groupe.</p>
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6. Element D.3 entitled "*Informations clés sur les principaux risques propres aux Titres*" appearing is hereby supplemented with the following:

D.3	Informations clés sur les principaux risques propres aux Titres	[[<i>Insérer si les Titres sont à Taux Variable</i>)] La rémunération des Titres à Taux Variable est composée (i) d'un taux de référence (ii) auquel [s'ajoute]/[est soustrait] une marge. Le taux de référence sera ajusté de manière périodique (tous les [trois]/[six]/[●] mois). La valeur de marché des Titres à taux variable peut donc fluctuer si des changements affectant le taux de référence peuvent seulement être reflétés dans le taux de ces Titres à la prochaine période d'ajustement du taux de référence concerné. De plus, les investisseurs ne seront pas en mesure de calculer en avance le taux de rendement sur les Titres à taux variable. En outre, certains indices de référence (par exemple : le LIBOR) font l'objet d'une réforme réglementaire nationale et internationale. A la suite de la mise en œuvre de telles réformes, la manière d'administrer les indices de référence peut changer, de sorte qu'ils peuvent donner des résultats différents que par le passé. Toute conséquence de ce type pourrait avoir un effet défavorable important sur la valeur des Titres.]
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RISK FACTORS RELATING TO THE ISSUER

The first sub-section entitled "**Risk Factors relating to the Issuer**" of the section entitled "**Risk Factors**", appearing on page 39 of the Base Prospectus is deleted in its entirety and replaced with the following:

"RISK FACTORS RELATING TO THE ISSUER

Risk factors relating to the Issuer are described on pages 47 to 55 of the 2017 Reference Document, as defined and further described under "Documents Incorporated by Reference" in the Base Prospectus, and include the following:

- operational risk;
- industrial and environmental risks;
- management of risks in relation to climate change;
- information systems risks;
- market risks;
- legal risks;
- disputes; and
- insurance strategy"

RISK FACTORS RELATING TO THE NOTES

The second sub-section entitled "**Risk Factors relating to the Notes**" of the section entitled "**Risk Factors**" appearing on pages 39 to 46 of the Base Prospectus is hereby supplemented by the following:

"Reform and regulation of "benchmarks"

The EU Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**") was published in the European official journal on 29 June 2016.

The Benchmark Regulation applies to "contributors", "administrators" and "users" of "benchmarks" in the EU, and will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of "benchmarks" (or, if non-EU based, to be subject to equivalent requirements) and (ii) prevent certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised/registered (or, if non-EU based, deemed equivalent or recognised or endorsed). The scope of the Benchmark Regulation is wide and, in addition to so-called "critical benchmark" indices, applies to many interest rate and foreign exchange rate indices, equity indices and other indices (including "proprietary" indices or strategies) where used to determine the amount payable under or the value or performance of certain financial instruments traded on a trading venue or via a systematic internaliser, financial contracts and investment funds.

The Benchmark Regulation could have a material impact on any Notes traded on a trading venue or via a "systematic internaliser" linked to a "benchmark" index, including in any of the following circumstances:

- an index which is a "benchmark" could not be used by a supervised entity in certain ways if its administrator does not obtain authorisation or registration or, if based in a non-EU jurisdiction, the administrator is not recognised as equivalent or recognised or endorsed and the transitional provisions do not apply; and
- the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level of the benchmark.

Either of the above could potentially lead to the Notes being de-listed, adjusted or redeemed early or otherwise impacted depending on the particular "benchmark" and the applicable terms of the Notes or have other adverse effects or unforeseen consequences.

More broadly, any of the international, national or other proposals for reform or the general increased regulatory scrutiny of "benchmarks" could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks". For example, on 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, may require an adjustment to the Terms and Conditions of the Notes, or result in other consequences, in respect of any Notes linked to such benchmark (including but not limited to Floating Rate Notes whose interest rates are linked to EURIBOR, LIBOR or CMS Rate) depending on the specific provisions of the relevant terms and conditions applicable to the Notes. Any such consequences could have a material adverse effect on the liquidity and value of and return on any such Notes."

DOCUMENTS INCORPORATED BY REFERENCE

The section entitled "**Documents Incorporated by Reference**", appearing on pages 57 to 61 of the Base Prospectus is deleted in its entirety and replaced with the following:

"This Base Prospectus should be read and construed in conjunction with the sections set out in the cross - references tables below from the following documents which have been filed with the AMF:

- the pages referred to in the table below which are included in the *document de référence* in the French language of the Issuer which received the visa n° D.18-0138 from the AMF on 16 March 2018, except for the third paragraph of the section "*Responsables du document de référence*" on page 377 (the "**2017 Reference Document**");
- the pages referred to in the table below which are included in the *document de référence* in the French language of the Issuer which received the visa n° D.17-0177 from the AMF on 17 March 2017, except for the third paragraph of the section "*Responsables du document de référence*" on page 367 (the "**2016 Reference Document**"); and
- the terms and conditions of the notes contained in the base prospectuses of the Issuer dated, respectively, 31 August 2016 (the "**2016 EMTN Conditions**"), 31 July 2015 (the "**2015 EMTN Conditions**"), 15 July 2014 (the "**2014 EMTN Conditions**"), 25 June 2013 (the "**2013 EMTN Conditions**"), 25 June 2012 (the "**2012 EMTN Conditions**"), 24 June 2011 (the "**2011 EMTN Conditions**"), 24 June 2010 (the "**2010 EMTN Conditions**"), 19 June 2009 (the "**2009 EMTN Conditions**"), 22 May 2008 (the "**2008 EMTN Conditions**"), 21 May 2007 (the "**2007 EMTN Conditions**"), (together with the 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015 and 2016 EMTN Conditions, the "**EMTN Previous Conditions**").

Any reference in this Base Prospectus, in the 2017 Reference Document or in the 2016 Reference Document to the registration documents and/or annual reports (either 2017 or 2016) shall be deemed to exclude the above-mentioned excluded sections.

Any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus may be obtained, free of charge, from (i) the registered office of the Issuer, (ii) the website of the Issuer (www.schneider-electric.com) and/or (iii) at the offices of each Paying Agent set out at the end of this Base Prospectus during normal business hours.

The 2017 Reference Document and the 2016 Reference Document are available on the website of the AMF (www.amf-france.org).

The information incorporated by reference in this Base Prospectus shall be read in connection with the cross-reference list below.

Any information not listed in the cross-reference list below but included in the documents incorporated by reference shall not form part of this Base Prospectus and is not relevant for investors.

The English translation of the 2017 Reference Document and the 2016 Reference Document are available on the website of the Issuer (<https://www.schneider-electric.com/en/about-us/investor-relations/#>). Such English translations are available for information purposes only and are not incorporated by reference in this Base Prospectus. Only the French versions of the 2017 Reference Document and the 2016 Reference Document may be relied upon.

Prospectus Regulation – Annex IV and Annex IX		2017 Reference Document	2016 Reference Document
2	STATUTORY AUDITORS		
2.1	Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).	Page 378	
2.2	If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, details if material.	N/A	
4	RISK FACTORS		
4.1	Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors"	Pages 47 to 55	
5	INFORMATION ABOUT THE ISSUER		
5.1	<u>History and development of the Issuer:</u>	Pages 35 to 37	
5.1.1	the legal and commercial name of the Issuer;	Page 318	
5.1.2	the place of registration of the Issuer and its registration number;	Page 318	
5.1.3	the date of incorporation and the length of life of the Issuer, except where indefinite;	Page 318	
5.1.4	the domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office).	Page 318	
5.1.5	Recent events	Page 279	
5.2	INVESTMENTS		
5.2.1	Principal investments	Page 223	
5.2.2	Principal future investments	Page 223	
5.2.3	Anticipated sources of funds	Page 223	
6	BUSINESS OVERVIEW		
6.1	<u>Principal activities:</u>		
6.1.1	A brief description of the Issuer's principal activities stating the main categories of products sold and/or services performed; and	Pages 26 to 30	
6.2	<u>Principal markets</u>		
6.3	The basis for any statements in the registration document made by the Issuer regarding its competitive position	Pages 31 to 33	

Prospectus Regulation – Annex IV and Annex IX	2017 Reference Document	2016 Reference Document
7 ORGANISATIONAL STRUCTURE		
7.1 If the issuer is part of a group, a brief description of the group and of the issuer's position within it.	Pages 43 to 46 and pages 281 to 290	
8 TREND INFORMATION		
8.2 Information on any known trends	Page 224	
10 ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES		
10.1 Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital.	(a) Pages 154-166 (b) Not Applicable	
10.2 <u>Administrative, Management, and Supervisory bodies conflicts of interests</u> Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, make a statement to that effect.	Page 179	
11 BOARD PRACTICES		
11.1 Audit committee	Pages 173 to 177	
12 MAJOR SHAREHOLDERS		
12.1 To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.	Pages 9 and 325 to 326	
13 FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES		
13.1 <u>Historical Financial Information</u> Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. (a) balance sheet; (b) income statement;	Pages 226 to 294 Pages 229-230 Pages 226 and 227	Pages 209–274 Pages 213 - 214 Pages 210 and 211

Prospectus Regulation – Annex IV and Annex IX	2017 Reference Document	2016 Reference Document
(c) cash flow statement; and	Page 228	Page 212
(d) accounting policies and explanatory notes	Pages 233 to 290	Pages 217 - 272
13.3 <u>Auditing of historical annual financial information</u>	Pages 291 to 294	Pages 273 to 274
13.6 <u>Legal and arbitration proceedings</u> Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	Pages 53 to 54	
14 <u>ADDITIONAL INFORMATION</u>		
14.1 <u>Share capital</u>		
14.1.1 amount of issued capital	Page 321	
14.2 <u>Memorandum and Articles of Association</u>		
14.2.1 the register and the entry number therein, if applicable, and a description of the Issuer's objects and purposes and where they can be found in the memorandum and articles of association	Page 318	
15 <u>MATERIAL CONTRACTS</u>		
15.1 A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued.	Page 279	

The EMTN Previous Conditions are incorporated by reference in this Base Prospectus for the purpose only of further issues of Notes to be assimilated (*assimilées*) and form a single series with Notes already issued under the relevant EMTN Previous Conditions.

EMTN Previous Conditions	
2007 EMTN Conditions	Pages 33 to 59
2008 EMTN Conditions	Pages 30 to 57
2009 EMTN Conditions	Pages 31 to 58
2010 EMTN Conditions	Pages 38 to 64
2011 EMTN Conditions	Pages 35 to 60
2012 EMTN Conditions	Pages 36 to 64
2013 EMTN Conditions	Pages 54 to 82

EMTN Previous Conditions	
2014 EMTN Conditions	Pages 51 to 81
2015 EMTN Conditions	Pages 57 to 88
2016 EMTN Conditions	Pages 62 to 94

Information contained in the Documents Incorporated by Reference other than information listed in the table above is for information purposes only."

DESCRIPTION OF SCHNEIDER ELECTRIC S.E.

The section entitled "**Description of Schneider Electric S.E.**" appearing on page 95 of the Base Prospectus is hereby deleted and replaced with the following:

"The description of the Issuer set out in the 2017 Registration Document has been incorporated by reference into this Base Prospectus (see section "Documents Incorporated by Reference")."

RECENT DEVELOPMENTS

The section entitled "**Recent developments**" appearing on pages 96 to 112 of the Base Prospectus is deleted and replaced by the following press releases published by the Issuer on 1 March 2018, 19 April 2018 and 1 May 2018:

Completion of the combination between Schneider Electric industrial software business and AVEVA

Rueil-Malmaison (France), 1 March 2018 – Schneider Electric, the leader in the digital transformation of Energy Management and Automation, announced today the completion of the combination between AVEVA and the Schneider Electric industrial software business.

The combination creates a global leader in engineering and industrial software with scale and relevance in key markets as well as an unmatched set of solutions covering all aspects of digital asset management from process simulation to design, construction and manufacturing operations management and optimisation. It will enhance the value proposition of Schneider Electric's Industrial IOT platform (EcoStruxure) for industrial & infrastructure customers.

Following the closing of this transaction as per the terms set in the AVEVA prospectus, Schneider Electric owns 60 percent of AVEVA Group on a fully diluted basis. Emmanuel Babeau (Deputy Chief Executive Officer and Chief Financial Officer) and Peter Herweck (Executive Vice President – Industrial Automation) of Schneider Electric have been appointed as Non-Executive directors of AVEVA Group, with Emmanuel Babeau additionally assuming the role of Vice Chairman.

AVEVA will be fully consolidated in Schneider Electric accounts within the Industrial Automation division, with a full-year operational margin accretive to the Group.

More information on the unique offering of AVEVA and Schneider Electric industrial software can be found on: www.aveva.com/aveva-and-schneider-electric-software-merger

Strong start to 2018: Q1 Group org. revenue growth of +6.2% driven by strong growth in both Energy Management & Industrial Automation

- **Energy Management up +5.2% (c.+6% incl. Delixi), with strong growth in residential, CIB¹, industry, infrastructure and data center end-markets**
- **Industrial Automation up +9.2% with great performance in discrete and machine automation**
- **AVEVA deal closes in Q1; Good top line growth momentum**
- **Strong growth across regions with Asia-Pacific up +14% org. with a great Q1 in China. North America and Rest of World both up +5% org.**
- **EcoStruxure orders growth outpacing Group as digital initiatives gain momentum**
- **Full year objectives re-affirmed**

Rueil-Malmaison (France), April 19, 2018 - Schneider Electric announced today its first quarter revenues for the period ending March 31, 2018.

Jean-Pascal Tricoire, Chairman and CEO, commented: “We begin the year 2018 with strong performance in Q1, confirming accelerated momentum across 2017. Our two businesses, Energy Management and Industrial Automation, deliver strong organic growth with +6% and +9% respectively. We progress well on our initiatives of more products through our partners, more software, more services, and EcoStruxure deployments accelerate. We see growing traction for our efficiency solutions integrating energy management and automation. We also benefit from our multiregional model, at a time when some tensions tend to regionalize markets. We complete in due time the transaction with AVEVA as well as IGE+XAO in Q1, strengthening our software portfolio in both of our businesses.”

I. FIRST QUARTER REVENUES WERE UP +6.2% ORGANICALLY

2018 Q1 revenues were **€5,800 million**, up **+6.2%** organically, +7.7% working day adjusted and down -0.7% on a reported basis.

The Group’s complete end-to-end offering continued to drive strong cross-selling across segments, with pull through technologies orders growing faster than the lead technology.

The breakdown of revenue by technology was as follows:

€ million		Q1 2018		
		Revenues	Organic Growth	Reported Growth
Energy Management	Medium Voltage	883	-2.7%	-14.7%
	Low Voltage	2,667	+9.1%	+4.4%
	Secure Power	775	+2.7%	-6.9%
	Total Energy Management	4,325	+5.2%	-2.2%
Industrial Automation	Industrial Automation	1,475	+9.2%	+4.1%
Group		5,800	+6.2%	-0.7%

¹ Commercial and Industrial Buildings

The breakdown of revenue by geography was as follows:

€ million	Q1 2018		
	Revenues	Organic growth	Reported growth
Western Europe	1,633	0%	0%
Asia-Pacific	1,630	+14%	+6%
North America	1,576	+5%	-5%
Rest of the World	961	+5%	-5%
Group	5,800	+6.2%	-0.7%

GOOD DYNAMIC IN ENERGY MANAGEMENT UP +5.2% ORG., UP C.+6% INCLUDING DELIXI

Geographical trends for Energy Management:

North America. Energy Management grew mid-single digit in North America. The Group continued to benefit from the rollout of recent launches in positive residential markets. The market for Commercial and Industrial buildings saw growth and the Group benefited from investments in Datacenters leveraging its complete portfolio to win several large projects. In Industry & Infrastructure markets, the Group saw increasing demand in several segments such as Metals & Mining and Transportation and had a strong performance in services. Both the U.S. and Canada posted growth while Mexico was down.

Western Europe: Energy Management was impacted by working days, with a mixed picture across countries. Spain posted strong growth, with channel initiatives delivering results in favorable markets across residential and commercial buildings, infrastructure and data centers. Italy continued to deliver solid growth. France and Germany were down mainly due to a low backlog in Medium Voltage and working days, partially offset by growth in the residential and non-residential markets. The U.K. was down on low backlog with utilities and general slowdown of the economy. Overall in Europe, residential markets developed well, with good results for the Group's offers in Final Distribution & Wiring Devices. Commercial and Industrial Buildings demand continued to be positive, as did the Data center end-market which generated strong growth for the Group's entire portfolio.

Asia-Pacific: Energy Management was up double-digits in Q1. Residential and Commercial & Industrial Buildings segments saw continued growth across the region. China was up strongly across all Energy Management technologies, with good growth in targeted segments and supported by distributor restocking. China residential markets continued to perform well, though are expected to grow more slowly through 2018. Elsewhere in Asia, Australia was up with good demand from Cloud & Service Providers and growth in non-residential construction while India was up due to Data Centers and residential construction markets. Indonesia benefited from growth in residential markets while Singapore was up due to project execution.

Rest of the World. Energy Management grew in the region. Construction markets (both residential and commercial/ industrial buildings) continued to be positive in the region. Datacenter activity was good and the Group delivered several projects for Cloud & Services Providers across Energy Management. Utilities investments continued to be weak in the Middle-East. CIS declined due to lower O&G related activities in Russia. The Middle-East was up thanks to good growth in Turkey while Saudi Arabia remained difficult. Africa grew and South America was about flat.

Performance of Energy Management technologies:

The Group delivered strong performance in Energy Management leveraging its complete end-to-end offering (Medium Voltage, Low Voltage, Secure Power). The Group's go-to-market is oriented to address customer needs across end-markets and therefore incorporates the full Energy Management technology portfolio. The performance by technology was as follows:

Medium Voltage (15% of Q1 revenues) was down -2.7% organically, with strong order growth over the last six months. Q1 Sales performance was impacted by low backlog built from the beginning of 2017, especially in Western Europe. The performance of the division was particularly challenged in India and Russia. The division is expected to be back to growth in Q2 2018. The division saw good results from its strategic initiatives: more

products through partners, more services and more digital, with additional wins in ADMS (Advanced Distribution Management System). Investment in the traditional utility segment and Oil & Gas sector remained difficult, but the division seized opportunities in growing in segments such as data centers, infrastructure and commercial & industrial buildings.

With regard to the Power Systems business, the Group continues to implement the new organization which would be fully operational at the end of H1 2018, and to strategically evaluate the performance across geographies.

Low Voltage (47% of Q1 revenues) was up +9.1% organically in Q1. (+c.10.3% including Delixi), with good results across all regions, with double-digit growth in Asia Pacific and Rest of World. Western Europe grew mid-single digit, working days adjusted, with good results in both residential and non-residential markets. The Group continued to build on the strengths of its portfolio with new offer launches and its strong focus on digital initiatives through its EcoStruxure value proposition. The division saw broad-based growth across its low voltage offers and benefitted from the Group's large geographical presence. The strategic initiatives also contributed to delivering growth in favorable end-markets. Final Distribution & Wiring Devices saw an acceleration in growth, up high-single digit, supported by new product launches and channel initiatives. The Group's offers for Commercial & Industrial Buildings grew across all regions, and across multiple segments.

Secure Power (13% of Q1 revenues) was up +2.7% organically in Q1 with growth in all regions. Secure Power offers sold through the IT channel and non-IT channel posted growth, despite the impact of negative working days. Secure Power offers for data centers grew and continued to be the catalyst for strong growth of the entire Energy Management portfolio. Data centers were one of the fastest growing end-markets for the Group with double-digit growth over the quarter.

INDUSTRIAL AUTOMATION GREW STRONGLY IN Q1

Geographical trends for Industrial Automation:

North America was up mid-single digit. Industrial Automation in the U.S. continued to grow in discrete and machine manufacturers markets and targeted end-users segments. O&G saw some improvement from low levels, mainly in capital expenditures for efficiency. Canada and Mexico were up.

Western Europe was up as OEM demand remained favorable. France benefited from continued growth in industrial investment, while Germany and Italy grew thanks to Machine Solutions initiatives. The Group saw good momentum in EcoStruxure in the region.

Asia-Pacific was up with double-digit growth in the region. Industrial demand was strong in China, with continued success in the Group's OEM offers including automation solutions and machine advisor. In the rest of Asia, Australia was up due to successful implementation of growth initiatives in targeted segments and South East Asia grew due to OEM demand and good successes in some hybrid & process industries. India grew in OEM while process automation was down, but with orders growing in Q1.

Rest of the World was up with all regions outside CIS posting growth. Russia was down on lower execution of projects, notably in O&G. Middle-East was up benefiting from good growth in discrete industries, notably in Turkey and from the execution of some projects in process industries in the region. South America was up.

Performance of Industrial Automation:

Industrial Automation (25% of Q1 revenues) was up +9.2% organically in Q1, with growth in all four regions driven by strong OEM demand and continued success in the execution of the Group's strategy. Process Automation was slightly down with mixed results: North America and Asia Pacific saw growth, while Europe continued to be impacted by a sluggish O&G market. Industrial software revenues were up mid-single digit in the quarter². In addition, sales for the legacy AVEVA group were strong, up double-digit in Q1 on a currency neutral basis. Further details will be provided when AVEVA announces its results for the financial year on 14 June 2018.

Products were up +8% organically in Q1. Solutions were up +4% organically in Q1. Within Solutions, Services were up +6%. The Solutions business represented 39% of revenues in Q1.

I. CONSOLIDATION³ AND FOREIGN EXCHANGE IMPACTS IN Q1

Net acquisitions had an impact of **€88 million** or **+1.5%**. This includes mainly the consolidation for 1 month of AVEVA (Industrial Automation), 2 months of IGE-XAO (Low Voltage), 3 months of ASCO Power (Low Voltage), the disposal of DTN (Medium Voltage) and some minor acquisitions/ disposals.

² Following the combination of the Group's Industrial Software Business with AVEVA on March 1st, Industrial Software performance is reported in organic growth for January and February, and in Scope from March 1st

³ Changes in scope of consolidation also include some minor reclassifications of offers among different businesses

The impact of foreign exchange fluctuations was negative at **-€453 million** or **-8.4%**, primarily due to the weakening of the U.S Dollar, Chinese yuan and several new economies' currencies against the Euro.

Based on current rates, the FX impact on FY 2018 revenues is estimated to be between -€1.0bn and -€1.1bn. The FX impact at current rates on adjusted EBITA margin is expected to be c.-20bps. Based on current rates, the Group expects c.80% of the full year impact to both topline and margin to occur in the first half of the year.

II. SHARE BUY BACK / CANCELLATION OF SHARES

The Group has repurchased 1.5 million shares for a total amount of c. €100 million in the first quarter, with an average price of c.€69.5 per share. At the end of Q1, the Group has bought back c. €270m of the about €1bn buyback announced in mid-2017 and to be completed by mid-2019.

Following the Board's decision to proceed with the cancellation of 22,000,000 treasury shares⁴, the total number of shares outstanding was 574,955,979 as of March 31, 2018. Further to this cancellation, Schneider Electric holds 18,807,108 of treasury shares, representing 3.3% of the share capital as of March 31, 2018 after capital reduction.

III. 2018 TARGETS

The Group continues to successfully implement its strategy in a positive market environment in Q1 with strong growth in Products, Services and Digital offers, leveraging cross-selling of the full portfolio. The strong performance in Q1 bodes well for the organic top line growth for the year.

In this context, the Group re-affirms its target to deliver strong organic growth of adjusted EBITA in 2018, around the high-end of the +4% to +7% bracket earlier communicated as the average yearly objective for 2017-2019.

To deliver this strong performance the Group will maximize its organic top line growth and will make the necessary investments to capture growth in developing digital markets. Therefore, for 2018, the Group will target:

- An organic top line growth towards the higher half of the +3% to +5% range; and
- An organic adj. EBITA margin expansion towards the upper end of the +20bps to +50bps range targeted as yearly average improvement for 2017-2019.

Further notes on 2018 available in appendix

⁴ See FY2017 press release, on February 15, 2018

Appendix – Further notes on 2018

- **Foreign Exchange impact:** Based on current rates, the FX impact on FY 2018 revenues is estimated to be between -€1.0bn and -€1.1bn. The FX impact at current rates on adjusted EBITA margin is expected to be c.-20bps. Based on current rates, the Group expects c. 80% of the full year impact to both topline and margin to occur in the first half of the year.
- **Scope:** Based on the most recent fiscal years for acquisitions, scope impact is currently estimated around +€400 million in revenues and expected to be around +10bps at the level of the Group adj. EBITA margin. This includes AVEVA which would be fully consolidated for 10 months starting with March 2018.
- **Tax rate:** Thanks to the positive evolution of the corporate income tax rates in several countries where the Group operates, the ETR is expected to be in a 22-24% range in 2018 and in the medium term.
- **Restructuring:** Restructuring costs are expected in the foreseeable future to be back to a normative recurring amount of €150m to €200m corresponding in majority to the costs required to generate the manufacturing productivity and to continue to drive simplification.

Appendix – Q1 Revenues breakdown by business

€ million		Q1 2018				
		Revenues	Organic growth	Changes in scope of consolidation	Currency effect	Reported growth
Energy Management	Medium Voltage	883	-2.7%	-5.6%	-6.4%	-14.7%
	Low Voltage	2,667	+9.1%	+4.1%	-8.8%	+4.4%
	Secure Power	775	+2.7%	0%	-9.6%	-6.9%
Industrial Automation	Industrial Automation	1,475	+9.2%	+2.9%	-8.0%	+4.1%
Group		5,800	+6.2%	+1.5%	-8.4%	-0.7%

Appendix – Consolidation

In number of months	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
DTN Medium Voltage Business \$213 million revenues in 2016		1m	3m	3m	3m	2m		
Asco Low Voltage Business \$468 million revenues in 2016				2m	3m	3m	3m	1m
AVEVA Industrial Automation Business £216 million revenues in FY2017 (ending March 2017)					1m	3m	3m	3m
IGE-XAO Low Voltage Business €29 million revenues in FY2017 (ending July 2017)					2m	3m	3m	3m

Schneider Electric, partnering with Temasek, has reached an agreement to buy Larsen & Toubro's Electrical & Automation business and will combine it with its Low Voltage & Industrial Automation Products business in India

Key highlights:

- **Combined business well-positioned to serve the fast-growing Indian Energy Management and Industrial Automation Market**
- **Transaction to combine Schneider Electric's strong global technology platform, digital offers and global presence with L&T Electrical & Automation's wide domestic reach, coupled with end-to-end R&D and manufacturing capabilities specific to Indian market**
- **Make in India: Post transaction, India to become one of the key innovation and manufacturing hub for India as well as for global markets.**
- **India becomes the third largest country in terms of revenues for Schneider Electric, at par with France**
- **Strong shareholder base: Schneider Electric and Temasek to own combined business with 65% and 35% shareholding respectively**

Rueil-Malmaison (France), May 1, 2018: Schneider Electric, the global leader in digital transformation of energy management and automation today announces the signing of an agreement with Larsen and Toubro Ltd. ("L&T"), a leading conglomerate in India to buy its Electrical and Automation business ("L&T E&A")⁵ and combine it with Schneider Electric India's Low voltage and Industrial Automation Product business⁶ (the "**Combined Business**"). Temasek, an investment company headquartered in Singapore, will invest in the combined business and will hold 35% of it.

L&T E&A is a recognized player in the Energy Management and Industrial Automation business in India led by an experienced management team. It offers low and medium voltage switchgear, electrical systems & equipment, energy management, metering and industrial automation solutions. It benefits from an extensive ecosystem of partners covering more than 260 cities in India. It has an efficient local manufacturing footprint with 5 manufacturing locations in India along with robust local R&D capabilities. The company is also present in the Middle-East and South-East Asia markets. L&T E&A has over 5,000 employees, excluding Marine Switchgear and Servowatch Systems.

India is the third largest economy in Asia Pacific and sixth largest in the world with c.US\$ 2.6 trillion GDP. It is also the fastest growing large economy globally with an expected 2018 GDP growth rate of 7.4% (based on IMF data). With strong growth in the buildings and infrastructure segments coupled with growth in industrial manufacturing driven notably by the Indian Government's program to develop industries through 'Make in India', the market is expected to grow high-single digit to double-digit⁷ for energy management offers and double-digit³ for industrial automation offers over the coming years. The combined business of Schneider Electric's Low Voltage and Industrial Automation Product business and L&T E&A will be uniquely positioned to benefit from these trends.

Schneider Electric is committed to investing in India's growth, with its businesses being present in India since 1963. With this transaction, India will become the third largest country for Schneider Electric in terms of revenues (c. €1.6bn), at par with France.

Temasek is a global investor anchored in Asia, with India accounting for around 5% of its S\$275b net portfolio value based on underlying assets, as at 31 March 2017. Temasek's investment deepens its exposure to India, as well as to the industrial sector. Temasek and Schneider Electric both recognize India's significant growth

⁵ L&T will retain the Marine business in India and Servowatch in UK, which is currently operating under the E&A domain and together represent c. 2-3% of E&A revenues

⁶ Schneider Electric India Private Limited

⁷ Source: Frost and Sullivan, Market reports and company estimates

opportunities, further accentuated by the Indian Government's "Make in India" policy. Make in India seeks to promote growth in the domestic market, establish India as a strong R&D hub and enhance production capabilities to service the Indian market and new economies, using India as a hub. With this combination, Schneider Electric and Temasek are establishing a company with scale, efficiency and channel partner outreach across India. It will offer innovative products and solutions to Indian customers, bringing differentiation in a dynamic and competitive market having many major global and local low voltage switchgear players.

The combined business with more than €1bn in revenues will create significant synergies and efficiencies by leveraging on the complementary businesses of Schneider and L&T E&A business, including:

- utilization of L&T E&A's R&D set up with capability to locally develop products suited for India and other new economies with Schneider's global technology and best practices;
- wide range of products and technologically superior solutions to the Indian consumers across portfolios and price points;
- widespread network of distributors/ channel partners and extensive geographical reach across India, enabling Schneider access to consumers in tier 2 and tier 3 cities and semi-urban and rural areas across India, where Schneider Electric currently has a limited presence;
- enhanced manufacturing footprint in India which will result in greater domestic production, reduced dependence on imports and increased employment opportunities;
- developing India as the "fourth" hub for Schneider globally (the other three being US, France and China) to cater to the growing Indian market as well as develop India as global markets;
- expertise in additional segments within industries, infrastructure and construction; and
- strong organizational capability of L&T E&A to execute integrated electrical and automation projects with custom engineered solutions. Apart from creating a stronger solution capability in the organization, it will also create strong demand for products of combined business from projects.

The combined business will therefore offer a comprehensive portfolio of products and solutions in India at competitive prices, for large partners and customer base in many segments, across geographies.

As part of the contemplated transaction, L&T E&A would be acquired for an Enterprise Value (EV) of INR 14,000 Cr (c. €1.75bn)⁸. Based on Schneider Electric's estimate, this reflects a multiple of c. 2.5x sales and c. 15x⁹ the estimated EBITDA in Fiscal Year 2019 (ending March 2019), taking into account an EBITDA margin expectation of c. 15% for Fiscal Year 2019 (ending March 2019), in line with the last 12 months¹⁰ to December 2017.

The combined business would be held through a joint venture wherein Schneider Electric and Temasek would hold respective ownership of 65% and 35%. To get to this respective ownership, and assuming a cash-free and debt free acquisition of L&T E&A:

- Schneider Electric would contribute:
 - equity of INR 3,425 Cr. (c.€430m)⁷ in cash
 - its existing Low Voltage and Industrial Automation Products business in India contributed at a valuation multiple broadly comparable to the acquisition multiple of L&T E&A and representing a premium to the Group's valuation multiple
- Temasek would contribute:
 - equity of INR 5,075 Cr. (c.€635m)¹¹ in cash

The joint venture would also carry debt financing amounting to INR 5,500 Cr. (c.€690m) to fund the balance of the L&T E&A acquisition. The Board composition proposed for this joint venture would include a Chairperson and five directors appointed by Schneider Electric, and three non-executive directors appointed by Temasek.

The transaction will provide significant revenues and costs synergies expected to generate INR c.300 Cr. (c. €40m) yearly in EBITDA with a five-year ramp up. With the synergies at their run rate, the acquisition multiple for L&T E&A would be c.11x the estimated Fiscal Year 2019 EBITDA. Transaction costs are expected to be in the range

⁸ Translated at a 3-month rate of 80 INR for 1 EUR (INR 8 Crores (Cr.) for 1 million euros)

⁹ Enterprise value adjusted for tax assets of c. €140m

¹⁰ Publicly available information based on Larsen & Toubro quarterly investor presentations

¹¹ Amounts assuming a cash-free and debt free acquisition of L&T E&A and can vary depending on closing debt and working capital adjustments

of €20-30m and integration costs are expected to be in the range of 1 to 1.5x the amount of synergies. The Combined Business would be fully consolidated on completion in the Group's accounts.

This transaction is focused on the core, in line with the Group's capital allocation policy. It is expected to meet the return criteria set by the Group, with an expected accretion of Adjusted EPS8 in the first year and with an expected return on capital employed matching the WACC (Weighted Average Cost of Capital) in the third-year post closing. The deal is subject to customary approvals from the Competition Commission of India and other regulatory authorities and is expected to close once regulatory approvals are in place.

Jean-Pascal Tricoire, Schneider Electric, Chairman and CEO stated, "By bringing together the Low Voltage and Industrial Automation Products Business of Schneider Electric India and L&T E&A, we are creating an innovative company in Energy Management and Industrial Automation in one of world's largest and fastest growing economies – India. Our market reach in India will be further strengthened by the extensive ecosystem of partners of E&A and we will harness the strengths of both organizations to address the electrical and automation requirements of India and global market. India will become our third largest business in the world, and one of our four major R&D and manufacturing global hubs. Our combined company will actively contribute to make India green, digital, and reinforce its role as a center for R&D and manufacturing. We are pleased to partner with Temasek which brings a tremendous expertise of Asian markets."

TAXATION

The sub-section "Notes issued as from 1 March 2010" of section "Taxation - French Taxation" appearing on pages 113 and 114 of the Base Prospectus is hereby deleted and replaced with the following:

“Notes issued as from 1 March 2010

Pursuant to the French *Code général des impôts*, payments of interest and other revenues made by the Issuer with respect to notes issued on or after 1 March 2010 (other than Notes (described below) which are assimilated (*assimilables* for the purpose of French law) and form a single series with Notes issued prior to 1 March 2010 benefitting from the exemption from withholding tax of Article 131 *quater* of the French *Code général des impôts*) will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a “**Non-Cooperative State**”). If such payments under the Notes are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*. The list of Non-Cooperative States is published by a ministerial executive order and is updated on a yearly basis. A draft law published by the French government on 28 March 2018 would, if adopted in its current form, expand the list of Non Cooperative States as defined under Article 238-0 A of the French *Code général des impôts* to include States and jurisdictions on the blacklist published by the Council of the European Union and as a consequence, would expand this withholding tax regime to certain States and jurisdictions included in the blacklist.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues on such Notes will not be deductible from the Issuer’s taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution established in such a Non-Cooperative State. The draft law published by the French government on 28 March 2018 abovementioned would, if adopted in its current form, expand this regime to the States and jurisdictions included in the blacklist published by the Council of the European Union.

Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis 2* of the French *Code général des impôts*, at a rate of (i) 12.8% or 75% for payments benefitting individuals who are not French tax residents, (ii) 30% (to be aligned on the standard corporate income tax rate set forth in Article 219-I of the French *Code général des impôts* for fiscal years beginning as from 1 January 2020) or 75% for payments benefitting legal persons which are not French tax residents (subject to certain exceptions and the more favourable provisions of any applicable double tax treaty).

Notwithstanding the foregoing, neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* nor, to the extent the relevant interest or other revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the non-deductibility of interest and other revenues set out under Article 238 A of the French *Code général des impôts*, and therefore the withholding tax set out under Article 119 *bis 2* of the French *Code général des impôts* that may be levied as a result of such non-deductibility, will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such a particular issue of Notes were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the “**Exception**”). Pursuant to French tax administrative guidelines (BOI-INT-DG-20-50-20140211, no. 550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211, no. 70 and 80 and BOI-IR-DOMIC-10-20-20-60-20150320, no. 10), an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the principal purpose and effect of such issue of Notes, if such Notes are:

- offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an “**equivalent offer**” means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

- admitted, at the time of their issue, to the operations of a central depository or of a securities payment and delivery systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.”

Please note that Subsection “Notes issued before 1 March 2010 and Notes which are assimilated to (*assimilables* for the purpose of French law) Notes issued before 1 March 2010” of Section “Taxation – French Taxation” appearing on page 114 of the Base Prospectus remains unchanged.

The sub-section "**Payments made to individuals tax resident (*domiciliés fiscalement*) in France – French Taxation**" of section "**Taxation**" appearing on page 115 of the Base Prospectus is hereby deleted and replaced with the following:

" Payments made to individuals tax resident (*domiciliés fiscalement*) in France

Where the paying agent (*établissement payeur*) is established in France, pursuant to Article 125 A of the French *Code Général des Impôts*, subject to certain exceptions, interest and other similar revenues received by French tax resident individuals are subject to a 12.8 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding at a global rate of 17.2 per cent. on such interest and other similar revenues paid to French tax resident individuals."

FORM OF FINAL TERMS FOR NOTES WITH A DENOMINATION OF LESS THAN €100,000

PRO FORMA FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF NOTES WITH A DENOMINATION OF LESS THAN €100,000 TO BE ADMITTED TO TRADING ON A REGULATED MARKET OR REGULATED MARKETS AND/OR OFFERED TO THE PUBLIC IN THE EUROPEAN ECONOMIC AREA

The section entitled “**PRO FORMA FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF NOTES WITH A DENOMINATION OF LESS THAN €100,000 TO BE ADMITTED TO TRADING ON A REGULATED MARKET OR REGULATED MARKETS AND/OR OFFERED TO THE PUBLIC IN THE EUROPEAN ECONOMIC AREA**” on pages 122 to 134 of the Base Prospectus is amended as follows:

- On page 122 of the Base Prospectus, the following paragraphs (along with the footnotes included below) is inserted under the paragraph entitled “Prohibition of Sales to EEA Retail Investors”:

[¹MIFID II product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of [the/each] manufacturer[’s/s’] product approval process, the target market assessment in respect of the Notes, taking into account the five (5) categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018, has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)] [MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*²] Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

OR

³[MiFID II product governance / Retail investors, professional investors and eligible counterparties target market – Solely for the purposes of [the/each] manufacturer[’s/s’] product approval process, the target market assessment in respect of the Notes, taking into account the five (5) categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018, has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)] [MiFID II]; **EITHER**⁴ [and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services]⁵ **OR**⁶ [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and] [non-advised sales] [and pure execution services][, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable]]⁷. [*Consider any negative*

¹ Legend to be included on front of the Final Terms if following the ICMA 1 “all bonds to all professionals” target market approach.
² ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: “The target market assessment indicates that Notes are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested].”

³ Legend to be included on front of the Final Terms if following the ICMA 2 approach.

⁴ Include for bonds that are not ESMA complex.

⁵ The relevant channels for distribution shall be identified and chosen by the relevant Manufacturer(s).

⁶ Include for certain ESMA complex bonds. This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability will be necessary. In addition, if the Notes constitute “complex” products, pure execution services are not permitted to retail without the need to make the determination of appropriateness required under Article 25(3) of MiFID II.

⁷ The relevant channels for distribution shall be identified and chosen by the relevant Manufacturer(s).

*target market*⁸] Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]⁹.]]

- On page 131 of the Base Prospectus, item 7 "Floating Rate Notes only - HISTORIC INTEREST RATES" of Part B of the form of such Final Terms is hereby deleted in its entirety and replaced with the following:

7. "[Floating Rate Notes only - HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR/CMS Rate/other] rates can be obtained from [Reuters].

[Amounts payable under the Notes will be calculated by reference to [LIBOR/EURIBOR/[●]] which is provided by [●]. [As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**").] [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [●] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]]

- On pages 133 of the Base Prospectus item 10(viii) of Part B of the form of such Final Terms is deleted in its entirety and replaced with the following:

10. DISTRIBUTION

- (viii) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]

(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified and the legend entitled "Prohibition of Sales to EEA Retail Investors" on the cover page of the Final Terms should be included. For the purpose of the above, a "packaged" product shall designate a "packaged retail investment product" which means in accordance with Regulation (EU) No 1286/2014 of 26 November 2014 an investment, where, regardless of the legal form of the investment, the amount repayable to the retail investor is

⁸ ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: "The target market assessment indicates that Notes are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]."

⁹ If the Notes constitute "complex" products, pure execution services are not permitted to retail without the need to make the determination of appropriateness required under Article 25(3) of MiFID II. If there are advised sales, a determination of suitability will be necessary.

subject to fluctuations because of exposure to reference values or to the performance of one or more assets which are not directly purchased by the retail investor.)

FORM OF FINAL TERMS FOR NOTES WITH A DENOMINATION OF AT LEAST €100,000

PRO FORMA FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF NOTES WITH A DENOMINATION OF AT LEAST €100,000 TO BE ADMITTED TO TRADING ON AN EU REGULATED MARKET

The section entitled “**PRO FORMA FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF SECURITIES WITH A DENOMINATION OF AT LEAST €100,000 TO BE ADMITTED TO TRADING ON AN EU REGULATED MARKET**” on pages 135 to 145 of the Base Prospectus is amended as follows:

- On page 135 of the Base Prospectus, the following paragraph (along with the footnotes included below) is inserted under the paragraph entitled “Prohibition of Sales to EEA Retail Investors”:

[¹**MIFID II product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of [the/each] manufacturer[’s/s’] product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)] [MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*²] Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

- On page 144 of the Base Prospectus, the following item 7 “**Floating Rate Notes only - HISTORIC INTEREST RATES**” of Part B of the form of such Final Terms shall be added and the following items shall be renumbered:

7. “**[Floating Rate Notes only - HISTORIC INTEREST RATES**

Details of historic [LIBOR/EURIBOR/CMS Rate/other] rates can be obtained from [Reuters].

[Amounts payable under the Notes will be calculated by reference to [LIBOR/EURIBOR/[•]] which is provided by [•]. [As at [•], [•] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the “**Benchmark Regulation**”).] [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [•] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]

¹ Legend to be included on front of the Final Terms if following the ICMA 1 “all bands to all professionals” target market approach.
² ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: “The target market assessment indicates that Notes are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested].”

- On page 144 of the Base Prospectus the item 7(viii) of Part B of the form of such Final Terms is deleted in its entirety and replaced with the following:

9. DISTRIBUTION

- (viii) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]

(If the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified and the legend entitled “Prohibition of Sales to EEA Retail Investors” on the cover page of the Final Terms should be included. For the purpose of the above, a “packaged” product shall designate a “packaged retail investment product” which means in accordance with Regulation (EU) No 1286/2014 of 26 November 2014 an investment, where, regardless of the legal form of the investment, the amount repayable to the retail investor is subject to fluctuations because of exposure to reference values or to the performance of one or more assets which are not directly purchased by the retail investor.)

GENERAL INFORMATION

The section "**General Information**" on pages 146 to 148 of the Base Prospectus is amended as follows:

1. Paragraph (4) is deleted in its entirety and replaced by the following:
"4. There has been no significant change in the financial or trading position of the Issuer or the Group and no material adverse change in the prospects of the Issuer since 31 December 2017."
2. Paragraph (9)(ii) is deleted in its entirety and replaced by the following:
"9. (ii) the published annual report (*document de référence*) of the Issuer for the financial years ended 31 December 2017 and 31 December 2016;"
3. Paragraph (11) is deleted in its entirety and replaced by the following:
"11. The by-laws, reports, letters, and other documents, historical financial information, valuations and statements prepared by the Auditors or any expert at Schneider Electric's request, any part of which is included or referred to in this document, as well as Schneider Electric and the Group's historical financial information for the financial years 2017 and 2016 are available for consultation at the Issuer's head office located at 35, rue Joseph Monier - 92500 Rueil-Malmaison, France.

In addition to the annual report and a summary report, the Issuer also publishes on its corporate website, www.schneider-electric.com, Schneider Electric "In brief" presentations, a Shareholders' Letter (three times a year), and general, economic and financial information (presentations, press releases)."
4. A paragraph (17) is added:
"17. Amounts payable under the Floating Rate Notes may be calculated by reference to EURIBOR or LIBOR which are respectively provided by the European Money Markets Institute ("**EMMI**") and ICE Benchmark Administration Limited ("**ICE**"), or other Reference Rates as indicated in the relevant Final Terms. As at the date hereof, (i) the ICE appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**") and (ii) the EMMI does not appear on such register. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that EMMI is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence). The relevant Final Terms in respect of an issue of Floating Rate Notes may specify the relevant benchmark, the relevant administrator and whether such administrator appears on the European Securities and Markets Authority register referred to above."
5. A paragraph (18) is added:
"18. The LEI of the Issuer is 969500A1YF1XUYYXS284."

**PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE SECOND PROSPECTUS
SUPPLEMENT**

In the name of the Issuer

Having taken all reasonable measures for this purpose, I declare that the information contained in this Second Prospectus Supplement is in accordance with the facts and contains no omission likely to affect its import.

Issued in Rueil-Malmaison, on 18 May 2018

Schneider Electric SE
35, rue Joseph Monier
92500 Rueil-Malmaison
France

Duly represented by:
Véronique Blanc
Senior Vice President Financing and Treasury

Duly authorised
on 18 May 2018



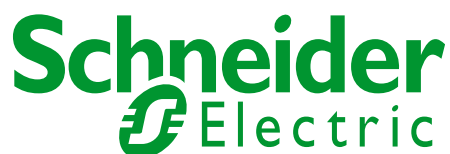
Autorité des marchés financiers

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement général*) of the *Autorité des marchés financiers* (**AMF**), in particular Articles 212-31 to 212-33, the AMF has granted to this Second Prospectus Supplement the visa n° 18-185 on 18 May 2018. This Second Prospectus Supplement has been prepared by the Issuer and its signatories assume responsibility for it.

In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information in it is coherent". It does not imply that the AMF has approved the opportunity of the transaction, nor any authentication by the AMF of the accounting and financial data that is presented herein.

In accordance with Article 212-32 of the General Regulations (*Règlement Général*) of the AMF, every issue or admission of Notes under the Base Prospectus as supplemented by this Second Prospectus Supplement will require the publication of final terms.

**FIRST PROSPECTUS SUPPLEMENT DATED 28 NOVEMBER 2017
TO THE BASE PROSPECTUS DATED 6 OCTOBER 2017**



SCHNEIDER ELECTRIC SE

**Euro 7,500,000,000
Euro Medium Term Note Programme
Due from seven days from the date of original issue**

This supplement (the “**First Prospectus Supplement**”) is supplemental to, and should be read in conjunction with, the Base Prospectus dated 6 October 2017 (the “**Base Prospectus**”) prepared in relation to the €7,500,000,000 Euro Medium Term Note Programme of Schneider Electric SE (the “**Issuer**”). The Base Prospectus constitutes a base prospectus for the purpose of the Directive 2003/71/EC, as amended, (the “**Prospectus Directive**”). The *Autorité des marchés financiers* (the “**AMF**”) has granted visa no.17-538 on 6 October 2017 on the Base Prospectus.

Application has been made for approval of the First Prospectus Supplement to the AMF in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive.

This First Prospectus Supplement has been prepared pursuant to Article 16.1 of the Prospectus Directive and Article 212-25 of the AMF’s *Règlement Général* for the purpose of (i) incorporating the Issuer’s Third Quarter’s revenues published on 26 October 2017 and (ii) incorporating recent events in connection with the Issuer. As a result, certain modifications to the sections “Summary”, “*Résumé en Français* (Summary)” and “Recent Developments” of the Base Prospectus have been made.

Save as disclosed in this First Prospectus Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is material in the context of the Programme since the publication of the Base Prospectus.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this First Prospectus Supplement.

To the extent that there is any inconsistency between (a) any statement in this First Prospectus Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Copies of this First Prospectus Supplement (a) may be obtained, free of charge, from the registered office of the Issuer during normal business hours, (b) will be available from the website of the Issuer (www.schneider-electric.com), (c) will be available on the website of the AMF (www.amf-france.org) and (d) will be available during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for collection at the offices of each Paying Agent(s) so long as any of the Notes are outstanding.

In accordance with Article 16.2 of the Prospectus Directive, in the case of an offer of Notes to the public, investors who have already agreed to purchase or subscribe for Notes issued under the Programme before this First Prospectus Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date of publication of this First Prospectus Supplement to withdraw their acceptances. This right to withdraw shall expire by close of business on 30 November 2017.

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PROSPECTUS SUPPLEMENT 18

SUMMARY

The section entitled “Summary” appearing on pages 3 to 19 of the Base Prospectus is amended as follow:

1. Element B.4b is hereby deleted in its entirety and replaced with the following:

B.4b	Description of any known trends affecting the Issuer and the industries in which it operates	<p>Following its Q3 results, for the second time this year, Schneider Electric upgrades its 2017 objectives:</p> <ul style="list-style-type: none"> • The Group targets for 2017, organic revenue growth around 4% outside Infrastructure (vs. 1% to 3% initially). For Medium Voltage (Infrastructure), the priority remains margin improvement. Before selectivity¹, the Group expects the performance for Medium Voltage to be a low single-digit organic growth. • For 2017, the Group now targets +50 to +70 bps organic adjusted EBITA margin improvement (vs.+20 to +50bps initially targeted for the year). Following the recent evolution of currencies, the FX impact is now expected to be -20 to -30bps on the Adjusted EBITA margin for the year. Additionally, the scope effect including the solar deconsolidation, DTN disposal and some other minor acquisitions / disposals is expected to be +20bps compared to 2016 reported adjusted EBITA margin (14.1%).
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2. Element B.12 is supplemented with the following:

B.12	Selected historical key financial information	THIRD QUARTER REVENUES 2017							
		€ million		Q3 2017			Q3 2016		
				Revenues	Organic Growth	Reported Growth	Revenues	Organic Growth	Reported Growth
		Energy Management	Low Voltage <i>(Building)</i>	2,632	+4.3%	+0.6%	2,666	-0.1%	-10.6%
			Medium Voltage <i>(Infrastructure)</i>	1,002	-4.4%	-13.7%	1,161	-3.0%	-8.8%
			Secure Power <i>(IT)</i>	875	+0.3%	-3.2%	904	-3.1%	-3.8%
		Industrial Automation	Industrial Automation <i>(Industry)</i>	1,395	+6.9%	+4.6%	1,333	-2.6%	-4.6%
		Group		5,904	+2.7%	-1.9%	6,064	-1.7%	-8.0%

¹ Selectivity for the division is expected to end in 2017 with an expected impact of c. -4% on revenue for the year

3. Element B.13 is hereby deleted in its entirety and replaced with the following:

B.13	Recent material events relevant to the evaluation of the Issuer's solvency	<p>Schneider Electric reported 2017 third quarter (hereafter "Q3") revenues of €5,904 million, up +2.7% organically with continued double-digit growth in China and acceleration in Western Europe and Rest of the World. Adjusting for -0.6pt of working day, Q3 underlying performance shows a further acceleration vs. H1 with revenues up c.+3.3% organic and Low Voltage and Industrial Automation growing underlying at c.+5% and c.+7.5% respectively. Group's Revenues outside Medium Voltage were up organically close to +5%² for Q3 and +4.4%² year-to-date.</p> <p>The breakdown of revenue by business segment was as follows:</p>																															
		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" rowspan="2" style="text-align: center; vertical-align: bottom;">€ million</th> <th colspan="3" style="text-align: center;">Q3 2017</th> </tr> <tr> <th style="text-align: center;">Revenues</th> <th style="text-align: center;">Organic Growth</th> <th style="text-align: center;">Reported Growth</th> </tr> </thead> <tbody> <tr> <td rowspan="3" style="text-align: center; vertical-align: middle;">Energy Management</td> <td style="text-align: left;">Low Voltage (<i>Building</i>)</td> <td style="text-align: right;">2,632</td> <td style="text-align: center;">+4.3%</td> <td style="text-align: center;">+0.6%</td> </tr> <tr> <td style="text-align: left;">Medium Voltage (<i>Infrastructure</i>)</td> <td style="text-align: right;">1,002</td> <td style="text-align: center;">-4.4%</td> <td style="text-align: center;">-13.7%</td> </tr> <tr> <td style="text-align: left;">Secure Power (<i>IT</i>)</td> <td style="text-align: right;">875</td> <td style="text-align: center;">+0.3%</td> <td style="text-align: center;">-3.2%</td> </tr> <tr> <td style="text-align: center; vertical-align: middle;">Industrial Automation</td> <td style="text-align: left;">Industrial Automation (<i>Industry</i>)</td> <td style="text-align: right;">1,395</td> <td style="text-align: center;">+6.9%</td> <td style="text-align: center;">+4.6%</td> </tr> <tr> <td colspan="2" style="text-align: center;">Group</td> <td style="text-align: right;">5,904</td> <td style="text-align: center;">+2.7%</td> <td style="text-align: center;">-1.9%</td> </tr> </tbody> </table>			€ million		Q3 2017			Revenues	Organic Growth	Reported Growth	Energy Management	Low Voltage (<i>Building</i>)	2,632	+4.3%	+0.6%	Medium Voltage (<i>Infrastructure</i>)	1,002	-4.4%	-13.7%	Secure Power (<i>IT</i>)	875	+0.3%	-3.2%	Industrial Automation	Industrial Automation (<i>Industry</i>)	1,395	+6.9%	+4.6%	Group		5,904
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Group		5,904	+2.7%	-1.9%																													

Low Voltage (Building, 44% of Q3 revenues) was up **+4.3%** organically in Q3, (c.+5.5% including Delixi), with growth across all regions. The Group's strategy to grow Final Distribution & Wiring Devices continued to achieve unbroken quarterly growth for the past 4 years, with solid mid-single-digit growth in Q3. The Group's offers for Commercial & Industrial Buildings markets showed good growth in most geographies. North America grew on favorable construction markets, with both Canada and the U.S. benefitting from the roll out of new products for the residential market and good performance in targeted segments, notably data centers. Western Europe grew in all major countries, while Asia Pacific growth was up across many countries, though driven mainly by China. Rest of the World posted strong growth, supported by growth in CIS and the Middle-East, amplified by a rebound in Turkey from a low base.

Medium Voltage (Infrastructure, 17% of Q3 revenues) was down **-4.4%** organically in Q3 and up **c.+1%** excluding selectivity, which impacted revenues by c. -€55m in Q3. North America declined due to a lower backlog from previous quarters impacted by low resource driven investment and selectivity. The Group saw some improvement in the market and good growth in orders in some targeted segments such as datacenter. Western Europe declined in line with selectivity initiatives. The business saw growth in new economies outside of the Middle-East, where the environment remains difficult. China, Africa and CIS were up strongly. The Group continued to see strong growth in grid automation.

For the part of the portfolio consisting mainly of projects and equipment and focused on the utilities segment, as announced, the Group has started the project of implementing a specialized organization designed to enable greater agility, autonomy and focus, with the intent to generate increased efficiency for the business and the Group.

Secure Power (IT, 15% of Q3 revenues) was up **+0.3%** organically (c. +1% working day adjusted) in Q3. The business grew in distributed IT and was up mid-single digit in services. The Group also benefitted from the successful implementation of its strategy to diversify into

² Organic growth adjusted for negative working day impact of c. -0.6pt in Q3 and -0.3pt year-to-date

		<p>non-IT end markets yielding a good momentum in industrial applications in Q3. The datacenter end-market, led by the Secure Power channel, continues to be a driver for growth for the Group with LV and MV orders by Cloud and Services providers up double-digit. In Q3, the business grew in all regions outside North America with strong growth in new economies (up mid-single digit), notably with datacenter wins in Asia Pacific (including India & China) and Africa. Western Europe was up with growth in Germany, the Nordics and the U.K. In the U.S., Secure Power was down. Distributed IT showed growth while in the datacenter segment, investments in Q3 favored extra-large datacenters with more Low Voltage (“LV”) and Medium Voltage (“MV”) offers than Secure Power.</p> <p>Industrial Automation (Industry, 24% of Q3 revenues) was up +6.9% organically in Q3, with growth in all four regions supported by continued growth in OEM offers (up high-single digit) and an improvement in process automation (up mid-single digit). North America was up as the U.S. continued to see good OEM demand and some increase in Oil & Gas demand. Western Europe grew across the region. China performed strongly on continued growth in OEM demand while the Group continued to execute its strategy of diversifying its exposure to growing customer segments. Rest of the World was up thanks mainly to growth in the Middle East. EcoStruxure offers continued to see good development and Software revenues were up c.+3%.</p> <p>Products were up +5% organically in Q3. Solutions were down -1% organically in Q3 due to selectivity. Within Solutions, Services were up +1%, with orders up high single-digit. The Solutions business represented 40% of revenues in Q3.</p>
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RESUME EN FRANÇAIS (SUMMARY)

The section entitled “Résumé en français (Summary)” appearing on pages 20 to 38 of the Base Prospectus is amended as follow:

1. Element B.4b is hereby deleted in its entirety and replaced with the following:

B.4b	Description de toutes les tendances connues l'ayant des répercussions sur l'Émetteur et ses secteurs d'activité	<p>Tenant compte de ses résultats au T3, Schneider Electric revoit ses objectifs 2017 à la hausse pour la seconde fois cette année :</p> <ul style="list-style-type: none"> Le Groupe vise pour 2017 une croissance organique de son chiffre d'affaires autour de 4% hors <i>Infrastructure</i> (vs +1 à +3% initialement). En ce qui concerne l'activité Moyenne Tension (<i>Infrastructure</i>), la priorité reste l'amélioration de la marge. Avant sélectivité¹, le Groupe s'attend à une croissance organique faible à un chiffre (« <i>low single-digit</i> ») pour l'activité Moyenne Tension. Pour 2017, le Groupe vise désormais une amélioration organique de +50 à +70 points de base de sa marge d'EBITA ajusté (vs. un objectif initial de +20 à +50 points de base pour l'année). Suite à l'évolution récente des taux de change, l'impact des devises sur la marge d'EBITA ajusté de 2017 est maintenant estimé entre -20 et -30 points de base. En outre, les changements de périmètre incluant la déconsolidation de l'activité <i>Solar</i>, la cession de DTN et quelques autres acquisitions / cessions mineures devraient avoir un impact de +20 points de base par rapport à la marge d'EBITA ajusté reportée en 2016 (14,1%).
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2. Element B.12 is supplemented with the following:

B.12	Informations financières sélectionnées	CHIFFRE D'AFFAIRES DU TROISIEME TRIMESTRE 2017						
		En millions d'euros	T3 2017			T3 2016		
			Chiffre d'affaires	Croissance organique	Croissance publiée	Chiffre d'affaires	Croissance organique	Croissance publiée
	Gestion de l'énergie	Basse tension (<i>Building</i>)	2 632	+4,3%	+0,6%	2 666	-0,1%	-10,6%
		Moyenne tension (<i>Infrastructure</i>)	1 002	-4,4%	-13,7%	1 161	-3,0%	-8,8%
		Énergie sécurisée (<i>IT</i>)	875	+0,3%	-3,2%	904	-3,1%	-3,8%
	Automatismes industriels	Automatismes industriels (<i>Industry</i>)	1 395	+6,9%	+4,6%	1 333	-2,6%	-4,6%
	Groupe		5 904	+2,7%	-1,9%	6 064	-1,7%	-8,0%

¹ La sélectivité des projets devrait s'achever en 2017, avec un impact attendu d'environ -4 % sur le chiffre d'affaires de l'activité Moyenne tension.

3. Element B.13 is hereby deleted in its entirety and replaced with the following:

B.13	Événement récent propre à l'Émetteur et présentant un intérêt significatif pour l'évaluation de sa solvabilité	<p>Schneider Electric publie aujourd'hui un chiffre d'affaires du troisième trimestre 2017 (ci-après « T3 ») de 5 904 millions d'euros, en croissance organique de +2,7 %. La Chine poursuit sa croissance à deux chiffres tandis que l'Europe de l'Ouest et le reste du Monde continuent d'accélérer. Ajusté d'un effet jours ouvrés de -0,6pt, la performance sous-jacente du T3 poursuit son accélération par rapport au premier semestre avec un chiffre d'affaires en hausse organique d'environ +3,3% et les activités de Basse Tension et Automatismes Industriels en croissance sous-jacente d'environ +5% et +7,5% respectivement. Hors activité Moyenne Tension, le Groupe est en hausse d'environ +5%² au T3, et de +4,4%² à fin septembre.</p> <p>Le chiffre d'affaires par activité se répartit comme suit :</p>																																
		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" rowspan="2" style="text-align: center;">En millions d'euros</th> <th colspan="3" style="text-align: center;">T3 2017</th> </tr> <tr> <th style="text-align: center;">Chiffre d'affaires</th> <th style="text-align: center;">Croissance organique</th> <th style="text-align: center;">Croissance publiée</th> </tr> </thead> <tbody> <tr> <td rowspan="3" style="text-align: center; vertical-align: middle;">Gestion de l'énergie</td> <td>Basse tension <i>(Building)</i></td> <td style="text-align: center;">2 632</td> <td style="text-align: center;">+4,3 %</td> <td style="text-align: center;">+0,6 %</td> </tr> <tr> <td>Moyenne tension <i>(Infrastructure)</i></td> <td style="text-align: center;">1 002</td> <td style="text-align: center;">-4,4 %</td> <td style="text-align: center;">-13,7 %</td> </tr> <tr> <td>Énergie sécurisée <i>(IT)</i></td> <td style="text-align: center;">875</td> <td style="text-align: center;">+0,3 %</td> <td style="text-align: center;">-3,2 %</td> </tr> <tr> <td style="text-align: center;">Automatismes industriels</td> <td>Automatismes industriels <i>(Industry)</i></td> <td style="text-align: center;">1 395</td> <td style="text-align: center;">+6,9 %</td> <td style="text-align: center;">+4,6 %</td> </tr> <tr> <td colspan="2" style="text-align: center;">Groupe</td> <td style="text-align: center;">5 904</td> <td style="text-align: center;">+2,7 %</td> <td style="text-align: center;">-1,9 %</td> </tr> </tbody> </table>				En millions d'euros		T3 2017			Chiffre d'affaires	Croissance organique	Croissance publiée	Gestion de l'énergie	Basse tension <i>(Building)</i>	2 632	+4,3 %	+0,6 %	Moyenne tension <i>(Infrastructure)</i>	1 002	-4,4 %	-13,7 %	Énergie sécurisée <i>(IT)</i>	875	+0,3 %	-3,2 %	Automatismes industriels	Automatismes industriels <i>(Industry)</i>	1 395	+6,9 %	+4,6 %	Groupe		5 904
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Basse tension (Building, 44 % du C.A. du T3) enregistre une hausse organique de **+4,3 %**, soit environ +5,5 % en incluant Delixi, toutes les régions étant en croissance. La stratégie du Groupe visant le développement des activités distribution finale (*Final Distribution*) & appareillage (*Wiring Devices*) continue de délivrer une croissance trimestrielle ininterrompue depuis quatre ans, avec une solide croissance moyenne à un chiffre (« *mid-single-digit* ») au T3. L'offre du Groupe sur les marchés des bâtiments industriels et commerciaux affiche une bonne croissance dans la plupart des régions. L'Amérique du Nord progresse sur des marchés de la construction favorables, le Canada et les États-Unis bénéficiant du déploiement de nouveaux produits destinés au marché résidentiel et d'une belle performance sur des segments ciblés, notamment les centres de données. L'Europe de l'Ouest est en hausse dans tous ses principaux pays, tandis que l'Asie-Pacifique progresse, portée essentiellement par la Chine et avec de la croissance dans de nombreux pays. Le Reste du Monde affiche une forte performance qui est soutenue par la croissance de la CEI et au Moyen-Orient, et amplifiée par un rebond de l'activité en Turquie sur une base plus faible.

Moyenne tension (Infrastructure, 17 % du C.A. du T3) est en baisse organique de **-4,4 %**, soit une progression de **~+1%** hors impact de la sélectivité des projets estimé à environ -55 millions d'euros pour la période. L'Amérique du Nord est en baisse du fait d'un carnet de commandes moins élevé dû à l'impact des précédents trimestres ayant souffert de la faiblesse des investissements liés aux matières premières et de la sélectivité des projets. Le

² Croissance organique ajusté de l'impact négatif des jours ouvrés estimé à environ -0,6pt au T3 et à environ -0,3pt à fin septembre

	<p>Groupe observe une certaine amélioration du marché et une croissance satisfaisante des commandes sur certains segments ciblés, comme celui des centres de données. L'Europe de l'Ouest est en recul, en ligne avec les initiatives de sélectivité. L'activité enregistre une croissance dans les nouvelles économies hors Moyen-Orient où l'environnement demeure difficile. La Chine, l'Afrique et la CEI affichent une forte croissance. Le Groupe continue de croître fortement dans l'automatisation des réseaux électriques.</p> <p>En ce qui concerne la partie du portefeuille comprenant essentiellement les projets et les équipements et se centrant sur le segment des régions d'électricités, comme annoncé, le Groupe a débuté son projet de mise en place d'une organisation plus spécialisée. Ce projet vise à renforcer l'agilité, l'autonomie et la focalisation de cette activité, dans l'optique de générer plus d'efficacité pour cette activité et pour le Groupe.</p> <p>Énergie sécurisée (IT, 15 % du C.A. du T3) est en hausse organique de +0,3 %, soit environ +1 % après ajustement de l'impact des jours ouvrés. L'activité est portée par la croissance de la distribution informatique, par une croissance moyenne à un chiffre (« <i>mid-single digit</i> ») des Services et par la mise en oeuvre réussie de la diversification de l'activité sur des marchés finaux non IT, générant une bonne croissance dans les applications industrielles au T3. L'activité Énergie Sécurisée poursuit son rôle de canal de vente pour l'ensemble des offres du Groupe sur le marché des centres de données. Ce marché continue d'être un levier de croissance pour le Groupe, avec des commandes dans les activités de Basse et Moyenne tension en croissance à deux-chiffres sur le segment des fournisseurs de services Cloud. Au T3, l'activité progresse dans toutes les régions à l'exception de l'Amérique du Nord, avec une croissance forte des nouvelles économies – en hausse moyenne à un chiffre (« <i>mid-single digit</i> ») – générée par de nouveaux contrats sur des centres de données en Asie-Pacifique (en particulier en Inde et en Chine) ainsi qu'en Afrique. L'Europe de l'Ouest progresse, notamment en Allemagne, dans les pays nordiques et au Royaume-Uni. Aux États-Unis, l'activité d'Énergie sécurisée est en recul. L'activité de Distribution informatique est en croissance tandis que sur le marché des centres de données, les investissements réalisés au cours du trimestre bénéficient aux centres de données de très grande taille qui favorisent plus les offres sur de Basse et Moyenne tension que les offres d'Énergie sécurisée.</p> <p>Automatismes industriels (Industry, 24 % du C.A. du T3) est en hausse organique de +6,9 %, avec une croissance dans les quatre régions portée par la demande soutenue des offres à destination des constructeurs de machines (« <i>OEM</i> ») – en croissance haute à un chiffre (« <i>high single digit</i> ») – et une amélioration observée de l'activité <i>Process Automation</i>, en hausse moyenne à un chiffre (« <i>mid-single digit</i> »). L'Amérique du Nord est en croissance, les États-Unis bénéficiant toujours d'une demande positive des OEM et d'une hausse de la demande sur les secteurs pétrolier & gazier. L'ensemble de l'Europe de l'Ouest est en progression. La Chine réalise une forte performance avec une croissance continue de la demande des OEM, tandis que le Groupe continue de mettre en oeuvre sa stratégie de diversification sur des segments de clientèle en plein essor. Le Reste du Monde est en hausse grâce principalement à la croissance réalisée au Moyen-Orient. Les offres d'EcoStruxure continuent d'avoir une bonne croissance, et les Logiciels affichent une progression de ~+3%.</p> <p>Les Produits sont en hausse organique de +5 % au T3, tandis que les Solutions enregistrent un recul organique de -1 %, du fait de la sélectivité. Au sein des Solutions, les Services réalisent une croissance de +1 %, les commandes étant en hausse élevée à un chiffre (« <i>high single digit</i> »). Les Solutions représentent 40 % du C.A. au T3.</p>
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RECENT DEVELOPMENTS

The section entitled “Recent Developments”, appearing on pages 96 to 112 of the Base Prospectus is supplemented by the following press releases published by the Issuer on 26 October 2017 and 8 November 2017:

Continued good performance in Q3, with +2.7% organic growth. Low Voltage, Secure Power and Industrial Automation up c. +5%¹

-
- **Strong dynamism of Low Voltage & Industrial Automation across all regions**
 - **Group performance led by double digit organic growth in China & acceleration in Western Europe, up +3%**
 - **Strategic priorities delivering in Q3: Product revenues up +5% org.; Industrial Software up c. +3% org.; Service orders up high single-digit org.; EcoStruxure global deployment advancing well**
 - **FY 2017 Targets upgraded for second time this year**
-

Rueil Malmaison (France), October 26, 2017 - Schneider Electric reported third quarter revenues of **€5,904** million, up **+2.7%** organically with continued double-digit growth in China and acceleration in Western Europe and Rest of the World. Adjusting for -0.6pt of working day, Q3 underlying performance shows a further acceleration vs. H1 with revenues up c.+3.3% organic and Low Voltage and Industrial Automation growing underlying at c.+5% and c.+7.5% respectively. Group’s Revenues outside Medium Voltage were up organically close to +5%¹ for Q3 and +4.4%¹ year-to-date.

The breakdown of revenue by business segment was as follows:

		Q3 2017		
		Revenues	Organic Growth	Reported Growth
€ million				
Energy Management	Low Voltage (<i>Building</i>)	2,632	+4.3%	+0.6%
	Medium Voltage (<i>Infrastructure</i>)	1,002	-4.4%	-13.7%
	Secure Power (<i>IT</i>)	875	+0.3%	-3.2%
Industrial Automation	Industrial Automation (<i>Industry</i>)	1,395	+6.9%	+4.6%
Group		5,904	+2.7%	-1.9%

Jean-Pascal Tricoire, Chairman and CEO, commented: “*We deliver another quarter of sustained growth and continue executing our strategy. We grow our product sales, our services and software, all showing good dynamics in Q3. We continue to invest in the development of our EcoStruxure offers. Through the new AVEVA, we create an unmatched end-to-end portfolio covering the full digital asset lifecycle from design to operation for Process & Hybrid customers. Following the good momentum in Q3, we upgrade our full year objectives for the second time this year.*”

1. Organic growth adjusted for negative working day impact of c. -0.6pt in Q3 and -0.3pt year-to-date

I. ORGANIC GROWTH ANALYSIS BY BUSINESS

GOOD DYNAMIC IN ENERGY MANAGEMENT

Low Voltage (Building, 44% of Q3 revenues) was up **+4.3%** organically in Q3, (c.+5.5% including Delixi), with growth across all regions. The Group's strategy to grow Final Distribution & Wiring Devices continued to achieve unbroken quarterly growth for the past 4 years, with solid mid-single-digit growth in Q3. The Group's offers for Commercial & Industrial Buildings markets showed good growth in most geographies. North America grew on favorable construction markets, with both Canada and the U.S. benefitting from the roll out of new products for the residential market and good performance in targeted segments, notably data centers. Western Europe grew in all major countries, while Asia Pacific growth was up across many countries, though driven mainly by China. Rest of the World posted strong growth, supported by growth in CIS and the Middle-East, amplified by a rebound in Turkey from a low base.

Medium Voltage (Infrastructure, 17% of Q3 revenues) was down **-4.4%** organically in Q3 and up **c.+1%** excluding selectivity, which impacted revenues by c. -€55m in Q3. North America declined due to a lower backlog from previous quarters impacted by low resource driven investment and selectivity. The Group saw some improvement in the market and good growth in orders in some targeted segments such as datacenter. Western Europe declined in line with selectivity initiatives. The business saw growth in new economies outside of the Middle-East, where the environment remains difficult. China, Africa and CIS were up strongly. The Group continued to see strong growth in grid automation.

For the part of the portfolio consisting mainly of projects and equipment and focused on the utilities segment, as announced, the Group has started the project of implementing a specialized organization designed to enable greater agility, autonomy and focus, with the intent to generate increased efficiency for the business and the Group.

Secure Power (IT, 15% of Q3 revenues) was up **+0.3%** organically (c. +1% working day adjusted) in Q3. The business grew in distributed IT and was up mid-single digit in services. The Group also benefitted from the successful implementation of its strategy to diversify into non-IT end markets yielding a good momentum in industrial applications in Q3. The datacenter end-market, led by the Secure Power channel, continues to be a driver for growth for the Group with LV and MV orders by Cloud and Services providers up double-digit. In Q3, the business grew in all regions outside North America with strong growth in new economies (up mid-single digit), notably with datacenter wins in Asia Pacific (including India & China) and Africa. Western Europe was up with growth in Germany, the Nordics and the U.K. In the U.S., Secure Power was down. Distributed IT showed growth while in the datacenter segment, investments in Q3 favored extra-large datacenters with more Low Voltage ("LV") and Medium Voltage ("MV") offers than Secure Power.

INDUSTRIAL AUTOMATION GREW STRONGLY IN Q3

Industrial Automation (Industry, 24% of Q3 revenues) was up **+6.9%** organically in Q3, with growth in all four regions supported by continued growth in OEM offers (up high-single digit) and an improvement in process automation (up mid-single digit). North America was up as the U.S. continued to see good OEM demand and some increase in Oil & Gas demand. Western Europe grew across the region. China performed strongly on continued growth in OEM demand while the Group continued to execute its strategy of diversifying its exposure to growing customer segments. Rest of the World was up thanks mainly to growth in the Middle East. EcoStruxure offers continued to see good development and Software revenues were up c.+3%.

Products were up **+5%** organically in Q3. Solutions were down **-1%** organically in Q3 due to selectivity. Within Solutions, Services were up **+1%**, with orders up **high single-digit**. The Solutions business represented **40%** of revenues in Q3.

II. ORGANIC GROWTH ANALYSIS BY GEOGRAPHY

€ million	Q3 2017		
	Revenues	Organic Growth	Reported Growth
Western Europe	1,582	+3%	+1%
Asia-Pacific	1,695	+5%	+1%
North America	1,588	-1%	-8%
Rest of World	1,039	+4%	-1%
Group	5,904	+2.7%	-1.9%

Western Europe (27% of Q3 revenues) was up **+3%**, with good performance seen across the region, despite a negative working day impact. The residential and commercial construction markets remain favorable, while OEM demand continued to grow. France grew in favorable end markets. The country saw good growth in wiring devices and final distribution, supported by new product launches. Germany, the U.K., Italy and Spain were up while Nordics were down due to selectivity.

Asia-Pacific (29% of Q3 revenues) grew **+5%**. China posted a double-digit growth with good development in all businesses. Industrial Automation continued to benefit from the Group's strategy of diversification in a positive market. Construction markets showed some slowdown but performance remained solid, supported by commercial actions. Australia posted growth thanks to project execution across process and hybrid industrial segments, in stabilizing commodity-related markets. South East Asia posted slight growth driven by Indonesia and Vietnam, while India performance was impacted by GST implementation and selectivity in medium voltage projects, in overall good markets.

North America (27% of Q3 revenues) was down **-1%**. The U.S. grew in LV and Industrial Automation, with LV seeing continued success from recent launches in residential markets and Industrial Automation benefitting from positive OEM markets. MV revenues continued to be impacted by weak capital expenditure from last year and Secure Power was down. The Group continued to benefit from its focus on datacenters with good orders from LV and MV in this segment. Overall the Group expects the momentum in the U.S. to improve in Q4. Canada was slightly up as growth in construction markets and IT projects offset weakness in resource related investment. Mexico was down, impacted by project delays caused by September's earthquakes.

Rest of the World (17% of Q3 revenues) was up **+4%** organically, driven by growth in CIS, Africa and Eastern Europe. CIS benefited from growth in Russia, especially in Low voltage and from project execution in the rest of the region. Africa and Eastern Europe saw growth in all businesses. Additionally, the Middle-East was up following a return to normal trading conditions in Turkey compared to last year and project execution in the region while Saudi Arabia remained difficult. South America was down in a difficult market across most of the region. However, Brazil continued to show signs of stabilization.

Organic revenues growth in new economies was up **+5%** and new economies represented **43%** of total third quarter 2017 revenues.

III. CONSOLIDATION² AND FOREIGN EXCHANGE IMPACTS

Net acquisitions had an impact of **-€59 million** or **-1.0%** on the revenues. This is mainly due to the disposal in June of DTN (previously consolidated under the Medium Voltage business), and some minor acquisitions and disposals in other businesses.

² Changes in scope of consolidation also include some minor reclassifications of offers among different businesses.

The impact of foreign exchange fluctuations was negative at **-€206 million** or **-3.6%**, primarily due to the depreciation of the U.S. dollar, the Chinese Yuan and several new economies' currencies against the euro.

Based on current rates, the FX impact on FY 2017 revenues is estimated to be around **-€300m**.

IV. UPDATE ON RECENT TRANSACTIONS

In September, the Group proposed to combine its Industrial Software business with AVEVA PLC. This proposal was approved in the AVEVA General Meeting on 29 September, 2017 with 99.9% voting in favor of the combination, and is expected to close around the end of 2017. The company will be fully consolidated under the Group's Industrial Automation division. This transaction creates a global leader with an unmatched end-to-end portfolio covering the full digital asset lifecycle from design to operation for Process & Hybrid customers.

V. GOVERNANCE

In pursuance of the amendment of the articles of association approved by the shareholders at the General Meeting held on April 25, 2017, Schneider Electric's board of directors has welcomed a new member, Mr. Patrick Montier, from September 8th. Mr. Montier, 61, joins the Board as director representing the employees. In charge of partnerships with technical colleges, he has spent nearly 40 years in the Group and has been involved in training functions since 1999. Schneider Electric's board of directors now comprises 13 directors and one non-voting member.

VI. 2017 TARGETS

Following its Q3 results, for the second time this year, Schneider Electric upgrades its 2017 objectives:

- The Group targets for 2017, organic revenue growth around 4% outside Infrastructure (vs. 1% to 3% initially). For Medium Voltage (Infrastructure), the priority remains margin improvement. Before selectivity³, the Group expects the performance for Medium Voltage to be a low single-digit organic growth.
- For 2017, the Group now targets +50 to +70 bps organic adjusted EBITA margin improvement (vs. +20 to +50bps initially targeted for the year). Following the recent evolution of currencies, the FX impact is now expected to be -20 to -30bps on the Adjusted EBITA margin for the year. Additionally, the scope effect including the solar deconsolidation, DTN disposal and some other minor acquisitions / disposals is expected to be +20bps compared to 2016 reported adjusted EBITA margin (14.1%).

The Q3 2017 revenues presentation is available at www.schneider-electric.com

Schneider Electric will host a Digital Day for Investors on December 12, 2017 in Rueil Malmaison, France

3 Selectivity for the division is expected to end in 2017 with an expected impact of c. -4% on revenue for the year

2017 Full Year Results will be presented on February 15, 2018

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. For a detailed description of these factors and uncertainties, please refer to the section “Risk Factors” in our Annual Registration Document (which is available on www.schneider-electric.com). Schneider Electric undertakes no obligation to publicly update or revise any of these forward-looking statements.

About Schneider Electric: Schneider Electric is leading the Digital Transformation of Energy Management and Automation in Homes, Buildings, Data Centers, Infrastructure and Industries. With global presence in over 100 countries, Schneider is the undisputable leader in Power Management – Medium Voltage, Low Voltage and Secure Power, and in Automation Systems. We provide integrated efficiency solutions, combining energy, automation and software. In our global Ecosystem, we collaborate with the largest Partner, Integrator and Developer Community on our Open Platform to deliver real-time control and operational efficiency. We believe that great people and partners make Schneider a great company and that our commitment to Innovation, Diversity and Sustainability ensures that **Life Is On** everywhere, for everyone and at every moment.

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Appendix – Consolidation impact on revenues and EBITA

In number of months	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

Telvent Transportation Infrastructure Business €125 million revenues in 2015	3m							
DTN Infrastructure Business \$213 million revenues in 2016		1m	3m	3m	3m	2m		

Appendix – Revenues breakdown with Q3 2016 restated⁴

€ million		Q3 2016 (restated)	Q3 2017	Organic Growth	Δ Scope of Consol.	Currency Effect	Reported Growth
Energy Management	Low Voltage (Building)	2,617	2,632	+4.3%	0.0%	-3.7%	+0.6%
	Medium Voltage (Infrastructure)	1,161	1,002	-4.4%	-6.9%	-2.4%	-13.7%
	Secure Power (IT)	904	875	+0.3%	0.0%	-3.5%	-3.2%
Industrial Automation	Industrial Automation (Industry)	1,333	1,395	+6.9%	+1.5%	-3.8%	+4.6%
Group		6,015	5,904	+2.7%	-1.0%	-3.6%	-1.9%

Appendix – Revenues breakdown with Year-to-date 2016 restated⁴

€ million		9m 2016 (restated)	9m 2017	Organic Growth	Δ Scope of Consol.	Currency Effect	Reported Growth
Energy Management	Low Voltage (Building)	7,699	7,973	+4.1%	0.0%	-0.5%	+3.6%
	Medium Voltage (Infrastructure)	3,453	3,158	-3.9%	-4.9%	+0.3%	-8.5%
	Secure Power (IT)	2,597	2,644	+1.5%	0.0%	+0.3%	+1.8%
Industrial Automation	Industrial Automation (Industry)	4,008	4,302	+6.1%	+1.6%	-0.4%	+7.3%
Group		17,757	18,077	+2.7%	-0.6%	-0.3%	+1.8%

4. Restated for Solar Activity

Proposed takeover of I.G.E.-X.A.O. by Schneider Electric

Paris and Toulouse, November 8, 2017

Schneider Electric Industries SAS (SEI SAS), a subsidiary of Schneider Electric, and I.G.E.-X.A.O. announce today the signing of a memorandum of understanding, pursuant to which SEI SAS will file with the Autorité des Marchés Financiers (AMF) a voluntary public tender offer for the shares of I.G.E.-X.A.O., at the price of 132 Euros per share (with 2016-2017 coupon attached).

Strategic rationale for the transaction

With more than 80,000 licences globally, I.G.E.-X.A.O. is a leader in design software for electrical installations through its CAD (Computer Aided Design), PLM (Product Life cycle Management) and simulation software. The company had consolidated revenues of 29.4 million Euros for the financial year 2016-2017 and an operational margin of 27%.

I.G.E.-X.A.O. is a pure player in the software segment, with recurring revenues representing approximately 46% of I.G.E.-X.A.O.'s total revenues.

The transaction aims to reinforce the software offer of Schneider Electric in a field complementary to products and solutions supplied for electrical distribution, creating future synergetic opportunities.

The transaction will strengthen the digital support for customers and partners of the two groups and, in addition to the commercial opportunities already offered to I.G.E.-X.A.O., will accelerate the development of I.G.E.-X.A.O. While maintaining its operational autonomy within Schneider Electric, the company will benefit from the support of the leader in digital transformation of energy management and automation systems. The transaction will also enhance I.G.E.-X.A.O.'s research and development activities which will benefit from Schneider Electric's know-how and its presence in more than 100 countries.

It is intended that Alain Di Crescenzo, CEO of I.G.E.-X.A.O. and Charles Baudron, CTO of I.G.E.-X.A.O., will keep their respective positions upon completion of the transaction and will have additional responsibilities within Schneider Electric. The executive management team of I.G.E.-X.A.O. will remain unchanged.

Main Terms of the Transaction

The proposed public tender offer is made for all outstanding share of I.G.E.-X.A.O. at a price of 132 Euros per share (with coupon 2016-2017 attached).

The proposed price represents a premium of 15.0% compared to I.G.E.-X.A.O.'s last closing price on November 7, 2017, and a premium of 41.5% compared to the volume weighted average share price over 12 months. The transaction meets Schneider Electric's return criteria, with an expected accretion of Adjusted EPS in the first year and with an expected return on capital employed exceeding WACC beyond the third year post closing.

The offer will be conditional to SEI SAS holding 2/3 of I.G.E.-X.A.O.'s share capital (plus one share) at the closing of the offer.

Alain Di Crescenzo, Charles Baudron, IRDI and Robert Grèzes have executed with SEI SAS an undertaking to tender their shares to the offer, representing together 26.78% of the share capital of I.G.E.-X.A.O. I.G.E.-X.A.O. will not tender its treasury shares to the offer.

I.G.E.-X.A.O.'s board of directors has unanimously approved the proposed transaction with SEI SAS.

I.G.E.-X.A.O.'s board of directors has appointed HAF Audit & Conseil, represented by Mr. Olivier Grivillers, as independent expert.

As part of the reasoned opinion (*avis motivé*) that I.G.E.-X.A.O.'s board of directors should issue in accordance with the stock exchange regulations, and subject to the independent expert concluding to the fairness of the offer, I.G.E.-X.A.O.'s board of directors confirmed its intention to recommend the shareholders to tender their shares to the offer.

The proposed transaction is subject to the review of the AMF which will decide whether it complies with applicable laws and regulations.

Comments

Philippe Delorme, Executive Vice President for Building (Low Voltage) and IT (Secure Power) activities at Schneider Electric declared: *"This acquisition will strengthen our capabilities to support our partners and customers along their digital transformation, in a fast-changing electric world. We warmly welcome the I.G.E.-X.A.O.'s teams whose commitment and experience ensure the success of this joint project."*

Alain Di Crescenzo, Chairman and CEO of I.G.E.-X.A.O., complemented: *"This relationship with Schneider Electric is a great opportunity for our group and its actors:*

- *For our customers and partnerships which shall benefit from an "I.G.E.-X.A.O." stronger, more innovative and more international, supported by a group present in more than 100 countries;*
- *For our employees whose integration in a global group of 144,000 employees and representing 25 billion of consolidated turnover provides new perspectives, both in I.G.E.-X.A.O. and in Schneider Electric;*
- *And for our shareholders who, for many of them, have been accompanying the development of I.G.E.-X.A.O. for many years, and for whom the Schneider Electric offer rewards a history of 20 years on the listed stock exchange, which started with a stock price of 7.77 Euros."*

About Schneider Electric

Schneider Electric is leading the Digital Transformation of Energy Management and Automation in Homes, Buildings, Data Centers, Infrastructure and Industries. With global presence in over 100 countries, Schneider is the undisputable leader in Power Management – Medium Voltage, Low Voltage and Secure Power, and in Automation Systems. We provide integrated efficiency solutions, combining energy, automation and software. In our global Ecosystem, we collaborate with the largest Partner, Integrator and Developer Community on our Open Platform to deliver real-time control and operational efficiency. We believe that great people and partners make Schneider a great company and that our commitment to Innovation, Diversity and Sustainability ensures that Life Is On everywhere, for everyone and at every moment.

www.schneider-electric.com

Discover Life is On

Innovation At Every Level

Follow us on:       

ABOUT THE IGE+XAO GROUP

For over 30 years, the IGE+XAO Group has been a software publisher designing, producing, selling and supporting a range of Computer Aided Design (CAD), Product Lifecycle Management (PLM) and Simulation software dedicated to Electrical Engineering. These software products have been designed to help manufacturers in the design and maintenance of the electrical part of any type of installation. This type of CAD/PLM/Simulation is called "Electrical CAD/PLM/Simulation". IGE+XAO has built a range of Electrical CAD/PLM/Simulation software designed for all the manufacturers. IGE+XAO employs 390 people around the world at 33 sites and in 22 countries, and has more than 86,400 licences distributed around the world. IGE+XAO is a reference in its field. For more information: <http://www.igexao.com>

This press release has been released on November 8th, 2017, at 8:00 AM

This press release was prepared for informational purpose only. It is not an offer to the public and it is not for diffusion in any other country than France. The diffusion of this press release, the Offer and its acceptance may be subject to specific regulations or restrictions in certain countries. The Offer is not made for persons subject to such restrictions, neither directly nor indirectly, and may not be accepted in any way from a country where the Offer would be subject to such restrictions. Consequently, persons in possession of this press release shall inquire about potential applicable local restrictions and comply with them. Schneider Electric excludes all liability in the event of any breach of the applicable legal restrictions by any person.

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE FIRST PROSPECTUS SUPPLEMENT

In the name of the Issuer

The Issuer declares, having taken all reasonable care to ensure that such is the case and to the best of its knowledge, that the information contained in this First Prospectus Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Schneider Electric SE
35, rue Joseph Monier
92500 Rueil-Malmaison
France

Duly represented by:
Véronique Blanc
Senior Vice President Financing and Treasury

Duly authorised
on 28 November 2017

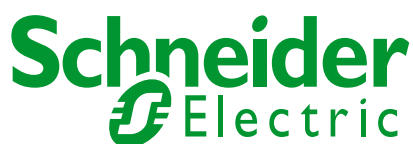


Autorité des marchés financiers

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (“AMF”), in particular Articles 212-31 to 212-33, the AMF has granted to this First Prospectus Supplement the visa No. 17-615 on 28 November 2017. It was prepared by the Issuer and its signatories assume responsibility for it.

In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of whether the document is complete and comprehensible, and whether the information it contains is coherent. It does not imply that the AMF has verified the accounting and financial data set out in it and the appropriateness of the issue of the Notes.

In accordance with Article 212-32 of the AMF's General Regulations, any issuance or admission to trading of securities under the Base Prospectus, as supplemented by the First Prospectus Supplement, will be subject to the publication of Final Terms.



SCHNEIDER ELECTRIC SE

Euro 7,500,000,000

Euro Medium Term Note Programme

Due from seven days from the date of original issue

Under the Euro Medium Term Note Programme (the "Programme") described in this base prospectus (the "Base Prospectus"), Schneider Electric SE (the "Company" or the "Issuer"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro medium term notes (the "Notes"). The aggregate nominal amount of Notes outstanding will not at any time exceed Euro 7,500,000,000 (or the equivalent in other currencies).

Application has been made for approval of this Base Prospectus to the Autorité des marchés financiers (the "AMF") in France in its capacity as competent authority pursuant to Article 212-2 of its Règlement Général which implements Directive 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading, as amended (the "Prospectus Directive").

Application has been made to Euronext Paris for Notes issued under the Programme during a period of 12 months from the date of this Base Prospectus to be admitted to trading on Euronext Paris. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC, as amended (a "Regulated Market"). Application may also be made to the competent authority of any other Member State of the EEA for Notes issued under the Programme to be admitted to trading on any other Regulated Market in such Member State. However, Notes may be issued pursuant to the Programme which are not admitted to trading on a Regulated Market. The relevant final terms (the "Final Terms") (forms of which are contained herein) in respect of the issue of any Notes will specify whether or not such Notes will be admitted to trading, and, if so, the relevant Regulated Market in the EEA on which they would be admitted to trading. Notes issued under the Programme will be governed by French law and may be issued either in dematerialised form ("Dematerialised Notes") or in materialised form ("Materialised Notes") as more fully described herein. Dematerialised Notes will at all times be in book-entry form in compliance with Articles L.211-3 and R.211-1 of the French Code monétaire et financier. No physical documents of title will be issued in respect of the Dematerialised Notes.

Notes shall be issued in the specified denomination(s) as set out in the relevant Final Terms, save that the minimum denomination of each Note offered to the public and/or admitted to trading on a Regulated Market in a Member State of the EEA in circumstances which require the publication of a Base Prospectus under the Prospectus Directive will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant specified currency.

Dematerialised Notes may, at the option of the Issuer, be (a) in bearer dematerialised form (au porteur) inscribed as from the issue date in the books of Euroclear France ("Euroclear France") (acting as central depository) which shall credit the accounts of Account Holders (as defined in "Terms and Conditions of the Notes - Form, Denomination and Title") including Euroclear Bank S.A./N.V. ("Euroclear") and the depository bank for Clearstream Banking, S.A. ("Clearstream") or (b) in registered dematerialised form (au nominatif) and, in such latter case, at the option of the relevant Noteholder (as defined in Condition 1(c)(iv)), in either fully registered form (au nominatif pur), in which case they will be inscribed with the registration agent (designated in the relevant Final Terms) for the Issuer, or in administered registered form (au nominatif administré) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholders.

Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a "Temporary Global Certificate") will initially be issued in connection with Materialised Notes. Such Temporary Global Certificate will be exchanged for definitive Materialised Notes in bearer form with, where applicable, coupons for interest attached on or after a date expected to be on or about the 40th day after the issue date of the Notes (subject to postponement as described in "Temporary Global Certificates issued in respect of Materialised Notes") upon certification as to non-US beneficial ownership as more fully described herein.

Temporary Global Certificates will (a) in the case of a Tranche (as defined in "Summary" below) intended to be cleared through Euroclear and/or Clearstream, be deposited on the issue date with a common depository on behalf of Euroclear and Clearstream and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer(s) (as defined below).

The final terms of the relevant Notes will be determined at the time of the offering of each Tranche and will be set out in the relevant Final Terms.

As of the date of this Base Prospectus, the long-term corporate rating of the Issuer by Standard & Poor's Ratings Services ("S&P") is A- (stable outlook). Tranches of Notes issued under the Programme may be rated or unrated. S&P is established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit rating agencies, as amended (the "CRA Regulation"). S&P is included in the list of credit agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority (www.esma.europa.eu/supervision/credit-rating-agencies/risk) as of the date of this Base Prospectus. The relevant Final Terms will specify whether or not credit ratings are issued by a credit rating agency.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Prospective investors should have regard to the risk factors described under the section headed "Risk Factors" in this Base Prospectus, before deciding to invest in the Notes issued under the Programme.

**Arranger for the Programme
BNP PARIBAS**

Dealers

**BARCLAYS
CRÉDIT AGRICOLE CIB
NATIXIS
SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING**

**BNP PARIBAS
DEUTSCHE BANK
NATWEST MARKETS**

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SUMMARY

Summaries are made up of disclosure requirements known as “Elements” the communication of which is required by Annex XXII of Regulation (EC) No 809/2004 of 29 April 2004 as amended. These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and for Schneider Electric S.E. (the “**Issuer**”). Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding such Element. In this case a short description of the Element is included in the summary and marked as “Not applicable”.

This summary is provided for purposes of the issue by the Issuer of Notes of a denomination of less than Euro 100,000 which are offered to the public and/or admitted to trading on a Regulated Market of the European Economic Area (the “**EEA**”). The issue specific summary relating to this type of Notes will be annexed to the relevant Final Terms and will comprise (i) the information below with respect to the summary of the Base Prospectus and (ii) the information below included in the items « issue specific summary ».

Section A - Introduction and warnings		
A.1	General disclaimer regarding the summary	This summary must be read as an introduction to the Base Prospectus. Any decision to invest in the Notes should be based on a consideration by any investor of the Base Prospectus as a whole, including any documents incorporated by reference and any supplement from time to time. Where a claim relating to information contained in the Base Prospectus is brought before a court, the plaintiff may, under the national legislation of the Member State of the EEA where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes.
A.2	Information regarding consent by the Issuer to the use of the Prospectus	In the context of any offer of Notes in France and in the Grand Duchy of Luxembourg (the “ Public Offer Jurisdictions ”) that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended, (a “ Public Offer ”), the Issuer consents to the use of the Base Prospectus and the relevant Final Terms (together with the Base Prospectus, the “ Prospectus ”) in connection with a Public Offer of any Notes during the offer period specified in the relevant Final Terms (the “ Offer Period ”) and in the Public Offer Jurisdiction(s) specified in the relevant Final Terms by any financial intermediary duly authorised designated in such Final Terms (each an “ Authorised Offeror ”). The consent referred to above relates to Offer Periods (if any) ending no later than the date falling 12 months from the date of the approval of the Base Prospectus by the <i>Autorité des marchés financiers</i> .

	<p>The specific terms of the Public Offer shall be provided to investors by that Authorised Offeror at the time of the Public Offer. Neither the Issuer nor any of the Dealers (as defined below) or other Authorised Offerors has any responsibility or liability for such information.</p> <p>References in the Base Prospectus to “Permanent Dealers” are to the persons listed as Dealers (as defined below) and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to “Dealers” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p>
	<p>Issue specific Summary:</p> <p>[In the context of the offer of the Notes in [●] (“Public Offer Jurisdiction[s]”) which is not made within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended (the “Public Offer”), the Issuer consents to the use of the Prospectus in connection with such Public Offer of any Notes during the period from [●] until [●] (the “Offer Period”) and in the Public Offer Jurisdiction[s] by [●] / [any financial intermediary] (the “Authorised Offeror[s]”). [The Authorised Offeror[s] must satisfy the following conditions: [●]]]</p> <p>The specific terms of the Public Offer shall be provided to Investors by that Authorised Offeror at the time of the Public Offer. Neither the Issuer nor any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.)/</p> <p>[Not applicable]]</p>

Section B – Issuer		
B.1	Legal and commercial name of the Issuer	SCHNEIDER ELECTRIC SE (the “ Company, ” the “ Issuer, ” or “ Schneider Electric ” and, together with its consolidated subsidiaries, the “ Group ”).
B.2	Domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation	<p>Schneider Electric SE is a company, incorporated in France as a <i>société européenne</i>, registered with the registrar of companies of Nanterre (<i>Registre du commerce et des sociétés</i>) under No. 542 048 574. Its head office is located at 35, rue Joseph Monier, 92500 Rueil-Malmaison, France.</p> <p>In addition to France, which is its country of incorporation, the Issuer operates in more than a hundred countries and its activities are therefore subject to French legislation and the legislation of these countries.</p>
B.4b	Description of any known trends affecting the Issuer and the industries in which it operates	<p>Following its strong performance in H1, the Group will continue to execute its strategic priorities. The Group expects the positive environment seen in H1 in its major end-markets to continue.</p> <p>Therefore, the Group upgrades its 2017 objectives:</p> <ul style="list-style-type: none"> the Group targets for 2017, organic revenue growth between +3% and +4% for the Group outside Infrastructure. For Infrastructure, the priority remains margin improvement. The selectivity for the division is expected to end in 2017 with an expected impact of c. -4% on revenue for the year. Outside of selectivity, the Group now expects the performance for the Infrastructure division to be a low single-digit organic growth.

		<ul style="list-style-type: none"> For 2017, the Group now targets the upper end of its initial +20 to +50 bps target range for the organic adjusted EBITA margin improvement. Following the evolution of currencies since April, the FX impact is now expected to be -10 to -20bps on the Adjusted EBITA margin for the year. 																																																						
B.5	A description of the Issuer's group and the Issuer's position within the group	<p>The Issuer is the holding company of the Group.</p> <p>The Group offers integrated products, and solutions (systems, software, services) in order to make energy, safe, reliable, efficient, productive and green.</p> <p>As a global specialist in energy management, with operation in over 100 countries, the Group enjoys leadership in the five markets on which it operates: Non-residential buildings, Utilities & Infrastructures, Industries & Machine manufacturers, Data Centres and Residential Buildings.</p>																																																						
B.9	Profit forecast or estimate	Not applicable.																																																						
B.10	Qualifications in the auditors' report	Not applicable.																																																						
B.12	Selected historical key financial information	<p>The selected historical consolidated financial data presented below has been derived from Schneider Electric's consolidated financial statements and related notes for the years ended 31 December 2016 and 2015 in accordance with IFRS.</p> <table border="1"> <thead> <tr> <th>In € million, except data per share and other data</th> <th>31/12/2016</th> <th>31/12/2015</th> </tr> </thead> <tbody> <tr> <td colspan="3">Consolidated Income Statement</td> </tr> <tr> <td>Revenue</td> <td>24,693</td> <td>26,640</td> </tr> <tr> <td>Net Profit – Group Share</td> <td>1,750</td> <td>1,407</td> </tr> <tr> <td colspan="3">Net Income per Share:</td> </tr> <tr> <td>Basic</td> <td>3.12</td> <td>2.47</td> </tr> <tr> <td>Diluted</td> <td>3.09</td> <td>2.46</td> </tr> <tr> <td colspan="3">Consolidated Balance Sheet</td> </tr> <tr> <td>Total Assets</td> <td>41,851</td> <td>42,577</td> </tr> <tr> <td>Equity attributable to owners of the Company</td> <td>20,494</td> <td>20,848</td> </tr> <tr> <td colspan="3">Other Data</td> </tr> <tr> <td>Number of Outstanding Shares</td> <td>592,498,759</td> <td>588,734,472</td> </tr> <tr> <td>Dividend per Share</td> <td>2.04</td> <td>2.00</td> </tr> <tr> <td colspan="3">FIRST HALF 2017 KEY RESULTS</td> </tr> <tr> <td>€ million</td> <td>2016 HY¹</td> <td>2017 HY</td> <td>Change</td> </tr> <tr> <td>Gross Profit</td> <td>4,517</td> <td>4,715</td> <td>+4.4%</td> </tr> <tr> <td>Support Function Costs</td> <td>(2,930)</td> <td>(2,997)</td> <td>+2.3%</td> </tr> </tbody> </table>	In € million, except data per share and other data	31/12/2016	31/12/2015	Consolidated Income Statement			Revenue	24,693	26,640	Net Profit – Group Share	1,750	1,407	Net Income per Share:			Basic	3.12	2.47	Diluted	3.09	2.46	Consolidated Balance Sheet			Total Assets	41,851	42,577	Equity attributable to owners of the Company	20,494	20,848	Other Data			Number of Outstanding Shares	592,498,759	588,734,472	Dividend per Share	2.04	2.00	FIRST HALF 2017 KEY RESULTS			€ million	2016 HY¹	2017 HY	Change	Gross Profit	4,517	4,715	+4.4%	Support Function Costs	(2,930)	(2,997)	+2.3%
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¹ Restated from Solar

		Adjusted EBITA²	1,587	1,718	+8.3%																																		
		Restructuring costs	(131)	(156)																																			
		Other operating income & expenses	(8)	71																																			
		EBITA³	1,448	1,633	+12.8%																																		
		Amortization & impairment of purchase accounting intangibles	(82)	(61)																																			
		Net income (Group share)	809	958	+18.4%																																		
		Free cash flow⁴	436	501	+15%																																		
		There has been no significant change in the financial or trading position of the Issuer or of the Group since 30 June 2017 and no material adverse change in the prospects of the Issuer since 31 December 2016.																																					
B.13	Recent material events relevant to the evaluation of the Issuer's solvency	<p>SECOND QUARTER REVENUES WERE UP +2.2% ORGANICALLY 2017 Q2 revenues were €6,333 million, up +2.2% organically and up +2.9% on a reported basis.</p> <p>Organic growth by business</p> <table border="1"> <thead> <tr> <th rowspan="2">€ million</th> <th colspan="2">HY 2017</th> <th colspan="2">Q2 2017</th> </tr> <tr> <th>Revenues</th> <th>Organic growth</th> <th>Revenues</th> <th>Organic growth</th> </tr> </thead> <tbody> <tr> <td>Buildings & Partner</td> <td>5,341</td> <td>+4.0%</td> <td>2,785</td> <td>+4.2%</td> </tr> <tr> <td>Industry</td> <td>2,907</td> <td>+5.7%</td> <td>1,491</td> <td>+6.0%</td> </tr> <tr> <td>Infrastructure</td> <td>2,156</td> <td>-3.7%</td> <td>1,120</td> <td>-4.9%</td> </tr> <tr> <td>IT</td> <td>1,769</td> <td>+2.1%</td> <td>937</td> <td>-0.1%</td> </tr> <tr> <td>Group</td> <td>12,173</td> <td>+2.7%</td> <td>6,333</td> <td>+2.2%</td> </tr> </tbody> </table> <p>Buildings (Low Voltage, 43% of Q2 revenues) was up +4.2%⁵ organically and showed solid growth across all four regions. The Group's strategic initiatives delivered good results: Final Distribution & Wiring Devices was up c. +5% thanks to initiatives leveraging its partner network, and EcoStruxure Building showed encouraging results. North America saw solid growth in Final Distribution & Wiring Devices. Additionally, the U.S. benefitted from good traction in data center and healthcare segments, as well as the execution of projects in energy performance contracting. Despite a negative working day impact, Western Europe grew in favorable end-markets. Asia-Pacific performance benefitted from good momentum in China where construction remained positive and diversification to targeted segments delivered results, while Australia remained negative though sequentially improving. Rest of the world was positive, with particularly good results in CIS, thanks to the medium offer strategy, and Africa. South America was down while the Middle East was slightly up.</p>				€ million	HY 2017		Q2 2017		Revenues	Organic growth	Revenues	Organic growth	Buildings & Partner	5,341	+4.0%	2,785	+4.2%	Industry	2,907	+5.7%	1,491	+6.0%	Infrastructure	2,156	-3.7%	1,120	-4.9%	IT	1,769	+2.1%	937	-0.1%	Group	12,173	+2.7%	6,333	+2.2%
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² Adjusted EBITA: EBITA before restructuring costs and before other operating income and expenses, which includes acquisition, integration and separation costs.

³ EBITA: EBIT before amortization and impairment of purchase accounting intangibles and impairment of goodwill.

⁴ Free cash flow: Net cash provided by operating activities less change in working capital and less net operating investments.

⁵ The organic growth of Building including Delixi, which is deconsolidated since 2016, would have been c. +5% in Q2.

		<p>IT (Secure Power, 15% of Q2 revenues) was about flat in Q2 organically. The Group continued to see good trends in data centers, particularly in 3-phase and in medium and low voltage. The U.S. saw growth in 3-phase UPS, but the performance was impacted by lower sales in IT channels, although orders grew slightly, and racks. Western Europe was slightly up with growth in data centers in France, Germany, and the U.K., notably in the 3-phase UPS offer. Asia-Pacific was up benefiting from strong growth in India, where the Luminous business performed well, and from growth in China, where the focus on the data center segment is yielding results. Japan performance was impacted by distributor destocking. Rest of the world was stable with growth in CIS but a decline in the Middle-East. Services continued to grow strongly.</p> <p>Industry (Industrial Automation, 24% of Q2 revenues) was up +6.0% organically, with growth in all four regions. The Group saw continued success in its expansion into growing segments and benefitted from good growth in products sold through distributors as well as good momentum in its EcoStruxure offers. Process Automation returned to growth with increasing opportunities in brownfield operations. In this positive market, the Group has seen a tight market in the procurement of some electronic components which has tempered even further growth. China performed strongly with high demand from OEM and targeted segments. North America was up strongly. Western Europe was up with growth in German and U.K. OEM markets offsetting weakness in France. Software was about flat, still impacted by the weaker resources market of last year, though orders grew in the quarter.</p> <p>Infrastructure (Medium Voltage, 18% of Q2 revenues) was down -4.9% organically, flat excluding selectivity initiatives which impacted revenues by c. -€60m in Q2. The Group continues to progress on the Infrastructure Rebound program focusing on growing transactional, services and EcoStruxure Grid, while turning around its lower margin businesses. During the quarter, transactional sales grew in the U.S. and China, and the business saw good traction with service orders. Selectivity initiatives will be completed by Q4 2017, to reposition the business for continued margin improvement.</p> <p>In Q2 the product business represented 59% of revenues and was up +3% organically. Services grew +2%.</p>
B.14	Extent to which the Issuer is dependent upon other entities within the Group	Not applicable.
B.15	Principal activities of the Issuer	The Group is organized into four business segments. Each business segment is responsible for specific technologies and addresses targeted end-market segments. The organization was designed in order to support our two business models: products and solutions. Selling products require clear technological leadership, while selling solutions requires close customer relationships and a deep understanding of end users' needs.

		<ul style="list-style-type: none"> • Buildings & Partner business technological scope is low voltage, building automation and renewables. • Infrastructure business scope includes <i>medium voltage and grid automation</i> technologies. • Industry business scope covers industrial automation, control and sensors. • IT business scope is critical power and cooling technologies for data centers as well.
B.16	Extent to which the Issuer is directly or indirectly owned or controlled	Not applicable.
B.17	Credit ratings assigned to the Issuer or its debt securities	<p>As of the date of the Base Prospectus, the long-term corporate rating of the Issuer by Standard & Poor’s Ratings Services (“S&P”) is A- (stable outlook). The Notes to be issued under the Programme may or may not be rated and, if so, will be rated by one or more credit rating agencies, which are established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit rating agencies (the “CRA Regulation”), as amended, and included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority’s website (www.esma.europa.eu/supervision/credit-rating-agencies/risk) as of the date of the Base Prospectus.</p> <p>The rating (if any) of the Notes will be specified in the Final Terms.</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p> <p><i>Issue specific summary:</i></p> <p>Credit ratings: [Not applicable/The Notes to be issued [have been/are expected to be] rated: [•] by [•]</p>

Section C - Securities

C.1	Type, class and identification number of the Notes	<p>Up to Euro 7,500,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time pursuant to the Euro Medium Term Note Programme arranged by BNP Paribas (the “Programme”).</p> <p>The Notes may be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical, the Notes of each Series being intended to be interchangeable or identical (other than in respect of the first payment of interest, the issue date, the issue price and the nominal amount) with all other Notes of that Series. Each Series may be issued in tranches (each a “Tranche”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the relevant final terms to the Base Prospectus (the “Final Terms”).</p> <p>Notes may be issued in either dematerialised form (“Dematerialised Notes”) or materialised form (“Materialised Notes”).</p> <p>Dematerialised Notes may, at the option of the Issuer be issued in bearer dematerialised form (<i>au porteur</i>) or in registered dematerialised form (<i>au nominatif</i>) and, in such latter case, at the option of the relevant holder, either in fully registered form (<i>au nominatif pur</i>) or in administered registered form (<i>au nominatif administré</i>). No physical documents of title will be issued in respect of Dematerialised Notes. Materialised Notes may be in bearer materialised form (“Materialised Bearer Notes”) only if they are issued outside France. A Temporary Global Certificate will be issued initially in respect of each Tranche of Materialised Bearer Notes.</p> <p>The Notes have been accepted for clearance through Euroclear France as central depository in relation to Dematerialised Notes and Clearstream Banking, S.A. (“Clearstream”), Euroclear Bank S.A./N.V. (“Euroclear”) or any other clearing system that may be agreed between the Issuer, the fiscal agent in respect of the Programme (the “Fiscal Agent”) and the relevant Dealer in relation to Materialised Notes.</p> <p>Identification number of the Notes: the International Securities Identification Number (ISIN) and a common code will be specified in the relevant Final Terms.</p> <p>Issue specific summary:</p> <table border="0"> <tr> <td>Series Number:</td> <td>[•]</td> </tr> <tr> <td>Tranche Number:</td> <td>[•]</td> </tr> <tr> <td>Aggregate Nominal Amount:</td> <td>[•]</td> </tr> <tr> <td>Series:</td> <td>[•]</td> </tr> <tr> <td>Tranche:</td> <td>[•]</td> </tr> <tr> <td>Form of Notes:</td> <td>[Dematerialised Notes / Materialised Notes].</td> </tr> </table>	Series Number:	[•]	Tranche Number:	[•]	Aggregate Nominal Amount:	[•]	Series:	[•]	Tranche:	[•]	Form of Notes:	[Dematerialised Notes / Materialised Notes].
Series Number:	[•]													
Tranche Number:	[•]													
Aggregate Nominal Amount:	[•]													
Series:	[•]													
Tranche:	[•]													
Form of Notes:	[Dematerialised Notes / Materialised Notes].													

		<p>[If the Notes are Dematerialised Notes: Dematerialised Notes are [in bearer dematerialised form (<i>au porteur</i>) / in registered dematerialised form (<i>au nominatif</i>)].</p> <p>[If the Notes are Materialised Notes: Materialised Notes will be in bearer form only]</p> <p>ISIN: [•]</p> <p>Common Code: [•]</p> <p>Central Depository: [•]</p> <p>Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, S.A. and the relevant identification number(s): [Not applicable]/[give name(s) and number(s) [and address(es)]]</p>
C.2	Currencies of the Notes	Notes may be issued in any currency agreed between the Issuer, and the relevant Dealers, including Euros, Swiss Francs, U.S. dollars, Sterling, Japanese Yen and Renminbi (“RMB”).
		<p>Issue specific summary:</p> <p>The currency of the Notes is: [•]</p>
C.5	Description of any restrictions on the free transferability of the Notes	Save certain restrictions regarding the purchase, offer, sale and delivery of the Notes, or possession or distribution of the Base Prospectus, any other offering material or any Final Terms, there is no restriction on the free transferability of the Notes.
C.8	Description of rights attached to the Notes	<ul style="list-style-type: none"> • <u>Issue price</u> The Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. • <u>Specified denomination</u> The Notes will be in such denominations as may be specified in the relevant Final Terms. The Notes will be issued in such denomination(s) as may be agreed between the Issuer and the relevant Dealer save that in respect of any Notes that are offered to the public and/or admitted to trading on a Regulated Market in the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive, such Notes will be at least such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant currency. • <u>Status of the Notes</u> The Notes will constitute direct, unsubordinated and unsecured obligations of the Issuer and rank and will rank <i>pari passu</i> and without any preference among themselves and equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer. The Notes will have the benefit of a negative pledge and the events of default set out below.

		<ul style="list-style-type: none"> • <u>Negative pledge</u> So long as any of the Notes or, if applicable, any coupons relating to them, remain outstanding, the Issuer will not, and will ensure that none of its Principal Subsidiaries will, create or permit to subsist any mortgage, lien, charge, pledge or other form of security interest (<i>sûreté réelle</i>) (“Security”) upon any of their respective assets or revenues, present or future, to secure (i) any Relevant Debt or (ii) any guarantee or indemnity in respect of any Relevant Debt unless, at the same time or prior thereto, the Issuer’s obligations under the Notes are equally and rateably secured therewith, except for any Security created by the Issuer or a Principal Subsidiary over (i) any equity share capital acquired by the Issuer or a Principal Subsidiary in any company resulting in that company becoming a majority-owned subsidiary of the Issuer or such Principal Subsidiary after the issue of the Notes for the sole purpose of financing or re-financing that acquisition and securing principal amount not exceeding the cost of that acquisition or (ii) any assets forming all or part of a business acquired by the Issuer or a Principal Subsidiary after the Issue Date for the sole purpose of financing or re-financing that acquisition and securing a principal amount not exceeding the cost of that acquisition. “Relevant Debt” means any present or future indebtedness for borrowed money in the form of, or represented by, bonds (obligations) which are for the time being, or are capable of being, quoted, admitted to trading or ordinarily dealt in on any stock exchange, over-the-counter market or other securities market. • <u>Events of default, including cross default</u> The Notes may become immediately due and payable by a holder upon occurrence of certain events of default such as the non-repayment of amounts due under the Notes on their due date, breach of any obligation relating to the Notes or insolvency (or other similar proceeding) of the Issuer. • <u>Withholding tax</u> All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. • <u>Governing law</u> French law. <p><u>Issue specific summary:</u></p> <p>Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]</p> <p>Specified Denomination[s]: [●]</p>
C.9	Interest, maturity and redemption provisions, yield and representation	<ul style="list-style-type: none"> • <u>Interest rates and interest periods</u> The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. All such information will be set out in the relevant Final Terms. In no event will the amount of interest payable (including, for the sake of clarity, any applicable margin) be less than zero.

	<p>of the holders of Notes</p> <ul style="list-style-type: none"> • <u>Fixed Rate Notes</u> Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms. • <u>Floating Rate Notes</u> Floating Rate Notes will bear interest determined separately for each Series as follows: <ul style="list-style-type: none"> (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., or (ii) by reference to LIBOR or EURIBOR in both cases, as adjusted for any applicable margin. • <u>Zero Coupon Notes</u> Zero Coupon Notes may be issued at their nominal amount or at a discount and will not bear interest. • <u>Maturities</u> Subject to compliance with all relevant laws, regulations and directives, any maturity equal to or greater than seven calendar days. • <u>Redemption</u> The relevant Final Terms will specify the basis for calculating the redemption amounts payable. • <u>Make-Whole Redemption by the Issuer</u> If so specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer will have the option to redeem the Notes, in whole or in part, at any time or from time to time, prior to their Maturity Date. • <u>Residual Maturity Call Option</u> If so specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer will have the option to redeem the Notes, in whole or in part, at par, at any time as from the call option date, which shall be no earlier than (i) three months before the Maturity Date in respect of Notes having a maturity of not more than seven years or (ii) six months before the Maturity Date in respect of Notes having a maturity of more than seven years. • <u>Optional Redemption</u> The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders, and if so, the terms applicable to such redemption. • <u>Redemption at the option of Noteholders following a Change of Control</u> If a Change of Control Put Option is specified in the relevant Final Terms, following the occurrence of a Change of Control, the Noteholders will be entitled to request the Issuer to redeem the Notes or, at the Issuer's option, procure the purchase of their Notes. • <u>Clean-Up Call Option</u> If so specified in the relevant Final Terms and if 80 per cent. or any other percentage above as specified in the relevant Final Terms (the "Clean-Up Percentage") of the initial aggregate nominal amount of Notes of the same Series have been redeemed or purchased and, in each case, cancelled, the Issuer
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	<p>may, at its option, redeem the Notes in whole but not in part at their Early Redemption Amount together with any interest accrued to the date set for redemption.</p>												
	<ul style="list-style-type: none"> • <u>Early Redemption</u> Except as provided in “Make-Whole Redemption by the Issuer”, “Residual Maturity Call Option”, “Optional Redemption” and in “Clean-Up Call Option” above, the Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. • <u>Yield</u> The Final Terms issued in respect of each issue of Fixed Rate Notes will set out an indication of the yield of the Notes. • <u>Representation of the holders of the Notes</u> In respect of the representation of the Noteholders, the following shall apply: <ul style="list-style-type: none"> (a) If the Notes have a denomination of less than Euro 100,000 or its equivalent in any other currency and are issued in France, the relevant Final Terms will specify that “Full <i>Masse</i>” is applicable and the holders of Notes will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a <i>Masse</i> and the provisions of the French <i>Code de Commerce</i> relating to the <i>Masse</i> shall apply; and (b) If the Notes have a denomination of at least Euro 100,000 or its equivalent in any other currency or are issued outside France for the purpose of Article L.228-90 of the French <i>Code de Commerce</i>, the relevant Final Terms may specify that “Contractual <i>Masse</i>” is applicable and the holders of Notes will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a <i>Masse</i>. The <i>Masse</i> will be governed, <i>inter alia</i>, by the provisions of the French <i>Code de Commerce</i> with the exception of Articles L.228-48, L.228-59, R.228-61, R.228-63, R.228-69, R.228-79 and R.236-11. <p>If either paragraph (a) or (b) above is provided as applicable in the relevant Final Terms, the <i>Masse</i> will act in part through a representative (the “Representative”) and in part through general meetings of the holders of Notes. The names and addresses of the initial Representative and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the representative of the single <i>Masse</i> of all Tranches in such Series.</p> <p><i>Issue specific summary:</i></p> <table data-bbox="534 1646 1388 2004"> <tr> <td data-bbox="534 1646 949 1675">Rate[s] of Interest:</td> <td data-bbox="965 1646 1388 1675">[[●] per cent. Fixed Rate]</td> </tr> <tr> <td></td> <td data-bbox="965 1686 1388 1715">[[●] +/- [●] per cent. Floating Rate]</td> </tr> <tr> <td></td> <td data-bbox="965 1727 1388 1756">[Fixed/Floating Rate]</td> </tr> <tr> <td></td> <td data-bbox="965 1767 1388 1796">[Zero Coupon]</td> </tr> <tr> <td data-bbox="534 1816 949 1845">Interest Commencement Date:</td> <td data-bbox="965 1816 1388 1845">[Specify/Issue Date/Not applicable]</td> </tr> <tr> <td data-bbox="534 1865 949 1895">Maturity Date:</td> <td data-bbox="965 1865 1388 2004">[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]</td> </tr> </table>	Rate[s] of Interest:	[[●] per cent. Fixed Rate]		[[●] +/- [●] per cent. Floating Rate]		[Fixed/Floating Rate]		[Zero Coupon]	Interest Commencement Date:	[Specify/Issue Date/Not applicable]	Maturity Date:	[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
Rate[s] of Interest:	[[●] per cent. Fixed Rate]												
	[[●] +/- [●] per cent. Floating Rate]												
	[Fixed/Floating Rate]												
	[Zero Coupon]												
Interest Commencement Date:	[Specify/Issue Date/Not applicable]												
Maturity Date:	[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]												

		<p>Final Redemption Amount of each Note: [[●] per Note of [●] Specified Denomination]</p> <p>Make-Whole Redemption: [Applicable]/[Not Applicable]</p> <p>Call Option: [Applicable]/[Not applicable]</p> <p>Residual Maturity Call Option: [Applicable]/[Not Applicable]</p> <p>Clean-Up Call Option [Applicable]/[Not Applicable]</p>
		<p>Optional Redemption Amount: [Applicable: [●] per Note of [●] specified Denomination / Not applicable]</p> <p>Early Redemption Amount: [Applicable: [●] per Note of [●] Specified Denomination / Not applicable]</p> <p>Yield (in respect of Fixed Rate Notes): [Applicable]/[Not applicable] / [●]</p> <p>Representation of the holders of Notes: [Full <i>Masse</i>/Contractual <i>Masse</i>]</p> <p>The <i>Masse</i> will act in part through a representative (the “Representative”) and in part through general meetings of the holders of Notes. The name and address of the initial Representative are [●] and of its alternate are [●]. The Representative(s) appointed in respect of the first Tranche of any Series of Notes will be the representative of the single <i>Masse</i> of all Tranches in such Series.</p>
C.10	Derivative component in interest payments	Not applicable.
C.11	Listing and admission to trading	<p>Notes of any particular Series may be admitted to trading on Euronext Paris and/or on the official list (the “Official List”) of the Luxembourg Stock Exchange and/or on such other stock exchanges (whether a regulated market or not) as may be specified in the applicable Final Terms, or unlisted. The applicable Final Terms will state whether or not the relevant Notes are to be admitted to trading and, if so, on which stock exchange(s).</p> <p>Issue specific summary: [[Application has been made]/[Application is expected to be made] by the Issuer (or on its behalf) for the Notes to be admitted to trading [on [Euronext Paris] / [the Official List of the Luxembourg Stock Exchange] / [●]] with effect from [●]/[Not applicable]</p>
C.21	Negotiation Market(s)	The Notes may (or not) be admitted to trading on Euronext Paris, on the Official List of the Luxembourg Stock Exchange or any other regulated market, as may be specified in the relevant Final Terms. The Base Prospectus will be published for the purposes of this or these regulated market(s).

Issue Specific Summary

[The Notes will be admitted to trading on [Euronext Paris]/ [the Official List of the Luxembourg Stock Exchange] / [●].]/[Not applicable.]

Section D –Risk Factors

D.2	Key information on the key risks that are specific to the Issuer	<p>There are certain factors that may affect the Issuer’s ability to fulfill its obligations under the Notes. These risk factors are related to the Issuer, its operations, industry and its structure. These risk factors are not exhaustive. The Group and its business are subject to various risks relating to changing competitive, economic, legal, political, social, industrial, business and financial conditions. Its operations and profit could be affected mainly by:</p> <ul style="list-style-type: none">- Risk factors related to the operational risk:<ul style="list-style-type: none">- The worldwide markets for the Group’s products are competitive in terms of pricing, quality of products, systems and services, development and introduction time for new offers. The Group faces strong competitors, some of whom are larger than it is or is developing in certain lower cost countries. The Group is exposed to fluctuations in economic growth cycles and to the respective levels of investments within the different countries in which it operates, as well as to political or social instability.- The growth and success of the Group’s products depend on its ability to constantly adapt to and leverage new technologies to deliver high value products and solutions. There are major transformations impacting the markets in which Schneider Electric operates. This includes IoT and its major accelerators of mobility, the cloud, pervasive sensing, big data and analytics. Customers expect ever more intelligent products with open interfaces enabling them to be tightly integrated into more and more complex software-based solutions. The resulting digitization of products, including native web connectivity opens numerous new opportunities, but will also accelerate the convergence of IT and OT technologies, thus making it possible for new players to enter our markets. The widespread usage of mobile devices creates new expectations from customers as far as the general usability of products. Last but not least, the increased connectivity of products increases the risk of cyber-attacks.- The Group’s strategy involves strengthening its positions through acquisitions, strategic alliances, joint ventures and mergers. External growth transactions are inherently risky because of the difficulties that may arise in integrating people, operations, technologies and products, and the related acquisition, administrative and other costs.- Competition for highly qualified management and technical personnel is intense in the Group’s industry, and becomes a bigger challenge as the Group continues on its trajectory of growth in mature economies as well as in new economies. Future continued success depends in part on the Group’s ability to attract, hire, on board and retain the best qualified personnel, especially in the area of technology and energy efficiency solutions.
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		<p>cash equivalents of the Group. The business reputation of the Group could also be negatively impacted.</p> <ul style="list-style-type: none"> - The Group's future success depends to a significant extent on the development, protection and maintenance of its intellectual property rights. Third parties may also infringe its intellectual property rights, and the Group may have to expend significant resources monitoring, protecting and enforcing its rights. If the Group fails to protect or enforce its intellectual property rights, its competitive position and its business could suffer. - Disputes: Various claims, administrative notices and legal proceedings have been filed against the Group concerning such issues as contractual demands, counterfeiting, risk of bodily harm linked to asbestos in certain older products and work contracts. <p>Although it is impossible to predict the results and/or costs of these proceedings with certainty, the Group considers that they will not, by their nature, have significant effects on the Group's business, assets, financial position or profitability. The company is not aware of any other governmental, court or arbitration proceedings, which are pending or which threaten the company, that are liable to have or, during the last 12 months have had, a material effect on the financial position or profitability of the company and/or the Group.</p>
D.3	<p>Key information on the key risks that are specific to the Notes</p>	<p>There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Notes issued under the Programme, including:</p> <ul style="list-style-type: none"> - General risks relating to the Notes such as: <ul style="list-style-type: none"> - Investors must independently review and obtain professional advice with respect to the acquisition of the Notes; - Modification, waivers and substitution of conditions affecting the Notes that are not desired by all holders can be effected by a majority; - Potential conflicts of interest may arise; - The trading market for debt securities may be volatile and may be adversely impacted by many events; - An active trading market for the Notes may not develop; - The Notes may be subject to optional redemption by the Issuer; - Any early redemption at the option of the Issuer, if provided for in any Final Terms for a particular issue of Notes, could cause the yield anticipated by Noteholders to be considerably less than anticipated; - The value of Fixed Rate Notes may change; - Investors will not be able to calculate in advance their rate of return on Floating Rate Notes; - The conversion of the interest rate for Fixed/Floating Rate Notes will affect the secondary market and the market value of the Notes since the conversion may lead to a lower overall cost of borrowing; - Exercise of a Change of Control Put Option by the Noteholders, a Residual Maturity Call Option or a Make-Whole Redemption by the Issuer in respect of certain Notes may affect the liquidity of the Notes of the same Series in respect of which such option is not exercised; - Zero Coupon Notes are subject to higher price fluctuations than non-discounted bonds;

		<ul style="list-style-type: none"> - Exchange rates may significantly change and there is a risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls; - Taxation: Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions; - Credit ratings may not reflect all risks; - An investment in the Notes involves taking credit risk on the Issuer; - Change of law - No assurance can be given as to the impact of any possible judicial decision or change in French law or the official application or interpretation of French law after the date of the Base Prospectus; - French Insolvency law - French insolvency law could have an adverse impact on Noteholders seeking repayment in the event that the Issuer or its subsidiaries were to become insolvent; - The draft EU Directive on Financial Transaction Tax has a very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. - Risks related to RMB Notes: <ul style="list-style-type: none"> - RMB is not freely convertible and the liquidity of the Notes denominated in RMB may be adversely affected; - RMB currency risk: As a result of the restrictions by the PRC government on cross-border RMB fund flows, the availability of RMB outside the PRC is limited; - Payments in respect of the RMB Notes will only be made to investors in the manner specified in such RMB Notes; - RMB exchange rate risk: The value of RMB against foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. <p>An investment in the Notes involves certain risks which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. While all of these risk factors are contingencies which may or may not occur, potential investors should be aware that the risks involved with investing in the Notes may lead to volatility and/or a decrease in the market value of the relevant Tranche of Notes whereby the market value falls short of the expectations (financial or otherwise) of an investor who has made an investment in such Notes.</p> <p>However, each prospective investor in Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and conditions, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.</p>
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Section E – Offer		
E.2b	Reasons for the offer and use of proceeds	The net proceeds of the issue of each Tranche of Notes will be used by the Issuer for its general corporate purposes unless otherwise specified in the relevant Final Terms.
		<p>Issue Specific Summary</p> <p>[The net proceeds of the issue of the Notes will be used by the Issuer for its general corporate purposes./specify other]</p>
E.3	Terms and conditions of the offer	<p>Notes may be offered to the public in France and/or in the Grand Duchy of Luxembourg in which the Base Prospectus has been passported, which shall be specified in the applicable Final Terms.</p> <p>There are certain restrictions regarding the purchase, offer, sale and delivery of the Notes, or possession or distribution of the Base Prospectus, any other offering material or any Final Terms.</p> <p>Other than as set out in section A.2 above, neither the Issuer nor any of the Dealers has authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use the Prospectus in connection with its offer of any Notes. Any such offers are not made on behalf of the Issuer or by any of the Dealers or Authorised Offerors and none of the Issuer or any of the Dealers or Authorised Offerors has any responsibility or liability for the actions of any person making such offers.</p>
		<p>Issue Specific Summary</p> <p>[Not applicable. The Notes are not offered to the public.]/</p> <p>[The Notes are offered to the public in: [France]/[the Grand Duchy of Luxembourg] / [●]]</p> <p>Offer Price: [Issue Price/Specify]</p> <p>Conditions to which the offer is subject: [Not applicable/give details]</p> <p>Offer Period (including any possible amendments): [●]</p> <p>Description of the application process: [Not applicable/give details]</p> <p>Details of the minimum and/or maximum amount of the application: [Not applicable/give details]</p> <p>Manner in and date on which results of the offer are made public: [Not applicable/give details]</p>
E.4	Interests of natural and legal persons involved in the issue of the Notes	The relevant Final Terms will specify any interest of natural and legal persons involved in the issue of the Notes.
		<p>Issue Specific Summary</p> <p>[So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.] / [The Dealers will be paid an aggregate commission equal to [●] per cent. of the nominal amount of the Notes. So far as the Issuer is aware, no other person involved in the issue of the Notes has an interest material to the offer].</p>
E.7	Estimated expenses charged to investor by the Issuer or the offeror	The relevant Final Terms will specify as the case may be the estimated expenses applicable to any Tranche of Notes.
		<p>Issue Specific Summary</p> <p>[Not applicable / The estimated expenses charged to the investor(s) amount to [●].]</p>

RESUME EN FRANÇAIS

(SUMMARY)

Les résumés contiennent des exigences de publicité appelées « Éléments » dont la communication est requise par l'Annexe XXII du Règlement (CE) N° 809/2004 du 29 avril 2004 telle que modifiée. Ces Éléments sont numérotés dans les sections A à E (A.1 - E.7). Ce résumé contient tous les Éléments devant être inclus dans un résumé pour ce type de valeurs mobilières et pour Schneider Electric SE (l'« Émetteur »). La numérotation des Éléments peut ne pas se suivre en raison du fait que certains Éléments n'ont pas à être inclus. Bien qu'un Éléments doive être inclus dans le résumé du fait du type de valeur mobilière et d'émetteur concerné, il se peut qu'aucune information pertinente ne puisse être donnée sur cet Éléments. Dans ce cas, une brève description de l'Éléments est incluse dans le résumé suivie de la mention « Sans objet ».

Ce résumé est fourni dans le cadre de l'émission par l'Émetteur de Titres ayant une valeur nominale unitaire inférieure à 100.000 euros qui sont offerts au public ou admis à la négociation sur un marché réglementé de l'Espace Economique Européen (l'« EEE »). Le résumé spécifique à ce type d'émission de Titres figurera en annexe des Conditions Définitives applicables et comprendra (i) les informations relatives au résumé du Prospectus de Base et (ii) les informations contenues dans les rubriques « résumé spécifique à l'émission » figurant ci-dessous.

Section A - Introduction et avertissements		
A.1	Avertissement général concernant le résumé	Ce résumé doit être lu comme une introduction au Prospectus de Base. Toute décision d'investir dans les Titres doit être fondée sur un examen exhaustif du Prospectus de Base par les investisseurs, y compris les documents qui y sont incorporés par référence et tout supplément qui pourrait être publié à l'avenir. Lorsqu'une action concernant l'information contenue dans le Prospectus de Base est intentée devant un tribunal, le plaignant peut, selon la législation nationale de l'État Membre de l'EEE, avoir à supporter les frais de traduction du Prospectus de Base avant le début de la procédure judiciaire. Seule peut être engagée la responsabilité civile des personnes qui ont présenté le résumé ou la traduction de ce dernier, mais seulement si le contenu du résumé est trompeur, inexact ou contradictoire par rapport aux autres parties du Prospectus de Base ou s'il ne fournit pas, lu en combinaison avec les autres parties du Prospectus de Base, les informations clés permettant d'aider les investisseurs lorsqu'ils envisagent d'investir dans les Titres.
A.2	Information relative au consentement de l'Émetteur concernant l'utilisation du Prospectus	Dans le cadre de toute offre de Titres en France et au Grand-Duché de Luxembourg (les « Pays de l'Offre au Public ») qui ne bénéficie pas de l'exemption à l'obligation de publication d'un prospectus en vertu de la Directive Prospectus, telle que modifiée, (une « Offre au Public »), l'Émetteur consent à l'utilisation du Prospectus de Base et des Conditions Définitives applicables (ensemble, le « Prospectus ») dans le cadre d'une Offre au Public des Titres durant la période d'offre indiquée dans les Conditions Définitives concernées (la « Période d'Offre ») et dans les Pays de l'Offre au Public indiqué(s) dans les Conditions Définitives concernées par tout intermédiaire financier désigné dans ces Conditions Définitives (chacun un « Établissement Autorisé »). Le consentement mentionné ci-dessus s'applique à des Périodes d'Offre (le cas échéant) se terminant au plus tard à l'issue d'une période de 12 mois à compter de la date d'approbation du Prospectus de Base par l'Autorité des marchés financiers.

	<p>Les Modalités de l'Offre au Public devront être communiquées aux investisseurs par l'Établissement Autorisé au moment de l'Offre au Public. Ni l'Émetteur ni aucun des Agents Placeurs (tels que définis ci-dessous) ou des Établissements Autorisés ne sont responsables de cette information.</p> <p>Les références dans le Prospectus de Base aux « Agents Placeurs Permanents » sont aux personnes nommées ci-dessus en qualité d'Agents Placeurs (tels que définis ci-dessous), ainsi qu'aux personnes additionnelles qui seraient nommées comme agents placeurs pour les besoins du Programme en sa totalité (et il n'a pas été mis fin à une telle nomination) et les références aux « Agents Placeurs » couvrent tous les Agents Placeurs Permanents ainsi que toutes les personnes nommées en qualité d'agents placeurs pour les besoins d'une ou plusieurs Tranches.</p> <p>Résumé spécifique à l'émission :</p> <p>[Dans le cadre de toute offre de Titres en [●] (le[s] « Pays de l'Offre au Public ») qui ne bénéficie pas de l'exemption à l'obligation de publication d'un prospectus en vertu de la Directive Prospectus, telle que modifiée, (une « Offre au Public »), l'Émetteur consent à l'utilisation du Prospectus dans le cadre d'une Offre au Public de tous Titres de [●] à [●] (la « Période d'Offre ») et dans le[s] Pays de l'Offre Publique par [●] / [tout intermédiaire financier] (l'[/les] « Établissement[s] Autorisé[s] »). [L'[/Les] Etablissement[s] autorisé[s] doit[/doivent] remplir les conditions suivantes : [●].]</p> <p>Les Modalités de l'Offre au Public devront être communiquées aux Investisseurs par l'Établissement Autorisé au moment de l'Offre au Public. Ni l'Émetteur ni aucun des Agents Placeurs ou des Établissements Autorisés ne sont responsables de cette information.]/</p> <p>[Sans objet]</p>
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Section B – Émetteur		
B.1	Raison sociale et nom commercial de l'Émetteur	SCHNEIDER ELECTRIC SE (la « Société » l'« Emetteur », ou « Schneider Electric », et, avec ses filiales consolidées, le « Groupe »).
B.2	Siège social et forme juridique de l'Émetteur, législation qui régit l'activité et le pays d'origine de l'Émetteur	Schneider Electric SE est une société européenne, immatriculée en France au Registre du commerce et des sociétés de Nanterre sous le numéro 542 048 574. Son siège social est situé au 35, rue Joseph Monier, 92500 Rueil-Malmaison, France. Outre la France, qui est le pays où a été constituée la Société, l'Émetteur est présent dans plus de 100 pays et ses activités sont donc soumises à la législation française et à la législation de ces pays.

B.4b	Description de toutes les tendances connues l'ayant des répercussions sur l'Émetteur et ses secteurs d'activité	<p>Après la forte performance du premier semestre 2017, le Groupe poursuivra la mise en œuvre de ses priorités stratégiques. Il prévoit par ailleurs que l'environnement positif observé au premier semestre 2017 sur ses principaux marchés finaux se poursuive.</p> <p>Par conséquent, le Groupe revoit ses objectifs 2017 à la hausse :</p> <ul style="list-style-type: none"> • <u>Groupe</u> vise pour 2017 une croissance organique de son chiffre d'affaires de +3 % à +4 % hors activité Infrastructure. En ce qui concerne Infrastructure, la priorité reste l'amélioration de la marge. La sélectivité des projets devrait s'achever en 2017, avec un impact attendu d'environ -4 % sur le chiffre d'affaires de l'activité. Hors sélectivité, pour l'activité Infrastructure, le Groupe s'attend désormais à une croissance organique faible à un chiffre (« <i>low single-digit</i> »). • Pour 2017, le <u>Groupe</u> avait initialement communiqué un objectif d'amélioration organique de +20 à +50 points de base sur la marge d'EBITA ajusté. Le Groupe vise désormais le haut de cette fourchette. Suite à l'évolution des taux de change depuis avril, l'impact des devises sur la marge d'EBITA ajusté est maintenant estimé entre -10 et -20 points de base. 																								
B.5	Description du groupe de l'Émetteur et de la position de l'Émetteur au sein de son groupe	<p>L'Émetteur est la société <i>holding</i> du Groupe.</p> <p>Le Groupe offre des produits et solutions (systèmes, logiciels, services) afin de rendre l'énergie sûre, fiable, efficace, productive et verte.</p> <p>Spécialiste mondial de la gestion de l'énergie, présent dans plus de 100 pays, le Groupe bénéficie de position de leaders dans les cinq marchés sur lesquels il opère : les régies et infrastructures ; les industries et constructeurs de machines ; les centres de données ; les bâtiments résidentiels ainsi que non résidentiels.</p>																								
B.9	Prévision ou estimation du bénéfice	Sans objet.																								
B.10	Réserves contenues dans le rapport des commissaires aux comptes	Sans objet.																								
B.12	Informations financières sélectionnées	<p>Les informations financières historiques consolidées sélectionnées présentées ci-dessous sont issues des comptes consolidés de Schneider Electric et les notes associées pour les exercices clos les 31 décembre 2016 et 2015 préparés conformément aux normes IFRS.</p> <table border="1" data-bbox="526 1615 1394 2042"> <thead> <tr> <th data-bbox="526 1615 1023 1697">En millions d'euros, sauf les données par action et les autres informations</th> <th data-bbox="1031 1615 1214 1697">31/12/2016</th> <th data-bbox="1222 1615 1394 1697">31/12/2015</th> </tr> </thead> <tbody> <tr> <td data-bbox="526 1709 1023 1749">Compte de résultat consolidé</td> <td data-bbox="1031 1709 1214 1749"></td> <td data-bbox="1222 1709 1394 1749"></td> </tr> <tr> <td data-bbox="526 1760 1023 1800">Chiffre d'affaires</td> <td data-bbox="1031 1760 1214 1800">24.693</td> <td data-bbox="1222 1760 1394 1800">26.640</td> </tr> <tr> <td data-bbox="526 1812 1023 1852">Résultat net part du Groupe</td> <td data-bbox="1031 1812 1214 1852">1.750</td> <td data-bbox="1222 1812 1394 1852">1.407</td> </tr> <tr> <td data-bbox="526 1863 1023 1904">Résultat net par action</td> <td data-bbox="1031 1863 1214 1904"></td> <td data-bbox="1222 1863 1394 1904"></td> </tr> <tr> <td data-bbox="526 1915 1023 1955">Avant dilution</td> <td data-bbox="1031 1915 1214 1955">3,12</td> <td data-bbox="1222 1915 1394 1955">2,47</td> </tr> <tr> <td data-bbox="526 1966 1023 2007">Après dilution</td> <td data-bbox="1031 1966 1214 2007">3,09</td> <td data-bbox="1222 1966 1394 2007">2,46</td> </tr> <tr> <td data-bbox="526 2018 1023 2042">Bilan consolidé</td> <td data-bbox="1031 2018 1214 2042"></td> <td data-bbox="1222 2018 1394 2042"></td> </tr> </tbody> </table>	En millions d'euros, sauf les données par action et les autres informations	31/12/2016	31/12/2015	Compte de résultat consolidé			Chiffre d'affaires	24.693	26.640	Résultat net part du Groupe	1.750	1.407	Résultat net par action			Avant dilution	3,12	2,47	Après dilution	3,09	2,46	Bilan consolidé		
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		Actif total	41.851	42.577																																		
		Capitaux propres	20.494	20.848																																		
		Autres informations																																				
		Nombre d'actions en circulation	592.498.759	588.734.472																																		
		Dividende par action	2,04	2,00																																		
		RÉSULTATS DU PREMIER SEMESTRE 2017																																				
		€ million	S1 2016⁶	S1 2017	Variation																																	
		Marge brute	4.517	4.715	+4,4%																																	
		Coût des fonctions support	(2.930)	(2.997)	+2,3%																																	
		EBITA ajusté⁷	1.587	1.718	+8,3%																																	
		Coûts de restructuration	(131)	(156)																																		
		Autres charges et produits d'exploitation	(8)	71																																		
		EBITA⁸	1.448	1.633	+12,8%																																	
		Amortissement et dépréciation des actifs incorporels issus des acquisitions	(82)	(61)																																		
		Résultat net (part du Groupe)	809	958	+18,4%																																	
		Cash flow libre⁹	436	501	+15%																																	
		Il n'y a pas eu de changement significatif dans la situation financière ou commerciale de l'Emetteur ou du Groupe depuis le 30 juin 2017 et pas de détérioration significative dans ses perspectives depuis le 31 décembre 2016.																																				
B.13	Événement récent propre à l'Emetteur et présentant un intérêt significatif pour l'évaluation de sa solvabilité	<p>Le chiffre d'affaires du deuxième trimestre 2017 s'élève à 6.333 millions d'euros, en hausse organique de +2,2 % et en progression de +2,9 % en croissance publiée. Hors impact de la sélectivité des projets estimée à environ -60 millions d'euros et ajustée de l'impact jours ouvrés (environ -1,5 pt sur le trimestre), la croissance organique sous-jacente s'établit à environ +4,7 %.</p> <p>Croissance organique par activité</p> <table border="1"> <thead> <tr> <th rowspan="2">En millions d'Euros</th> <th colspan="2">S1 2017</th> <th colspan="2">T2 2017</th> </tr> <tr> <th>Chiffre d'affaires</th> <th>Croissance organique</th> <th>Chiffre d'affaires</th> <th>Croissance organique</th> </tr> </thead> <tbody> <tr> <td>Buildings & Partner</td> <td>5.341</td> <td>+4,0%</td> <td>2.785</td> <td>+4,2%</td> </tr> <tr> <td>Industry</td> <td>2.907</td> <td>+5,7%</td> <td>1.491</td> <td>+6,0%</td> </tr> <tr> <td>Infrastructure</td> <td>2.156</td> <td>-3,7%</td> <td>1.120</td> <td>-4,9%</td> </tr> <tr> <td>IT</td> <td>1.769</td> <td>+2,1%</td> <td>937</td> <td>-0,1%</td> </tr> <tr> <td>Group</td> <td>12.173</td> <td>+2,7%</td> <td>6.333</td> <td>+2,2%</td> </tr> </tbody> </table> <p>Building (Basse tension, 43 % du C.A. du T2) enregistre une hausse organique</p>			En millions d'Euros	S1 2017		T2 2017		Chiffre d'affaires	Croissance organique	Chiffre d'affaires	Croissance organique	Buildings & Partner	5.341	+4,0%	2.785	+4,2%	Industry	2.907	+5,7%	1.491	+6,0%	Infrastructure	2.156	-3,7%	1.120	-4,9%	IT	1.769	+2,1%	937	-0,1%	Group	12.173	+2,7%	6.333	+2,2%
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⁶ Comparé à 2016 retraité de l'activité Solar

⁷ EBITA ajusté : EBITA avant coûts de restructuration et avant autres produits et charges d'exploitation, qui incluent entres autres les coûts d'acquisition, d'intégration et de cession.

⁸ EBITA : EBIT avant amortissement et dépréciation des actifs incorporels comptables et dépréciation du goodwill.

⁹ Free cash-flow libre : Autofinancement d'exploitation moins la variation de BFR moins les investissements nets d'exploitation.

de +4,2 %¹⁰ et affiche une croissance solide dans les quatre régions. La stratégie du Groupe délivre de bons résultats : les activités distribution finale (Final Distribution) et appareillage (Wiring Devices) sont en hausse d'environ 5 % grâce aux initiatives tirant parti du réseau de partenaires, tandis qu'EcoStruxure Building obtient des résultats encourageants. En Amérique du Nord, les activités distribution finale (Final Distribution) et appareillages (Wiring Devices) affichent une croissance solide. De plus, les États-Unis bénéficient d'une belle progression des segments de centres de données et de la santé, ainsi que de l'exécution de projets dans le domaine des contrats de performance énergétique. Malgré un effet négatif des jours ouvrés, l'Europe de l'Ouest est en hausse sur des marchés finaux favorables. La performance de l'Asie-Pacifique bénéficie d'une bonne dynamique en Chine où le secteur de la construction reste positif et la diversification vers des segments ciblés produit des résultats. La performance de l'Australie reste négative malgré une amélioration séquentielle. Le reste du Monde affiche une performance positive, avec des résultats particulièrement bons dans la CEI, grâce à la stratégie d'offre de milieu de gamme, ainsi qu'en Afrique. L'Amérique du Sud est en baisse, tandis que le Moyen-Orient enregistre une légère hausse.

IT (Énergie sécurisée, 15 % du C.A. du T2) affiche une croissance organique quasi stable au deuxième trimestre. Le Groupe continue d'observer de bonnes tendances dans le secteur des centres de données, en particulier dans les activités d'onduleurs triphasés, de basse et de moyenne tension. Les États-Unis affichent une croissance dans l'activité d'onduleurs triphasés. La performance est cependant impactée par une baisse des ventes sur ses canaux de distribution informatique, en dépit d'une légère augmentation des commandes, et par la baisse des baies informatiques. L'Europe de l'Ouest est en légère hausse, avec de la croissance dans le secteur des centres de données en France, en Allemagne et au Royaume-Uni, notamment en ce qui concerne l'offre d'onduleurs triphasés. L'Asie-Pacifique est en hausse, bénéficiant d'une forte croissance en Inde où l'activité Luminous réalise une bonne performance, et d'une croissance en Chine où l'attention portée au segment des centres de données porte ses fruits. La performance du Japon est impactée par le déstockage des distributeurs. Le reste du monde est stable, affichant une croissance dans la CEI, mais un recul au Moyen-Orient. Les Services continuent de croître fortement.

Industry (Automatismes industriels, 24 % du C.A. du T2) enregistre une croissance organique de +6,0 %, avec une progression dans les quatre régions. Le Groupe poursuit avec succès son expansion sur les segments de croissance et bénéficie d'une bonne croissance des produits vendus au travers des distributeurs, ainsi que de la bonne dynamique de ses offres EcoStruxure. L'activité *Process Automation* renoue avec la croissance du fait des opportunités plus nombreuses de modernisation de sites (« *brownfields* »). Dans ce contexte favorable, le Groupe observe une tension des approvisionnements de certains composants électroniques qui a limité la croissance. La Chine progresse fortement en raison d'une demande élevée de la part des constructeurs de machines (« OEM ») et des segments ciblés. L'Amérique du Nord est en forte hausse. L'Europe de l'Ouest progresse, la croissance du marché des OEM en Allemagne et au Royaume-Uni compensant la faiblesse de la France. L'activité Logiciels est quasi-stable, toujours impactée par un marché des ressources

¹⁰ La croissance organique de l'activité Building comprenant Delixi, déconsolidé depuis 2016, aurait été d'environ +5 % au deuxième Trimestre.

		<p>affaibli l'année dernière, bien que les commandes soient en hausse sur le trimestre.</p> <p>Infrastructure (Moyenne tension, 18 % du C.A. du T2) est en recul organique de -4,9 %, soit une progression stable hors impact de la sélectivité estimé à environ -60 millions d'euros sur le deuxième trimestre. Le Groupe poursuit la mise en œuvre du programme Rebound au sein de l'activité Infrastructure, et met l'accent sur le développement de l'activité transactionnelle, des services et d'EcoStruxure Grid, tout en redressant ses secteurs d'activité à faible marge. Sur le trimestre, le chiffre d'affaires de l'activité transactionnelle est en hausse aux États-Unis et en Chine, et l'activité connaît une belle progression en ce qui concerne les commandes de services. Les initiatives de sélectivité seront achevées d'ici la fin de l'année 2017, afin de repositionner l'activité pour poursuivre l'amélioration de la marge.</p> <p>Au T2, l'activité des produits représente 59 % du chiffre d'affaires et enregistre une hausse organique de +3 %. Les services sont en croissance de +2 %.</p>
B.14	Degré de dépendance de l'Émetteur à l'égard d'autres entités de son Groupe	Sans objet.
B.15	Principales activités de l'Émetteur	<p>L'organisation de Schneider Electric est structurée en 4 activités. Chacune de ces activités prend en charge à la fois des technologies spécifiques et s'adresse à des segments de marchés finaux ciblés. L'organisation a été conçue afin de maîtriser les deux (2) modèles d'activité du Groupe : les Produits et les Solutions. La vente de produits requiert un leadership technologique clair, celle de solutions exige une proximité dans les relations clients et une compréhension détaillée des besoins des clients finaux.</p> <ul style="list-style-type: none"> • Le périmètre de l'activité Building inclut les technologies basse tension, d'automatismes des bâtiments et les énergies renouvelables. • Le périmètre de l'activité Infrastructure inclut les technologies moyenne tension et d'automatismes du réseau. • Le périmètre de l'activité Industry inclut les technologies d'automatismes industriels, de commandes et capteurs. • Le périmètre de l'activité IT inclut les technologies d'alimentation électrique et de refroidissement sensible pour centres de données ainsi que des applications non informatiques.
B.16	Entité(s) ou personne(s) détenant ou contrôlant directement ou indirectement l'Émetteur	Sans objet.

B.17	Notation assignée à l'Émetteur ou à ses titres d'emprunt	<p>A la date du Prospectus de base, la notation à long terme de l'Émetteur par Standard & Poor's Ratings Services (« S&P ») est A- (perspective stable). Les Titres à émettre dans le cadre du Programme pourront ou non être notés et, s'il sont notés, le seront par une ou plusieurs agences de notation qui sont établies dans l'Union Européenne et enregistrées conformément au Règlement (CE) N° 1060/2009 sur les agences de notation (le « Règlement CRA »), tel que modifié, et incluses dans la liste des agences de notation enregistrées conformément au Règlement CRA publié sur le site internet de l'Autorité européenne des marchés financiers (www.esma.europa.eu/supervision/credit-rating-agencies/risk) à la date du Prospectus de base.</p> <p>La notation (le cas échéant) des Titres sera indiquée dans les Conditions Définitives.</p> <p>Une notation n'est pas une recommandation d'achat, de vente ou de détention de titres et peut, à tout moment, être suspendue, modifiée, ou retirée par l'agence de notation concernée.</p> <p>Résumé spécifique à l'émission :</p> <p>Notation de crédit : [Sans objet/Les Titres qui seront émis [ont été/devraient être] notées :</p> <p>[•] par [•]</p> <p>[•]</p>
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Section C – Valeurs mobilières		
C.1	Nature, catégorie et numéro d'identification des Titres	<p>Jusqu'à 7.500.000.000 euros (ou la contre-valeur de ce montant dans d'autres devises à la date de l'émission) représentant le montant nominal total des Titres en circulation à tout moment dans le cadre du Programme d'Euro Medium Term Notes arrangé par BNP Paribas (le « Programme »).</p> <p>Les Titres peuvent être émis sur une base syndiquée ou non syndiquée. Les Titres seront émis par souche (dénommée chacune « Souche ») à une même date ou à des dates d'émissions différentes et seront à tous autres égards identiques, les Titres d'une même Souche étant supposés être fongibles entre eux ou identiques à tous égards (à l'exception du premier paiement d'intérêts, de la date d'émission, du prix d'émission et du montant nominal). Chaque Souche pourra être émise par tranches (dénommées chacune « Tranche ») aux mêmes dates d'émission ou à des dates d'émission différentes. Les conditions particulières de chaque Tranche (qui seront complétées, si nécessaire, par des conditions complémentaires et qui, sauf en ce qui concerne la date d'émission, le prix d'émission, le premier paiement d'intérêts et le montant nominal de la Tranche, seront identiques aux conditions des autres Tranches de la même Souche) seront indiquées dans les Conditions Définitives jointes au présent Prospectus de Base (les « Conditions Définitives »).</p> <p>Les Titres pourront être émis sous forme de titres dématérialisés (« Titres Dématérialisés ») ou matérialisés (« Titres Matérialisés »).</p> <p>Les Titres Dématérialisés peuvent, au choix de l'Émetteur, soit être émis au porteur, soit être nominatifs et, dans ce dernier cas, au choix du porteur concerné, être au nominatif pur ou au nominatif administré. Aucun titre papier ne sera émis pour les Titres Dématérialisés. Les Titres Matérialisés peuvent être émis au porteur (« Titres Matérialisés au Porteur ») uniquement s'ils sont émis hors de France. Un certificat global temporaire émis au porteur (un</p>

		<p>« Certificat Global Temporaire ») relatif à chaque Tranche de Titres Matérialisés au Porteur sera initialement émis.</p> <p>Les Titres ont été déposés auprès d'Euroclear France en qualité de dépositaire central pour les Titres Dématérialisés et Clearstream Banking, S.A. (« Clearstream »), Euroclear Bank S.A./N.V. (« Euroclear ») ou tout autre système de compensation convenu par l'Émetteur, l'agent financier dans le cadre du Programme (l'« Agent Financier ») et l'Agent Placeur concerné pour les Titres Matérialisés.</p> <p>Un numéro d'identification des Titres (Code ISIN) et un code commun seront indiqués dans les Conditions Définitives applicables.</p> <p>Résumé spécifique à l'émission :</p> <p>Souche N° : [●] Tranche N° : [●] Montant nominal total : [●] Souche : [●] Tranche : [●] Forme des Titres : [Titres Matérialisés/Titres Dématérialisés] [Si les Titres sont des Titres Dématérialisés : Les Titres Dématérialisés sont des Titres au porteur / au nominatif.] Si les Titres sont des Titres Matérialisés : Les Titres Matérialisés sont des Titres au porteur uniquement]</p> <p>ISIN : [●] Code commun : [●] Dépositaire Central : [●]</p> <p>Tout système de compensation autre qu'Euroclear Bank S.A./N.V. et Clearstream Banking, S.A. et les numéros d'identification applicables : [Sans objet]/[donner le(s) nom(s) et le(s) numéro(s) [et le(s) adresse(s)]]</p>
C.2	Devises des Titres	<p>Les Titres peuvent être émis en toute devise qui pourrait être convenue entre l'Émetteur et les Agents Placeurs concernés notamment, en euro, franc suisse, dollar américain, livre sterling, yen japonais et yuan chinois (« RMB »).</p> <p>Résumé spécifique à l'émission :</p> <p>La devise des Titres est : [●]</p>
C.5	Description de toute restriction imposée à la libre négociabilité des Titres	<p>Sous réserve de certaines restrictions relatives à l'achat, l'offre, la vente et la livraison des Titres et à la possession ou distribution du Prospectus de Base, de tout autre document d'offre ou de toutes Conditions Définitives, il n'existe pas de restriction imposée à la libre négociabilité des Titres.</p>

C.8	Description des droits attachés aux Titres	<ul style="list-style-type: none"> • <u>Prix d'émission</u> Les Titres peuvent être émis à leur valeur nominale ou avec une décote ou une prime par rapport à leur valeur nominale. • <u>Valeur nominale unitaire</u> Les Titres auront la valeur nominale indiquée dans les Conditions Définitives correspondantes. Les Titres auront la ou les valeur(s) nominale(s) convenue(s) entre l'Emetteur et l'Agent Placeur concerné sauf pour la valeur nominale minimale de tout Titre admis à la négociation sur un marché réglementé, ou offert au public dans un Etat membre de l'EEE dans des circonstances exigeant la publication d'un prospectus en vertu de la Directive Prospectus, qui sera d'au moins un montant qui pourra être autorisé ou exigé, le cas échéant, par la banque centrale concernée (ou tout autre organisme pertinent) ou par les lois et règlements applicables à la devise prévue. • <u>Rang de créance des Titres</u> Les Titres constitueront des engagements directs, inconditionnels, non subordonnés et non-assortis de sûreté de l'Emetteur, venant au même rang entre eux et au même rang que toutes les autres engagements non subordonnés et non assortis de sûretés, présents ou futurs de l'Emetteur. Les Titres bénéficieront d'une clause de maintien de l'emprunt à son rang ainsi que des cas de défaut décrits ci-dessous. • <u>Maintien de l'emprunt à son rang</u> Tant que les Titres ou, le cas échéant, les coupons attachés aux Titres seront en circulation, l'Emetteur ne constituera pas ou ne laissera pas subsister et s'assurera qu'aucune de ses filiales principales ne constituera ou ne laissera subsister, d'hypothèque, de gage, de nantissement, ou toute autre sûreté réelle ("Sûreté") sur l'un quelconque de leurs actifs ou revenus respectifs, présents ou futurs, aux fins de garantir (i) tout Dette Concernée ou (ii) toute garantie ou engagement d'indemnisation relatif à toute Dette Concernée, à moins qu'au même moment ou au préalable, les obligations de l'Emetteur découlant des Titres ne bénéficient d'une sûreté équivalente et de même rang, à l'exception de toute Sûreté constituée par l'Emetteur ou une Filiale Principale sur (i) toute action acquise par l'Emetteur ou une Filiale Principale dans toute société qui aurait pour conséquence que cette société devienne une filiale détenue en majorité par l'Emetteur ou par cette Filiale Principale à la suite de l'émission de Titres pour le seul besoin du financement ou du refinancement de cette acquisition et de la garantie du montant principal n'excédant le coût de cette acquisition ou (ii) tous actifs faisant partie d'une activité acquise par l'Emetteur ou une Filiale Principale à la suite de l'émission de Titres pour le seul besoin du financement ou du refinancement de cette acquisition et de la garantie du montant principal n'excédant le coût de cette acquisition. • « Dette Concernée » signifie toute dette d'emprunt, qu'elle soit présente ou future, relative à un emprunt d'argent dans la forme de, ou représenté par, des obligations cotées ou négociées ou susceptibles d'être cotées ou négociées sur toute bourse de valeurs, tout marché de gré à gré ou tout autre marché de titres. <u>Cas de défaut, y compris le défaut croisé</u> Les Titres peuvent devenir immédiatement échus et exigibles par le porteur en raison de la survenance de certains cas de défaut tels que le défaut de paiement des sommes dues en vertu des Titres à leur date d'échéance, le manquement à
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		<p>une quelconque obligation se rapportant aux Titres, ou la faillite (ou autre procédure équivalente) de l'Emetteur.</p> <ul style="list-style-type: none"> • <u>Retenue à la source</u> <p>Tous les paiements de principal, d'intérêts et autres revenus effectués par ou pour le compte de l'Emetteur en vertu des Titres devront l'être nets de toute retenue à la source ou prélèvement, relatif à toutes taxes, droits, impôts ou prélèvements de toute nature, imposés, levés, collectés ou retenus à la source par l'Etat français ou sur le territoire français ou par toute autorité de cet Etat ayant le pouvoir de lever l'impôt, à moins que cette retenue à la source ou ce prélèvement ne soit exigé par la loi.</p> <ul style="list-style-type: none"> • <u>Droit applicable</u> <p>Droit français.</p> <p>Résumé spécifique à l'émission :</p> <p>Prix d'Émission : [●] % du Montant Nominal Total [majoré des intérêts courus à compter de [insérer la date] (si applicable)].</p> <p>Valeur Nominale Unitaire : [●]</p>
C.9	<p>Intérêts, échéance et modalités de remboursement, rendement et représentation des porteurs des Titres</p>	<ul style="list-style-type: none"> • <u>Périodes d'intérêt et taux d'intérêts</u> <p>La durée des périodes d'intérêts des Titres et le taux d'intérêt applicable ou sa méthode de calcul pourront être constants ou varier au cours du temps pour chaque Souche. Les Titres pourront avoir un taux d'intérêt maximum, un taux d'intérêt minimum, ou les deux. Ces informations seront prévues dans les Conditions Définitives concernées.</p> <p>En aucun cas le montant d'intérêts dû (y compris, dans un souci de clarté, toute marge applicable) sera inférieur à zéro.</p> <ul style="list-style-type: none"> • <u>Titres à Taux Fixe</u> <p>Les coupons fixes seront payables à terme échu chaque année à la date ou aux dates de chaque année prévues dans les Conditions Définitives.</p> <ul style="list-style-type: none"> • <u>Titres à Taux Variable</u> <p>Les Titres à Taux Variable porteront intérêt déterminé de façon différente pour chaque Souche, comme suit:</p> <p>(i) sur la même base que le taux variable applicable à une opération d'échange de taux d'intérêt notionnel dans la Devise Prévues concernée, conformément à un contrat incluant les Définitions ISDA 2006 telles que publiées par l'<i>International Swaps and Derivatives Association, Inc.</i> ; ou</p> <p>(ii) par référence au LIBOR ou EURIBOR dans les deux cas, tels qu'ajustés des marges applicables.</p> <ul style="list-style-type: none"> • <u>Titres à Coupon Zéro</u> <p>Les Titres à Coupon Zéro peuvent être émis à leur valeur nominale ou avec décote et ne porteront pas intérêt.</p> <ul style="list-style-type: none"> • <u>Échéances</u> <p>Sous réserve du respect de toutes lois, réglementations et directives applicables, toute échéance égale ou supérieure à 7 jours calendaires.</p> <ul style="list-style-type: none"> • <u>Remboursement</u> <p>Les Conditions Définitives concernées définiront la base de calcul des montants de remboursement dus.</p>

- **Remboursement anticipé au gré de l'Emetteur : *Make-Whole***

Si les Conditions Définitives relatives à une émission de Titres le prévoient, l'Emetteur disposera d'une option de remboursement anticipé de tout ou partie des Titres, à tout moment ou de temps en temps, avant leur date d'échéance.

- **Option de Remboursement à Maturité Résiduelle**

Si les Conditions Définitives relatives à une émission de Titres le prévoient, l'Emetteur disposera d'une option de remboursement anticipé de la totalité ou d'une partie seulement des Titres, à tout moment entre la date d'échéance et la date d'option de remboursement, laquelle ne pourra être antérieure à (i) trois mois avant la date d'échéance pour les Titres ayant une maturité inférieure à sept ans et (ii) six mois avant la date d'échéance pour les Titres ayant une maturité supérieure à sept ans.

- **Option de Remboursement**

Les Conditions Définitives préparées à l'occasion de chaque émission de Titres indiqueront si ceux-ci peuvent être remboursés avant la date d'échéance prévue au gré de l'Émetteur et/ou des porteurs de Titres (en totalité ou en partie) et, si tel est le cas, les modalités applicables à ce remboursement.

- **Option de Remboursement au gré des porteurs de Titres en cas de changement de contrôle**

Si une option de remboursement en cas de changement de contrôle est prévue dans les Conditions Définitives concernées, en cas de changement de contrôle, les porteur de Titres pourront demander à l'Emetteur le remboursement des Titres, ou au gré de l'Emetteur, obtenir le rachat de leurs Titres.

- **Remboursement anticipé au gré de l'Emetteur des Titres restant en circulation : *Clean-Up***

Si les Conditions Définitives relatives à une émission de Titres le prévoient, et si 80 pour cent. ou tout autre pourcentage supérieur tel que précisé dans les Conditions Définitives applicables (le « **Pourcentage de *Clean-Up*** ») du montant de capital global initial des Titres d'une même souche a été remboursé ou racheté et pour chaque cas, annulé, l'Emetteur peut, à son gré, racheter la totalité, mais non une partie seulement, des Titres en circulation à leur Montant de Remboursement Anticipé, majoré des intérêts courus à la date fixée pour le remboursement.

- **Remboursement anticipé**

Excepté dans les conditions prévues dans les paragraphes "Remboursement anticipé au gré de l'Emetteur : *Make-Whole*", "Option de Remboursement à Maturité Résiduelle", "Option de Remboursement" et "Remboursement anticipé au gré de l'Emetteur des Titres restant en circulation : *Clean-Up*" ci-dessus, les Titres seront remboursables avant échéance au gré de l'Emetteur uniquement pour des raisons fiscales.

- **Rendement**

Les Conditions Définitives de chaque émission de Titres à Taux Fixe préciseront le rendement des Titres.

- **Représentation des porteurs des Titres**

En ce qui concerne la représentation des porteurs de Titres, les règles suivantes s'appliqueront:

- (a) Si les Titres ont une valeur nominale inférieure à 100.000 euros ou son équivalent dans toute autre devise et sont émis en France, les Conditions

Définitives concernées stipuleront qu'une « Masse Complète » sera constituée et que les porteurs de Titres seront groupés, au titre de toutes les Tranches d'une même Souche, pour la défense de leurs intérêts communs en une masse (la « **Masse** ») et les dispositions du Code de commerce relatives à la Masse s'appliqueront ; et

- (b) Si les Titres ont une valeur nominale d'au moins 100.000 euros ou son équivalent dans toute autre devise ou sont émis hors de France pour les besoins de l'article L.288-90 du Code de commerce, les Conditions Définitives concernées pourront stipuler qu'une « Masse Contractuelle » sera constituée et que les porteurs de Titres seront groupés automatiquement, au titre de toutes les Tranches d'une même Souche, pour la défense de leurs intérêts communs en une Masse. La Masse sera régie, entre autres, par les dispositions du Code de commerce, à l'exception des articles L.228-48, L.228-59, R.228-61, R.228-63, R.228-69, R.228-79 et R.236-11.

Si les Conditions Définitives indiquent que les stipulations des paragraphes (a) ou (b) ci-dessus sont applicables, la Masse agira en partie par l'intermédiaire d'un représentant (le « **Représentant** ») et en partie par l'intermédiaire d'une assemblée générale des porteurs de titres. Les noms et adresses du Représentant initial et de son suppléant seront précisés dans les Conditions Définitives concernées. Le Représentant désigné dans le cadre de la première Tranche d'une Souche sera le représentant de la Masse unique de toutes les autres Tranches de cette Souche.

Résumé spécifique à l'émission :

Base(s) d'Intérêt :	[Taux Fixe [●] %] [Taux Variable [●] +/- [●] %] [Taux Fixe/Variable] [Coupon Zéro]
Date de Commencement des Intérêts :	[Préciser/Date d'Émission/Sans objet]
Date d'échéance :	[Préciser (pour les Titres à Taux Variable) la Date de Paiement des Intérêts tombant le ou le plus près du mois et de l'année concernés]
Montant de Remboursement Final de chaque Titre :	[●] par Titre d'une Valeur Nominale Unitaire de [●]
Remboursement anticipé au gré de l'Emetteur : <i>Make-Whole</i> :	[Applicable]/[Sans objet]
Option de Remboursement :	[Applicable] / [Sans objet]
Option de Remboursement à Maturité Résiduelle:	[Applicable]/[Sans objet]
Remboursement anticipé au gré de l'Emetteur des Titres restant en circulation : <i>Clean-Up</i> :	[Applicable]/[Sans objet]
Montant de Remboursement Optionnel :	[Applicable : [●] par Titre d'une Valeur Nominale Unitaire de [●] / [Sans objet]]

		<p>Montant de Remboursement Anticipé : [Applicable : [●] par Titre d'une Valeur Nominale Unitaire de [●] / [Sans objet]]</p> <p>Rendement (des Titres à Taux Fixe) : [Applicable] / [Sans objet]</p>
		<p>Représentation des Porteurs de Titres : [Masse Complète/Masse Contractuelle]</p> <p>La Masse agira par l'intermédiaire d'un représentant (le « Représentant ») et en partie par l'intermédiaire d'une assemblée générale des porteurs de Titres. Les nom et adresse du premier Représentant sont [●] et de son remplaçant sont [●]. Le Représentant(s) désigné dans le cadre de la première Tranche de toutes Souches des Titres sera le représentant de la Masse unique de toutes les autres Tranches de ces Souches.</p>
C.10	Paiement des intérêts liés à un (des) instrument(s) dérivé(s)	Sans objet.
C.11	Cotation et admission à la négociation	<p>Les Titres d'une quelconque Souche peuvent être cotés et admis aux négociations sur Euronext Paris et/ou sur la liste officielle (la « Liste Officielle » de la Bourse de Luxembourg et/ou sur tout autre marché (réglementé ou non) mentionné dans les Conditions Définitives ou peuvent ne pas être cotés. Les Conditions Définitives concernées indiqueront si les Titres seront cotés ou non et mentionneront le cas échéant sur quel(s) marché(s).</p> <p><i>Résumé spécifique à l'émission :</i></p> <p>[[Une demande a été faite]/[Une demande doit être faite] par l'Émetteur (ou au nom et pour le compte de l'Émetteur) en vue de la cotation et de l'admission des Titres aux négociations sur [[[Euronext Paris] / [la Liste Officielle de la Bourse de Luxembourg] / [●]]] à compter de [●]] / [Sans objet]</p>
C.21	Marchés de négociation	<p>Les Titres pourront (ou non) être cotés et admis aux négociations sur Euronext Paris, la Liste Officielle de la Bourse de Luxembourg ou tout autre marché réglementé, tel que précisé dans les Conditions Définitives applicables. Le Prospectus de Base sera publié à l'intention du ou des marchés réglementés ainsi désignés.</p> <p><i>Résumé spécifique à l'émission :</i></p> <p>[Les Titres seront cotés et admis aux négociations sur [le marché réglementé d'Euronext Paris] / [la Liste Officielle de la Bourse de Luxembourg] / [●].]/[Sans objet.]</p>

Section D – Facteurs de Risque

D.2	Informations clés sur les principaux risques	Certains facteurs sont susceptibles d'affecter la capacité de l'Émetteur à remplir ses obligations découlant des Titres. Ces risques sont liés à l'Émetteur, à ses activités, son secteur et sa structure. Ces facteurs de risque ne sont pas exhaustifs.
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	<p>propres à l'Émetteur</p>	<p>Le Groupe et ses activités sont soumis à différents risques liés aux changements dans les circonstances concurrentielles, économiques, juridiques, politiques, sociales, industrielles, commerciales et financières. Ses activités et son résultat pourraient être affectés principalement par :</p> <ul style="list-style-type: none"> - Risques opérationnels : <ul style="list-style-type: none"> - Les marchés sur lesquels les produits du Groupe sont commercialisés dans le monde se caractérisent par une forte concurrence sur les prix, la qualité de l'offre, les délais de développement et de mise sur le marché et le service client. Cette concurrence est exercée par des entreprises d'une taille parfois plus importante que le Groupe, ou qui se développent dans des pays à bas coût de main-d'œuvre. Le Groupe est exposé aux fluctuations des cycles de croissance économique et aux niveaux respectifs d'investissements des différents pays dans lesquels il est présent, ainsi qu'à l'instabilité politique ou sociale. - La progression et le succès des produits du Groupe dépendent de sa capacité à s'adapter en permanence aux nouvelles technologies et à tirer parti de celles-ci pour proposer des produits et des solutions à forte valeur ajoutée. Les marchés où opère Schneider Electric sont soumis à des transformations majeures. Cela inclut l'IdO et ses principaux accélérateurs de mobilité, le cloud, la détection omniprésente, le Big Data et les outils d'analyse. Les clients recherchent des produits de plus en plus intelligents dotés d'interfaces ouvertes, leur permettant d'être étroitement intégrés à des solutions sur des bases logicielles de plus en plus complexes. La numérisation des produits qui en résulte, y compris la connectivité au Web en natif, ouvre de nouvelles opportunités, mais accélérera également la convergence IT/OT, rendant possible l'arrivée sur nos marchés de nouveaux acteurs. L'usage généralisé des terminaux mobiles crée de nouvelles attentes chez les consommateurs à la mesure de la fonctionnalité générale de ces produits. Dernier point et non des moindres, la connectivité accrue des produits renforce le risque de cyber-attaques. - La stratégie du Groupe implique un renforcement de ses positions par le biais d'acquisitions, d'alliances stratégiques, de <i>joint-ventures</i> et de fusions. Ce type d'opérations comporte des risques inhérents aux difficultés potentielles rencontrées lors de l'intégration du personnel, des activités, des technologies et des produits, ainsi que des coûts (d'acquisitions, administratifs ou autres) associés. - La concurrence pour attirer des cadres et un personnel technique très qualifiés est intense dans le secteur d'activité du Groupe. Elle devient un enjeu encore plus important à mesure que le Groupe poursuit sa trajectoire de croissance. Toutefois, sa réussite future dépend en partie de la capacité du Groupe à attirer, recruter, intégrer et fidéliser les collaborateurs les plus qualifiés, notamment dans le domaine des solutions technologiques et d'efficacité énergétique. - Risques industriels et environnementaux : <ul style="list-style-type: none"> - Les produits du Groupe peuvent présenter des risques de dysfonctionnements, d'erreurs ou de défauts, susceptibles de donner
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		<p>lieu à des litiges engageant sa responsabilité soit de vendeur, soit de fabricant, d'entraîner une perte de chiffre d'affaires, des réclamations au titre de la garantie, ainsi que des procédures juridiques. Ces contentieux pourraient entraîner une baisse de la demande pour les produits du Groupe et nuire à leur réputation de qualité et de sécurité.</p> <ul style="list-style-type: none"> - Dans tous les pays où il est présent, les sites et les produits du Groupe sont soumis au respect des exigences nombreuses et de plus en plus strictes des lois et réglementations en matière de protection de l'environnement. Outre les coûts résultant de l'application de ces règles, il ne peut être exclu que le Groupe soit tenu de payer des amendes ou dommages et intérêts d'un montant significatif au titre de violations passées, présentes ou futures des lois et réglementations environnementales. - Risques liés aux systèmes d'information : <ul style="list-style-type: none"> - Le Groupe exploite, directement ou par l'intermédiaire de prestataires, un large éventail de systèmes d'information très complexes (serveurs, réseaux, applications et bases de données), sur site et dans le cloud, indispensables à la bonne conduite de ses processus commerciaux et industriels. Une défaillance (matérielle ou logicielle) de l'un de ces systèmes, ou de l'un des prestataires, des erreurs humaines ou encore des virus informatiques pourraient influencer sur la qualité de service du Groupe. - Risques de marché : <ul style="list-style-type: none"> - Le Groupe est exposé aux risques liés à l'évolution des taux d'intérêt dans différents pays. - La présence à l'international du Groupe l'expose à l'évolution des devises. - L'exposition du Groupe au risque des marchés actions est essentiellement liée aux actions Schneider Electric autodétenues. - Le Groupe est exposé à des risques liés à l'évolution du prix de l'énergie et des matières premières, et notamment de l'acier, du cuivre, de l'aluminium, de l'argent, du plomb, du nickel, du zinc et des matières plastiques. - Le Groupe est exposé au risque de contrepartie et au risque de liquidité. - Risques juridiques : <ul style="list-style-type: none"> - Commercialisés dans le monde entier, les produits du Groupe sont soumis à la réglementation de chaque marché national mais également des règlements supranationaux (restrictions commerciales, barrières douanières, régimes fiscaux et normes de sécurité). Toute modification de ces réglementations, de ces normes ou de leurs conditions d'application à l'activité du Groupe est susceptible de se traduire par une baisse des ventes ou une augmentation des coûts d'exploitation. - En cas de dysfonctionnement ou de défaut de l'un de ses produits, système ou solutions, la responsabilité du Groupe pourrait être engagée du fait de préjudices corporels, matériels ou immatériels qui en résulteraient. De même, la responsabilité du Groupe pourrait être mise en cause en cas d'erreur de conception d'un produit, d'un système ou d'une solution ou du fait d'un dysfonctionnement
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		<p>imputable à l'interface avec d'autres produits ou systèmes. Le dysfonctionnement d'un produit, d'un système ou d'une solution pourrait impliquer des coûts liés au rappel des produits, entraîner de nouvelles dépenses de développement, et mobiliser des ressources techniques et économiques. De tels coûts pourraient avoir un impact significatif sur la profitabilité et la trésorerie du Groupe. La réputation commerciale du Groupe pourrait également être entachée.</p> <ul style="list-style-type: none"> - Le développement et la protection des droits de propriété intellectuelle du Groupe jouent un rôle déterminant dans son activité et sa réussite futures. En cas de violation de ses droits de propriété intellectuelle par des tiers, le Groupe pourrait être dans l'obligation de mobiliser des ressources importantes pour contrôler, protéger et faire valoir ses droits. L'absence de mesure de protection pourrait mettre en péril l'avantage concurrentiel, voire l'activité du Groupe. - Litiges : Le Groupe est l'objet de diverses revendications, réclamations ou notifications administratives et actions judiciaires, telles que demandes en justice fondées sur des demandes contractuelles, des contrefaçons, des risques de dommages corporels potentiellement liés à la présence d'amiante dans certains anciens produits ou des actions liées aux contrats de travail. <p>Bien qu'il soit impossible de prédire avec certitude les résultats et/ou les coûts liés à ces différentes actions, le Groupe considère que celles-ci ne sont pas de nature à avoir un impact significatif sur ses activités, la valeur de ses actifs, sa solidité financière ou sa rentabilité. À la connaissance de la société, il n'existe pas d'autre procédure gouvernementale, judiciaire ou d'arbitrage, y compris toute procédure dont la société a connaissance, qui est en suspens ou dont elle est menacée, susceptible d'avoir ou ayant eu au cours des 12 derniers mois des effets significatifs sur la situation financière ou la rentabilité de la société et/ou du Groupe.</p>
D.3	Informations clés sur les principaux risques propres aux Titres	<p>Certains facteurs sont susceptibles d'affecter la capacité de l'Emetteur à remplir ses obligations relatives aux Titres devant être émis en vertu du Programme :</p> <ul style="list-style-type: none"> - Risques généraux liés aux Titres tels que : <ul style="list-style-type: none"> - Les investisseurs doivent procéder à une revue indépendante et obtenir un conseil professionnel concernant l'acquisition des Titres ; - Une modification, des renoncations et/ou une substitution des modalités des Titres qui ne sont pas souhaitées par la totalité des porteurs, peuvent être effectuées par la majorité des porteurs ; - Des conflits d'intérêt potentiels peuvent naître ; - Le marché de négociation peut être volatile et peut être affecté de manière négative par de nombreux événements ; - Un marché de négociation liquide pour les Titres pourrait ne pas se développer ; - Les Titres peuvent faire l'objet d'un remboursement au gré de l'Emetteur ; - S'il a été prévu un remboursement anticipé au gré de l'Emetteur dans les Conditions Définitives pour une émission de Titres donnée, le rendement anticipé par les Porteurs de Titres pourrait être considérablement moins élevé que le montant attendu ; - La valeur des Titres à Taux Fixe peut varier ;

		<ul style="list-style-type: none"> - Les Investisseurs ne seront pas en mesure de calculer par avance leur taux de rendement se rapportant aux Titres à Taux Variable ; - La conversion du taux d'intérêt des Titres à Taux Fixe/Variable affectera le marché secondaire et la valeur des Titres étant donné que la conversion peut aboutir à une diminution d'ensemble des coûts de l'emprunt ; - L'exercice d'une option de remboursement par les Porteurs de Titres en cas de changement de contrôle, d'option de remboursement à maturité résiduelle ou de remboursement anticipé au gré de l'Emetteur (<i>make-whole</i>) se rapportant à certains Titres pourrait affecter la liquidité des Titres de la Souche pour lesquels cette option n'est pas exercée ; - Les Titres à coupon zéro sont soumis à des fluctuations de prix plus importantes que celles des obligations sans décote ; - Les taux de change peuvent évoluer de manière significative et il existe un risque que les autorités ayant compétence sur la devise de l'investisseur puissent imposer ou modifier des contrôles de change ; - Fiscalité : Les acheteurs et vendeurs potentiels de Titres devraient être avertis qu'ils pourraient être tenus de payer des impôts ou autres taxes ou droits conformément aux lois et pratiques du pays où les Titres sont transférés ou autres juridictions ; - Les notations peuvent ne pas refléter tous les risques ; - Un investissement dans les Titres implique une prise de risque sur l'Emetteur ; - Un changement du droit applicable - aucune assurance ne peut être donnée quant à l'impact d'une décision de justice ou d'une modification de la législation française ou d'un changement dans l'application ou l'interprétation de la législation française postérieur à la date du Prospectus de Base ; - Droit français des procédures collectives : le droit français des procédures collectives peut avoir un impact négatif sur les Porteurs dans leur recherche de remboursement dans le cas où l'Emetteur ou l'une de ses filiales deviendrait(en)t insolvable(s) ; - La proposition de directive européenne relative à la taxe sur les transactions financières a un champ d'application large et pourrait, si elle était introduite dans son format actuel, s'appliquer à certaines opérations sur les Titres (notamment les transactions du marché secondaire) dans certaines circonstances ; - Risques relatifs aux Titres libellés en RMB : <ul style="list-style-type: none"> - Le RMB n'est pas librement convertible et la liquidité des Titres libellés en RMB pourrait en être négativement affectée ; - Risque de devises RMB : Du fait des restrictions imposées par le gouvernement de la PRC sur les flux financiers RMB transfrontières, la disponibilité du RMB à l'extérieur de la RPC est limitée ; - Les paiements relatifs aux Titres libellés en RMB seront uniquement effectués selon les modalités prévues par ces Titres libellés en RMB ; - Risque de taux de change RMB : La valeur du RMB contre le dollar de Hong Kong et autres devises étrangères fluctue et est affectée par
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		<p>les changements des conditions politiques internationales et économiques et par de nombreux autres facteurs.</p> <p>Un investissement dans les Titres comporte certains risques qui sont importants dans l'évaluation des risques de marché associés aux Titres émis dans le cadre du Programme. Même si tous ces risques constituent des éventualités susceptibles ou non de se produire, les investisseurs potentiels doivent savoir que les risques encourus en investissant dans des Titres peuvent aboutir à une volatilité et/ou une diminution de la valeur de marché de la Tranche de Titres concernée pour laquelle la valeur de marché ne correspond plus aux attentes (financières ou autres) d'un investisseur qui a souscrit ces Titres.</p> <p>Toutefois, chaque investisseur potentiel dans les Titres doit déterminer en se fondant sur son propre jugement et en faisant appel à des conseils professionnels s'il le juge nécessaire, si l'acquisition de Titres est adaptée à ses besoins financiers, ses objectifs et ses conditions, si cette acquisition est conforme et compatible avec toutes les politiques d'investissement, les directives et restrictions qui lui sont applicables et s'il s'agit d'un investissement qui lui convient, malgré les risques évidents et substantiels inhérents à l'investissement et à la détention de Titres.</p>
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Section E – Offre		
E.2b	Raisons de l'offre et utilisation du produit de l'offre	Le produit net de l'émission de chaque Tranche de Titres sera utilisé par l'Émetteur pour ses besoins généraux sauf indication contraire dans les Conditions Définitives concernées.
		<p>Résumé spécifique à l'émission :</p> <p>[Le produit net de l'émission des Titres sera utilisé par l'Émetteur pour ses besoins généraux /préciser autre]</p>
E.3	Modalités et conditions de l'offre	<p>Les Titres pourront être offerts au public en France et/ou au Grand-Duché de Luxembourg, où le Prospectus de Base a été passeporté, ce qui sera spécifié dans les Conditions Définitives applicables.</p> <p>Il existe certaines restrictions concernant l'achat, l'offre, la vente et la livraison des Titres ainsi qu'à la possession ou la distribution du Prospectus de Base ou de tout autre document d'offre ou des Conditions Définitives.</p> <p>A l'exception de la section A.2 ci-dessus, ni l'Émetteur ni aucun des Agents Placeurs n'a autorisé une quelconque personne à faire une Offre au Public en aucune circonstance et aucune autre personne n'est autorisée à utiliser le Prospectus dans le cadre de ses propres offres de Titres. De telles offres ne seraient pas faites au nom de l'Émetteur ni par aucun des Agents Placeurs ou des Établissements Autorisés et ni l'Émetteur ni aucun des Agents Placeurs ou des Établissements Autorisés n'est responsable des actes de toute personne procédant à ces offres.</p> <p>Résumé spécifique à l'émission :</p> <p>[Sans objet, les Titres ne font pas l'objet d'une offre au public.]/ [Les Titres sont offerts au public [en France]/[au Grand-Duché de Luxembourg]]</p> <p>Prix d'Offre : [●]</p> <p>Conditions auxquelles l'Offre est soumise : [Sans objet/[●]]</p>

		<p>Période d'Offre (y compris les modifications possibles) : [●]</p> <p>Description de la procédure de demande de souscription : [Sans objet/[●]]</p> <p>Informations sur le montant minimum et/ou maximum de souscription : [Sans objet/[●]]</p> <p>Modalités et date de publication des résultats de l'Offre : [Sans objet/[●]]</p>
E.4	Intérêts des personnes morales ou physiques impliquées dans l'émission des Titres	<p>Les Conditions Définitives concernées préciseront les intérêts des personnes morales ou physiques impliquées dans l'émission des Titres.</p> <p><i>Résumé spécifique à l'émission :</i></p> <p>[A la connaissance de l'Émetteur, aucune personne participant à l'émission de Titres n'y a d'intérêt significatif.] / [Les Agents Placeurs percevront une commission d'un montant de [●]% du montant en principal des Titres. A la connaissance de l'Émetteur, aucune autre personne participant à l'émission de Titres n'y a d'intérêt significatif.]</p>
E.7	Estimation des dépenses mises à la charge de l'investisseur par l'Émetteur ou l'offreur	<p>Les Conditions Définitives concernées préciseront le cas échéant les estimations des dépenses pour toute Tranche de Titres.</p> <p><i>Résumé spécifique à l'émission :</i></p> <p>[Sans objet / Les dépenses mises à la charge de l'investisseur sont estimées à [●].]</p>

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The risk factors may relate to the Issuer or to any of its subsidiaries.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors (although not exhaustive) described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. The risks described below are not the only risks the Issuer faces. Additional risks and uncertainties not currently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision. In particular, investors should make their own assessment as to the risks associated with the Notes prior to investing in Notes issued under the Programme.

RISK FACTORS RELATING TO THE ISSUER

Risk factors relating to the Issuer are described on pages 39 to 47 of the 2016 Reference Document, as defined and further described under “Documents Incorporated by Reference” in this Base Prospectus, and include the following:

- **operational risks;**
- **industrial and environmental risks;**
- **information systems risks;**
- **market risks;**
- **legal risks; and**
- **disputes.**

RISK FACTORS RELATING TO THE NOTES

Independent Review and Advice

Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and conditions, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A prospective investor may not rely on the Issuer or the Dealer(s) or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

Modification, waivers and substitution

The conditions of the Notes contain provisions for calling General Meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant General Meeting and Noteholders who voted in a

manner contrary to the majority. General Meetings may deliberate on any proposal relating to the modification of the conditions of the Notes subject to the limitation provided by French law.

Potential Conflicts of Interest

All or some of the Dealers and, as the case may be, the calculation agent and their respective affiliates have and/or may in the future engage, in the ordinary course of business, in lending, in investment banking, commercial banking and/or other financial advisory and commercial dealings with the Issuer and their affiliates and in relation to securities issued by any entity of the Group. They have or may, in the ordinary course of their business, (i) engage in investment banking, trading or hedging activities including activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (ii) act as underwriters in connection with offering of shares or other securities issued by any entity of the Group or (iii) act as financial advisers to the Issuer or other companies of the Group. In the context of these transactions, certain of such Dealers have or may hold shares or other securities issued by entities of the Group. Where applicable, they have or will receive customary fees and commissions for these transactions.

The Issuer and the Dealer(s) may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

Potential conflicts of interest may arise between the calculation agent, if any, for a Tranche of Notes and the Noteholders (including where a Dealer acts as calculation agent), including with respect to certain discretionary determinations and judgements that such calculation agent may make pursuant to the Terms and Conditions that may influence the amount receivable upon redemption of the Notes. In particular, whilst a calculation agent will, as the case may be, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

The trading market for debt securities may be volatile and may be adversely impacted by many events.

The market for debt securities issued by issuers is influenced by global economic and market conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in European and other countries. There can be no assurance that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that global economic and market conditions will not have any other adverse effect.

An active trading market for the Notes may not develop.

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. The Issuer and any of its subsidiaries are entitled to buy the Notes, as described in Condition 6(j), and the Issuer may issue further notes, as described in Condition 13. Such transactions may adversely affect the price development of the Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes.

The Notes may be subject to optional redemption by the Issuer.

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the jurisdiction of the Issuer or a political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

The Issuer has also the option, if so provided in the relevant Final Terms, to redeem the Notes under a make-whole call option as provided in Condition 6(d), a call option as provided in Condition 6(e), a residual maturity call option as provided in Condition 6(g) or a clean-up call option as provided in Condition 6(i). In particular,

in case of a clean-up call option there is no obligation for the Issuer to inform investors if and when the percentage of 80 per cent. or the Clean-Up Percentage (as defined in the relevant Final Terms) has been reached or is about to be reached, and the Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of this option, the Notes may have been traded significantly above par, thus potentially resulting in a loss of capital invested.

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer. Such right of termination is often provided for bonds or notes in periods of high interest rates. If the market interest rates decrease, the risk to Noteholders that the Issuer will exercise its right of termination increases. As a consequence, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a consequence, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such case would not receive the total amount of the capital invested. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes.

Investors will not be able to calculate in advance their rate of return on Floating Rate Notes.

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the Notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Furthermore, should the reference rate in respect of a Floating Rate Note be at any time negative, this could result in the rate of interest payable to Noteholders being lower than the applicable margin. For the avoidance of doubt, if the resulting rate of interest is less than zero, the applicable rate of interest shall be deemed to be zero and the Noteholders will not have to pay the negative fraction of such interest to the Issuer.

Exercise of the Change of Control Put Option, the Put Option, the Residual Maturity Call Option, the Call Option or the Make-Whole Redemption by the Issuer in respect of certain Notes may affect the liquidity of the Notes of the same Series in respect of which such option is not exercised.

Depending on the number of Notes of the same Series in respect of which the Change of Control Put Option, the Put Option, the Residual Maturity Call Option, the Call Option or the Make-Whole Redemption provided, if any, in the relevant Final Terms is exercised, any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid. In addition, investors may only be able to reinvest the moneys they receive upon such early redemption in securities with a lower yield than the redeemed Notes.

Fixed Rate Notes

Investment in Notes which bear interest at a fixed rate involves risk that subsequent changes in market interest rates may adversely affect the value of the relevant Tranche of Notes..

While the nominal interest rate of a Fixed Rate Note is determined during the term of such Note or within a given period of time, the market interest rate (the “**Market Interest Rate**”) typically varies on a daily basis. As the Market Interest Rate changes, the price of the Note varies in the opposite direction. If the Market Interest Rate increases, the price of the Note typically decreases, until the yield of the Note equals approximately the Market Interest Rate. If the Market Interest Rate decreases, the price of a Fixed Rate Note typically increases, until the yield of the Note equals approximately the Market Interest Rate.

Floating Rate Notes

Investment in Notes which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three months or six months) which itself will change in accordance with general

market conditions. Accordingly, the market value of floating rate Notes may be volatile if changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that will automatically change from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate on the date set out in the Final Terms. The conversion of the interest rate may affect the secondary market and the market value of the Notes since the conversion may produce a lower overall cost of borrowing. If a Fixed Rate is converted to a Floating Rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new Floating Rate at any time may be lower than the rates on other Notes. If the rate is automatically converted from a Floating Rate to a Fixed Rate, the Fixed Rate may be lower than then prevailing rates on its Notes.

Zero Coupon Notes are subject to higher price fluctuations than non-discounted bonds.

Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Notes than on the prices of ordinary Notes because the discounted issue prices are substantially below par. If market interest rates increase, Zero Coupon Notes can suffer higher price losses than other Notes having the same maturity and credit rating. Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk.

Exchange rate risks and exchange controls.

The Issuer will pay principal and interest on the Notes in the Specified Currency (as defined in the relevant Final Terms). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal at all.

Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the jurisdiction where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this Base Prospectus and/or in the Final Terms but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus.

*The proposed financial transactions tax ("**FTT**")*

On 14 February 2013, the European Commission has published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "**Participating Member States**"). Estonia has since then officially announced its withdrawal from the negotiations.

The Commission's Proposal has a very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and its scope is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional Member States may decide to participate. If the Commission's Proposal or any similar proposal were adopted, transactions in the Notes would be subject to higher costs, and the liquidity of the market for the Notes may be diminished.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes and/or the Issuer. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. The rating reflects the possibility of default of the Issuer of the Notes as judged by the credit rating agencies.

Credit Risk

An investment in the Notes involves taking credit risk on the Issuer. If the credit worthiness of the Issuer deteriorates, it may not be able to fulfil all or part of its payment obligations under the Notes, and investors may lose all or part of their investment.

Change of Law

The Terms and Conditions of the Notes are based on French law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in French law or the official application or interpretation of French law after the date of this Base Prospectus.

French insolvency law

Under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the "**Assembly**") in order to defend their common interests if an accelerated safeguard procedure (*procédure de sauvegarde accélérée*), an accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*), a safeguard procedure (*procédure de sauvegarde*), or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer. The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (EMTN) and regardless of their governing law. The Assembly deliberates on the proposed accelerated safeguard plan (*projet de plan de sauvegarde accélérée*), proposed accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*), proposed safeguard plan (*projet de plan de sauvegarde*), proposed judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling due payments and/or partially or totally writing off receivables in form of debt securities;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or

- decide to convert debt securities (including the Notes) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders attending such Assembly or represented thereat). No quorum is required to convoke the Assembly.

For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in this Base Prospectus will not be applicable to the extent they are not in compliance with compulsory insolvency law provisions that apply in these circumstances.

Risks related to RMB denominated Notes

Notes denominated in RMB (“**RMB Notes**”) may be issued under the Programme. RMB Notes contain particular risks for potential investors.

RMB is not freely convertible. There are significant restrictions on remittance of RMB into and outside the PRC which may adversely affect the liquidity of RMB Notes

RMB is not freely convertible at present. The People’s Republic of China, which, for the purpose of this document, excludes the Hong Kong Special Administrative Region of the People’s Republic of China, the Macau Special Administrative Region of the People’s Republic of China and Taiwan (the “**PRC**”) government continues to regulate conversion between RMB and foreign currencies, despite significant reduction in control by it in recent years over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

Remittance of RMB by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities and is subject to a strict monitoring system. Regulations in the PRC on the remittance of RMB into the PRC for settlement of capital account items are developing gradually.

In respect of RMB foreign direct investments (“**FDI**”), the People’s Bank of China (“**PBoC**”) promulgated the Administrative Measures on RMB Settlement of Foreign Direct Investment (the “**PBoC FDI Measures**”) on 13 October 2011 as part of PBoC’s detailed RMB FDI accounts administration system. The system covers almost all aspects in relation to FDI, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as RMB denominated cross-border loans. On 14 June 2012, PBoC issued a circular setting out the operational guidelines for FDI. Under the PBoC FDI Measures, special approval for FDI and shareholder loans from PBoC, which was previously required, is no longer necessary. In some cases however, post-event filing with PBoC is still necessary.

On 3 December 2013, the Ministry of Commerce of the PRC (“**MOFCOM**”) promulgated the Circular on Issues in relation to Cross-border RMB Foreign Direct Investment (the “**MOFCOM Circular**”), which became effective on 1 January 2014, to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. Pursuant to the MOFCOM Circular, the appropriate office of MOFCOM and/or its local counterparts will grant written approval for each FDI and specify “Renminbi Foreign Direct Investment” and the amount of capital contribution in the approval. Unlike previous MOFCOM regulations on FDI, the MOFCOM Circular removes the approval requirement for foreign investors who intend to change the currency of its existing capital contribution from a foreign currency to RMB. In addition, the MOFCOM Circular also clearly prohibits the FDI funds from being used for any investment in securities and financial derivatives (except for investment in the PRC listed companies as strategic investors) or for entrustment loans in the PRC.

As the PBoC FDI Measures and the MOFCOM Circular are relatively new circulars, they will be subject to interpretation and application by the relevant authorities in the PRC.

There is no assurance that the PRC government will continue to gradually liberalise its control over cross-border RMB remittances in the future, that any pilot schemes for RMB cross-border utilisation will not be

discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of RMB into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in RMB, this may affect the overall availability of RMB outside the PRC and the ability of the Issuer to source RMB to finance its obligations under the RMB Notes.

There is only limited availability of RMB outside the PRC, which may affect the liquidity of the RMB Notes and the ability of the Issuer to source RMB outside the PRC to service the RMB Notes

As a result of the restrictions by the PRC government on cross-border RMB fund flows, the availability of RMB outside of the PRC is limited. Since February 2004, in accordance with arrangements between the PRC central government and the Hong Kong government, licensed banks in Hong Kong may offer limited RMB denominated banking services to Hong Kong residents and specified business customers. The PBoC has also established a RMB clearing and settlement system for participating banks in Hong Kong. On July 2010, further amendments were made to the Settlement Agreement on the Clearing of RMB Business (the “**Settlement Agreement**”) between the PBoC and Bank of China (Hong Kong) Limited (the “**RMB Clearing Bank**”) to further expand the scope of RMB business for participating banks in Hong Kong. Pursuant to the revised arrangements, all corporations are allowed to open RMB accounts in Hong Kong; there is no longer any limit on the ability of corporations to convert RMB; and there will no longer be any restriction on the transfer of RMB funds between different accounts in Hong Kong. In addition, the PBoC has now established RMB clearing and settlement systems with financial institutions in other major global financial centres (each also a “**RMB Clearing Bank**”), including London, Frankfurt and Singapore to further internationalise the RMB.

There are restrictions imposed by PBoC on RMB business participating banks in respect of cross-border RMB settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, RMB business participating banks do not have direct RMB liquidity support from PBoC. The RMB Clearing Banks only have access to onshore liquidity support from PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source RMB from outside the PRC to square such open positions.

Although it is expected that the offshore RMB market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the settlement arrangements will not be terminated or amended in the future which will have the effect of restricting availability of RMB outside the PRC. The limited availability of RMB outside the PRC may affect the liquidity of the RMB Notes. To the extent the Issuer is required to source RMB in the offshore market to service its RMB Notes, there is no assurance that the Issuer will be able to source such RMB on satisfactory terms, if at all.

Payments in respect of the RMB Notes will only be made to investors in the manner specified in such RMB Notes

All payments to investors in respect of RMB Notes to an investor will be made solely by (i) when the RMB Notes are represented by a global certificate, transfer to a RMB bank account maintained in Hong Kong in accordance with prevailing Central Moneymarkets Unit rules and procedures, or (ii) transfer to a RMB bank account maintained in Hong Kong in accordance with the prevailing rules and regulations and in accordance with the terms and conditions of the RMB Notes. The Issuer cannot be required to make payment by any other means (including in bank notes or by transfer to a bank account in the PRC or anywhere else outside Hong Kong).

Investment in the RMB Notes is subject to exchange rate risks

The value of RMB against foreign currencies fluctuates and is affected by changes in the changes in the PRC, by international political and economic conditions and by many other factors. All payments of interest and principal will be made with respect to the RMB Notes in RMB. As a result, the value of these RMB payments in foreign currencies may vary with the prevailing exchange rates in the marketplace. If the value of RMB depreciates against any foreign currencies, the value of an investor’s investment in such applicable foreign

currencies will decline. In August 2015, the PBOC changed the way it calculates the mid-point price of RMB against the US dollar, requiring the market-makers who submit for the PBoC's reference rates to consider the previous day's closing spot rate, foreign-exchange demand and supply as well as changes in major currency rates. This change, and other changes such as widening the trading band that may be implemented, may increase volatility in the value of the RMB against foreign currencies. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the RMB Notes.

CONDITIONS ATTACHED TO THE CONSENT OF THE ISSUER TO USE THE PROSPECTUS

In the context of any offer of Notes in France and/or in the Grand Duchy of Luxembourg (the “**Public Offer Jurisdictions**”) that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended, (a “**Public Offer**”), the Issuer consents to the use of this Base Prospectus and the relevant Final Terms (together, the “**Prospectus**”) in connection with a Public Offer of any Notes during the offer period specified in the relevant Final Terms (the “**Offer Period**”) and in the Public Offer Jurisdiction(s) specified in the relevant Final Terms by:

- (1) subject to the conditions set out in the relevant Final Terms, any financial intermediary designated in such Final Terms; or
- (2) if so specified in the relevant Final Terms, any financial intermediary which satisfies the following conditions: (a) acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the “**Rules**”), from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential investor; (b) complies with the restrictions set out under “*Subscription and Sale*” in this Base Prospectus which would apply as if it were a Dealer; (c) ensures that any fee (and any commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Notes is fully and clearly disclosed to investors or potential investors; (d) holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules; (e) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the relevant Dealer(s) and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer(s) in order to enable the Issuer and/or the relevant Dealer(s) to comply with anti-money laundering, anti-bribery and “know your client” rules applying to the Issuer and/or the relevant Dealer(s); (f) does not, directly or indirectly, cause the Issuer or the relevant Dealer(s) to breach any Rule or any requirement to obtain or make any filing, authorisation or consent in any jurisdiction; and (g) satisfies any further conditions specified in the relevant Final Terms (in each case an “**Authorised Offeror**”). For the avoidance of doubt, none of the Dealers or the Issuer shall have any obligation to ensure that an Authorised Offeror complies with applicable laws and regulations and shall therefore have no liability in this respect.

The Issuer accepts responsibility, in the Public Offer Jurisdiction(s) specified in the Final Terms, for the content of the Prospectus in relation to any person (an “**Investor**”) in such Public Offer Jurisdiction(s) to whom an offer of any Notes is made by any Authorised Offeror and where the offer is made during the period for which that consent is given. However, neither the Issuer nor any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

The consent referred to above relates to Offer Periods (if any) ending no later than the date falling 12 months from the date of the approval of this Base Prospectus by the AMF.

In the event the Final Terms designate financial intermediary(ies) to whom the Issuer has given its consent to use the Prospectus during an Offer Period, the Issuer may also give its consent to additional Authorised Offerors after the date of the relevant Final Terms and, if it does so, will publish any new information in relation to such Authorised Offerors who are unknown at the time of the approval of this Base Prospectus or the filing of the relevant Final Terms at www.schneider-electric.com.

If the Final Terms specify that any financial intermediary may use the Prospectus during the Offer Period, any such Authorised Offeror is required, for the duration of the Offer Period, to publish on its website that it is using the Prospectus for the relevant Public Offer with the consent of the Issuer and in accordance with the conditions attached thereto.

Other than as set out above, neither the Issuer nor any of the Dealers has authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use the Prospectus in connection with its offer of any Notes. Any such offers are not made on behalf of the Issuer or by any of the Dealers or Authorised Offerors and none of the Issuer or any of the Dealers or Authorised Offerors has any responsibility or liability for the actions of any person making such offers.

An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price allocations and settlement arrangements (the “Specific Terms of the Public Offer”). The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, the Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Public Offer shall be provided to Investors by that Authorised Offeror at the time of the Public Offer. Neither the Issuer nor any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.

IMPORTANT NOTICE

This Base Prospectus (together with any Supplements hereto (each a “**Supplement**” and together the “**Supplements**”) comprises a Base Prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purposes of giving information with regard to the Issuer, the Issuer and its subsidiaries taken as a whole (the “**Group**”) and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

This Base Prospectus is to be read in conjunction with any document and/or information which is or may be incorporated herein by reference in accordance with Article 11 of the Prospectus Directive.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference” below).

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (each as defined in “**Summary**”). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or with any securities commission or regulatory authority of any state or other jurisdiction of the United States and include Materialised Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or, in the case of Materialised Notes in bearer form, delivered within the United States or its possessions or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see “Subscription and Sale”.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS - If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“**MiFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC (“**IMD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

This Base Prospectus does not constitute an offer of, an offer to sell, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.

The Arranger and the Dealers have not separately verified the information contained in this Base Prospectus. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility,

with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

GENERAL DESCRIPTION OF THE PROGRAMME

The following overview is qualified in its entirety by the remainder of this Base Prospectus.

Issuer:	Schneider Electric S.E. (the “ Issuer ”)
Description:	Euro Medium Term Note Programme (the “ Programme ”).
Arranger:	BNP Paribas
Dealers:	Barclays Bank PLC BNP Paribas Crédit Agricole Corporate and Investment Bank Deutsche Bank AG, London Branch NATIXIS Société Générale The Royal Bank of Scotland plc (trading as NatWest Markets)
	The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to “ Permanent Dealers ” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to “ Dealers ” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Programme Limit:	Up to €7,500,000,000 (or the equivalent in other currencies) aggregate nominal amount of Notes outstanding at any one time. The maximum aggregate principal amount of Notes which may be outstanding under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Amended and Restated Dealer Agreement.
Fiscal Agent, Principal Paying Agent and Calculation Agent:	BNP Paribas Securities Services
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “ Series ”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “ Tranche ”) on the same or different issue dates. The specific terms of each Tranche will be set out in a final terms to this Base Prospectus (the “ Final Terms ”).
Maturities:	Subject to compliance with all relevant laws, regulations and directives, any maturity from seven calendar days from the date of original issue.
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Euros, U.S. dollars, Japanese Yen, Swiss Francs, Sterling, RMB and in any other currency agreed between the Issuer and the relevant Dealers.

Denomination(s):	<p>The Notes will be issued in such denomination(s) as may be agreed between the Issuer and the relevant Dealer and as specified in the relevant Final Terms save that in respect of any Notes that are offered to the public and/or admitted to trading on a Regulated Market in a Member State of the European Economic Area (“EEA”) in circumstances which require the publication of a prospectus under the Prospectus Directive will be at least such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant currency.</p> <p>Notes having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (“FSMA”) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent.</p> <p>Dematerialised Notes will be issued in one denomination only.</p>
Status of the Notes:	<p>The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank and will rank <i>pari passu</i> and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.</p>
Negative Pledge:	<p>There will be a negative pledge in respect of the Notes as set out in Condition 4. See “Terms and Conditions of the Notes - Negative Pledge”.</p>
Events of Default: (including cross default)	<p>There will be events of default and a cross-default in respect of the Notes as set out in Condition 10. See “Terms and Conditions of the Notes - Events of Default”.</p>
Redemption:	<p>The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) having a maturity of less than one year from the date of issue and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).</p>
Optional Redemption:	<p>The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders and, if so, the terms applicable to such redemption.</p>
Early Redemption:	<p>Except as provided in “Optional Redemption” above and “Make-Whole Redemption by the Issuer”, “Residual Maturity Call Option” and “Clean-Up Call Option” below, Notes will be redeemable at the option of the Issuer prior to maturity only for</p>

Redemption at the option of Noteholders following a Change of Control:

tax reasons as set out in Condition 6. See “Terms and Conditions of the Notes - Redemption, Purchase and Options”.

If a Change of Control Put Option is specified in the relevant Final Terms, following the occurrence of a Change of Control, the Noteholders will be entitled to request the Issuer to redeem the Notes, or, at the Issuer’s option, procure the purchase of their Notes as set out in Condition 6. See “Terms and Conditions of the Notes - Redemption, Purchase and Options”.

Make-Whole Redemption by the Issuer:

If so specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer will have the option to redeem the Notes, in whole or in part, at any time or from time to time, prior to their Maturity Date at their Optional Redemption Amount. The Optional Redemption Amount will be calculated by the Calculation Agent and will be the greater of (x) 100 per cent. of the nominal amount of the Notes so redeemed and, (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (not including any interest accrued on the Notes to, but excluding, the relevant Optional Redemption Date) discounted to the relevant Optional Redemption Date on an annual basis at the Redemption Rate plus a Redemption Margin (as specified in the relevant Final Terms), plus in each case (x) or (y) above, any interest accrued on the Notes to, but excluding, the Optional Redemption Date.

Residual Maturity Call Option:

If so specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer will have the option to redeem the Notes, in whole or in part, at par, at any time as from the call option date, which shall be no earlier than (i) three months before the Maturity Date in respect of Notes having a maturity of not more than seven years or (ii) six months before the Maturity Date in respect of Notes having a maturity of more than seven years.

Clean-Up Call Option:

If so specified in the relevant Final Terms and if 80 per cent. or any other percentage above as specified in the relevant Final Terms (the “**Clean-Up Percentage**”) of the initial aggregate nominal amount of Notes of the same Series have been redeemed or purchased and, in each case, cancelled, the Issuer may, at its option, redeem the Notes in whole but not in part at their Early Redemption Amount together with any interest accrued to the date set for redemption (as specified in the relevant Final Terms).

Taxation:

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

If such a withholding or deduction is required, the Issuer will have to gross-up its payments to the fullest extent then permitted by law and subject to certain exceptions.

See section “Terms and Conditions of the Notes-Taxation”.

Interest Periods and Interest Rates:	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
Fixed Rate Notes:	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
Floating Rate Notes:	<p>Floating Rate Notes will bear interest determined separately for each Series as follows:</p> <ul style="list-style-type: none"> (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc.; or (ii) by reference to LIBOR or EURIBOR, in each case as adjusted for any applicable margin. <p>Interest periods will be specified in the relevant Final Terms.</p> <p>Where Linear Interpolation is specified in the relevant Final Terms in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by straight line linear interpolation by reference to two rates based on the relevant Reference Rate or the relevant Floating Rate Option, as the case may be.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>In no event shall the amount of interest payable (including, for the sake of clarity, any applicable margin) be less than zero.</p>
Fixed/Floating Rate Notes:	Fixed/Floating Rate Notes may bear interest at a rate that will automatically change from a fixed rate to a floating rate or from a floating rate to a fixed rate on the date set out in the Final Terms.
Zero Coupon Notes:	Zero Coupon Notes may be issued at their nominal amount or at a discount and will not bear interest.
Redenomination:	Notes issued in the currency of any Member State of the EU which will participate in the single currency of the European Economic and Monetary Union may be redenominated into Euro, all as more fully provided in Condition 1. See “Terms and Conditions of the Notes - Form, Denomination and Title” below.
Consolidation:	Notes of one Series may be consolidated with Notes of another Series as more fully provided in Condition 13. See “Terms and Conditions of the Notes - Further Issues and Consolidation”.
Form of Notes:	<p>Notes may be issued in either dematerialised form (“Dematerialised Notes”) or in materialised form (“Materialised Notes”).</p> <p>Dematerialised Notes may, at the option of the Issuer be issued in bearer dematerialised form (<i>au porteur</i>) or in registered</p>

dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder, in either *au nominatif pur* or *au nominatif administré* form.

No physical documents of title will be issued in respect of Dematerialised Notes. See “Terms and Conditions of the Notes – Form, Denomination and Title”.

The relevant Final Terms will specify whether Dematerialised Notes are to be issued in bearer form only, in registered (including both *nominatif pur* and *nominatif administré*) form only.

Materialised Notes will be issued in bearer form (“**Materialised Bearer Notes**”). A Temporary Global Certificate will be issued initially in respect of each Tranche of Materialised Bearer Notes. Materialised Notes may only be issued outside France.

Governing Law:

French law.

Central Depository:

Euroclear France in relation to Dematerialised Notes.

Clearing Systems:

Clearstream, Euroclear or any other clearing system (provided proper clearing and settlement procedures have previously been put in place) that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer in relation to Materialised Notes.

Initial Delivery of Dematerialised Notes:

One Paris business day before the issue date of each Tranche of Dematerialised Notes, the *Lettre Comptable* relating to such Tranche shall be deposited with Euroclear France as central depository.

Initial Delivery of Materialised Notes:

On or before the issue date for each Tranche of Materialised Bearer Notes, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depository for Euroclear and Clearstream or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer.

Issue Price:

Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.

Listing and Admission to Trading:

Euronext Paris and/or the official list of the Luxembourg Stock Exchange and/or as otherwise specified in the relevant Final Terms. A Series of Notes may or may not be listed and admitted to trading.

Method of Publication of this Base Prospectus and the Final Terms:

This Base Prospectus, any supplement to this Base Prospectus and the Final Terms related to the Notes listed and admitted to trading on any Regulated Market in the EEA will be published on the websites of the Issuer (www.schneider-electric.com) and save in respect of the Final Terms. The Final Terms will indicate where the Base Prospectus may be obtained.

Selling Restrictions:

There are restrictions on the sale of Notes and the distribution of offering material in various jurisdictions. See “Subscription and Sale”.

The Notes to be issued qualify under Category 2 for the purposes of Regulation S under the Securities Act.

Materialised Notes will be issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(D) (the “**D Rules**”) unless the relevant Final Terms states that such Materialised Notes are issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(C) (the “**C Rules**”), or (ii) such Materialised Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstance will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

The TEFRA rules do not apply to any Dematerialised Notes.

Rating:

The long term corporate rating of the Issuer is currently rated A- (stable outlook) by Standard & Poor’s Ratings Services (“**S&P**”). S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 on credit rating agencies (as amended) (the “**CRA Regulation**”). S&P is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority’s website (www.esma.europa.eu/supervision/credit-rating-agencies/risk) as of the date of this Base Prospectus. Notes issued under the Programme may be rated or unrated. The rating, if any, will be specified in the relevant Final Terms. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating assigned to the Issuer. The relevant Final Terms will specify whether or not such credit ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation. Credit ratings are subject to revision, suspension or withdrawal at any time by the relevant rating organisation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the sections set out in the cross-references tables below from the following documents which have been filed with the AMF:

- the pages referred to in the table below which are included in the *document de référence* in the French language of the Issuer which received n° D.17-0177 from the AMF on 17 March 2017, except for the third paragraph of the section “*Responsables du document de référence*” on page 367 (the “**2016 Reference Document**”);
- the pages referred to in the table below which are included in the *document de référence* in the French language of the Issuer which received n° D.16-0154 from the AMF on 17 March 2016, except for the third paragraph of the section “*Responsables du document de référence*” on page 327 (the “**2015 Reference Document**”);
- the pages referred to in the table below which are included in the Issuer's interim financial report in French language for the six-month period ended 30 June 2017, dated 26 July 2017 (the “**2017 Half-Year Financial Report**”); and
- the terms and conditions of the notes contained in the base prospectuses of the Issuer dated, respectively, 31 August 2016 (the “**2016 EMTN Conditions**”), 31 July 2015 (the “**2015 EMTN Conditions**”), 15 July 2014 (the “**2014 EMTN Conditions**”), 25 June 2013 (the “**2013 EMTN Conditions**”), 25 June 2012 (the “**2012 EMTN Conditions**”), 24 June 2011 (the “**2011 EMTN Conditions**”), 24 June 2010 (the “**2010 EMTN Conditions**”), 19 June 2009 (the “**2009 EMTN Conditions**”), 22 May 2008 (the “**2008 EMTN Conditions**”), 21 May 2007 (the “**2007 EMTN Conditions**”), (together with the 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015 and 2016 EMTN Conditions, the “**EMTN Previous Conditions**”).

Any reference in this Base Prospectus, in the 2016 Reference Document or in the 2015 Reference Document to the registration documents and/or annual reports (either 2016 or 2015) shall be deemed to exclude the above-mentioned excluded sections.

Any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus may be obtained, free of charge, from (i) the registered office of the Issuer, (ii) the website of the Issuer (www.schneider-electric.com) and/or (iii) at the offices of each Paying Agent set out at the end of this Base Prospectus during normal business hours.

The 2016 Reference Document and the 2015 Reference Document are available on the website of the AMF (www.amf-france.org).

The information incorporated by reference in this Base Prospectus shall be read in connection with the cross-reference list below.

Any information not listed in the cross-reference list below but included in the documents incorporated by reference shall not form part of this Base Prospectus and is not relevant for investors.

The English Translation of the 2015 Reference Document, the 2016 Reference Document and the 2017 Half-Year Financial Report are available on the website of the Issuer (<http://www2.schneider-electric.com/sites/corporate/en/finance/presentations/annual-reports.page>). Such English translations are available for information purposes only and are not incorporated by reference in this Base Prospectus. Only the French versions of the 2015 Reference Document, the 2016 Reference Document and the 2017 Half-Year Financial may be relied upon.

Annexes IV and IX of the European Regulation – 809/2004/EC of 29 April 2004	2015 Reference Document	2016 Reference Document	2017 Half Year Financial Report (unaudited)
	Page	Page	Page
1. PERSONS RESPONSIBLE		N/A	
2. STATUTORY AUDITORS		N/A	
3. SELECTED FINANCIAL INFORMATION		N/A	
4. RISK FACTORS			
Disclosure of risk factors.		39 to 47	
5. INFORMATION ABOUT THE ISSUER			
5.1 History and development of the Issuer		25 to 27	
5.1.1 Legal and commercial name of the Issuer		296	
5.1.2 Place of registration of the Issuer and its registration number		296	
5.1.3 Date of incorporation and the length of life of the Issuer		296	
5.1.4 Domicile and legal form of the Issuer		296	
5.1.5 Recent events		260	10, 20
5.2 Investments			
5.2.1 Principal investments since the date of the last published financial statements		N/A	
5.2.2 Principal future investment		N/A	
5.2.3 Anticipated sources of funds		207	
6. BUSINESS OVERVIEW			
6.1 Principal activities			
6.1.1 Description of the Issuer's principal activities stating the main categories of products sold and/ or services performed		19-21	
6.1.2 Indication of any significant new products and/or activities.		N/A	
Brief description of the principal markets in which the Issuer completes		21-23 200-202	
6.2 Principal markets			
6.3 Basis for any statements made by the Issuer regarding its competitive position.		19-23	
7. ORGANISATIONAL STRUCTURE			
7.1 Brief description of the group and of the Issuer's position within it.		35-38 262-272	
7.2 If the Issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.		N/A	

Annexes IV and IX of the European Regulation – 809/2004/EC of 29 April 2004	2015 Reference Document	2016 Reference Document	2017 Half Year Financial Report (unaudited)
8. TREND INFORMATION			
8.1 Include a statement that there has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements.		N/A	
8.2 Information on any known trends.		208	
9. PROFIT FORECASTS OR ESTIMATES		N/A	
10. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES			
10.1 Names, business addresses and functions in the Issuer of members of administrative, management and supervisory bodies		5-6 135-144	
10.2 Administrative, Management, and Supervisory bodies conflicts of interests		156	
Potential conflicts of interests.		156	
11. BOARD PRACTICES			
11.1 Audit committee		150-154	
11.2 Corporate governance regime(s).		198	
12. MAJOR SHAREHOLDERS			
12.1 To the extent known to the Issuer, state whether the Issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.		303	
12.2 A description of any arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.		304	
13. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES			
13.1 Historical Financial Information	187-250	209-274	N/A
(a) balance sheet;	191-192	213-214	N/A
(b) income	188-189	210-211	N/A
(c) cash flow statement; and	190	212	N/A
(d) accounting policies and explanatory notes.	194-250	217-272	N/A
13.2 Financial statements			
If the Issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.	N/A	N/A	N/A
13.3 Auditing of historical annual financial information			

Annexes IV and IX of the European Regulation – 809/2004/EC of 29 April 2004	2015 Reference Document	2016 Reference Document	2017 Half Year Financial Report (unaudited)
13.3.1 A statement that the historical financial information has been audited.	249-250	273-274	
13.3.2 An indication of other information in the registration document which has been audited by the auditors.	N/A	N/A	
13.3.3 Where financial data in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is un-audited.	N/A	N/A	
13.5 Interim and other financial information			
13.5.1 If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half yearly financial information has been reviewed or audited the audit or review report must also be included. If the quarterly or half yearly financial information is unaudited or has not been reviewed state that fact.	N/A	N/A	3-31
13.6 Legal and arbitration proceedings Information on any governmental, legal or arbitration proceedings.		45-46	
14. ADDITIONAL INFORMATION			
14.1 Share Capital			
14.1.1 Share capital.		299	
14.2 Memorandum and Articles of Association			
14.2.1 The register and the entry number therein, if applicable, and a description of the Issuer's objects and purposes and where they can be found in the memorandum and articles of association.		296	
15. MATERIAL CONTRACTS			
A brief summary of all material contracts.		260	
16. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST		N/A	
17. DOCUMENTS ON DISPLAY		N/A	

The EMTN Previous Conditions are incorporated by reference in this Base Prospectus for the purpose only of further issues of Notes to be assimilated (*assimilées*) and form a single series with Notes already issued with the relevant EMTN Previous Conditions.

EMTN Previous Conditions	
2007 EMTN Conditions.....	Pages 33 to 59
2008 EMTN Conditions.....	Pages 30 to 57
2009 EMTN Conditions.....	Pages 31 to 58
2010 EMTN Conditions.....	Pages 38 to 64
2011 EMTN Conditions.....	Pages 35 to 60
2012 EMTN Conditions.....	Pages 36 to 64
2013 EMTN Conditions.....	Pages 54 to 82
2014 EMTN Conditions.....	Pages 51 to 81
2015 EMTN Conditions.....	Pages 57 to 88
2016 EMTN Conditions.....	Pages 62 to 94

Information contained in the Documents Incorporated by Reference other than information listed in the table above is for information purposes only.

SUPPLEMENT TO THE BASE PROSPECTUS

If at any time the Issuer shall be required to prepare a supplement to this Base Prospectus pursuant to Article 212-25 of the General Regulation (*Règlement Général*) of the AMF implementing the provisions of Article 16 of the Prospectus Directive, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus, which shall constitute a supplement to this Base Prospectus for the purpose of the relevant provisions of the Prospectus Directive.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes. In the case of Dematerialised Notes, the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed by the relevant Final Terms. In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on Definitive Materialised Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms. Those definitions will be endorsed on the definitive Notes, as the case may be. References in these Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

An Amended and Restated Agency Agreement (as amended or supplemented as at the Issue Date, the “Agency Agreement”) dated 6 October 2017 has been agreed between Schneider Electric SE (the “Issuer”), BNP Paribas Securities Services as fiscal agent and the other agents named in it. The fiscal agent, the paying agents, and the calculation agent(s) for the time being (if any) are referred to below respectively as the “Fiscal Agent”, the “Paying Agents” (which expression shall include the Fiscal Agent), and the “Calculation Agent(s)”. Copies of the Agency Agreement are available for inspection at the specified offices of each of the Paying Agents.

References below to “Conditions” are, unless the context requires otherwise, to the numbered paragraphs below. References below to “day” or “days” are to a calendar day or to calendar days, respectively.

1 Form, Denomination and Title

(a) Form

Notes may be issued either in dematerialised form (“Dematerialised Notes”) or in materialised form (“Materialised Notes”).

- (i) Title to Dematerialised Notes will be evidenced in accordance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier* (the “Code”) by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the Code) will be issued in respect of Dematerialised Notes.

Dematerialised Notes are issued, at the option of the Issuer and as specified in the relevant Final Terms (the “Final Terms”), in either (i) bearer dematerialised form (*au porteur*) only, in which case they are inscribed in the books of Euroclear France S.A. (acting as central depository) (“Euroclear France”) which shall credit the accounts of Account Holders, or (ii) in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder in either administered registered form (*au nominatif administré*) inscribed in the books of an Account Holder or in fully registered form (*au nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or the Registration Agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the “Registration Agent”).

Unless such right is expressly excluded in the relevant Final Terms, the Issuer may require the identification of the Noteholders.

For the purpose of these Conditions, “Account Holder” means any authorised financial intermediary institution entitled directly or indirectly to hold accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. (“Euroclear”) and the depository bank for Clearstream Banking, S.A. (“Clearstream”).

- (ii) Materialised Notes are issued in bearer form (“Materialised Notes”) in the Specified Denomination(s) shown in the relevant Final Terms. Materialised Notes are serially numbered and are issued with coupons (“Coupons”) (and, where appropriate, a talon (“Talon”)) attached,

save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

In accordance with Articles L.211-3 and R.211-1 of the Code, securities (such as Notes) which are governed by French law and are in materialised form must be issued outside the French territory.

(b) Denomination

Notes shall be issued in the specified denomination(s) as set out in the relevant Final Terms (the “**Specified Denomination(s)**”) save that the minimum denomination of each Note that are offered to the public and/or admitted to trading on a Regulated Market in a Member State of the European Economic Area (“**EEA**”) in circumstances which require the publication of a Base Prospectus under the Prospectus Directive will be at least such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. Dematerialised Notes shall be issued in one Specified Denomination only.

(c) Title

- (i) Title to Dematerialised Notes in bearer dematerialised form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or of the Registration Agent.
- (ii) Title to Materialised Notes in definitive form having, where appropriate, Coupons and/or a Talon attached thereto on issue (“**Definitive Materialised Notes**”), shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.
- (iv) In these Conditions, “**holder of Notes**”, “**holder of any Notes**” or “**Noteholder**” means (i) in the case of Dematerialised Notes, the person whose name appears in the account of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (ii) in the case of Materialised Notes, the bearer of any Definitive Materialised Note, and capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

(d) Redenomination

The Issuer may (if so specified in the relevant Final Terms), without the consent of the holder of any Note, Coupon or Talon, by giving at least 30 days’ notice in accordance with Condition 14, redenominate, on any Interest Payment Date all, but not some only, of the Notes of any Series into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Final Terms accordingly on or after the date on which the Member State of the European Union in whose national currency such Notes are denominated has become a participant member in the third stage of the European economic and monetary union (as provided in the Treaty establishing the European Community (the “**EC**”), as amended from time to time), or events have occurred which have substantially the same effects all as more fully provided in the relevant Final Terms.

2 Conversion and Exchange of Notes

(a) Dematerialised Notes

- (i) Dematerialised Notes issued in bearer dematerialised form (*au porteur*) may not be converted into Dematerialised Notes in registered dematerialised form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).
- (ii) Dematerialised Notes issued in registered dematerialised form (*au nominatif*) may not be converted into Dematerialised Notes in bearer dematerialised form (*au porteur*).
- (iii) Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the Noteholder, be converted into Notes in administered registered form (*au nominatif administré*), and *vice versa*. The exercise of any such option by such Noteholder shall be made in accordance with Article R.211-4 of the Code. Any such conversion shall be effected at the cost of such Noteholder.

(b) Materialised Notes

Materialised Notes of one Specified Denomination may not be exchanged for Materialised Notes of another Specified Denomination.

3 Status of Notes

Notes and, where applicable, the Coupons relating to them, constitute direct, unconditional, unsubordinated and (subject to Condition 4) unsecured obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law), equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

4 Negative Pledge

So long as any of the Notes or, if applicable, any Coupons relating to them, remain outstanding (as defined below), the Issuer will not, and will ensure that none of its Principal Subsidiaries (as defined below) will, create or permit to subsist any mortgage, lien, charge, pledge or other form of security interest (*sûreté réelle*) (“**Security**”) upon any of their respective assets or revenues, present or future, to secure (i) any Relevant Debt (as defined below) or (ii) any guarantee or indemnity in respect of any Relevant Debt unless, at the same time or prior thereto, the Issuer’s obligations under the Notes are equally and rateably secured therewith.

For the purposes of this Condition:

- (i) “**Principal Subsidiary**” means at any relevant time a Subsidiary of the Issuer:
 - (a) whose net operating income is at least 10 per cent. of the consolidated net operating income of the Issuer and its consolidated subsidiaries (the “**Consolidated Group**”) or whose total assets amount to at least 10 per cent. of the total consolidated assets of the Consolidated Group, in each case calculated by reference to the latest audited consolidated accounts of the Issuer;
 - (b) to which is transferred all or substantially all the assets and undertakings of a Subsidiary which immediately prior to such transfer is a Principal Subsidiary.
- (ii) “**Relevant Debt**” means any present or future indebtedness for borrowed money in the form of, or represented by, bonds (obligations) which are for the time being, or are capable of being, quoted, admitted to trading or ordinarily dealt in on any stock exchange, over-the-counter market or other securities market.
- (iii) “**Subsidiary**” means, in relation to any person or entity at any time, any other person or entity (whether or not now existing) as defined in Article L.233-1 of the French *Code de commerce* or

any other person or entity controlling directly or indirectly such person or entity within the meaning of Article L.233-3 of the French *Code de commerce*.

- (iv) “**outstanding**” means, in relation to the Notes of any Series, all the Notes issued other than (a) those that have been redeemed in accordance with these Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid (i) in respect of Dematerialised Notes in bearer form or in administered registered form, to the relevant Account Holders on behalf of the Noteholder as provided in Condition 7(a), (ii) in the case of Dematerialised Notes in fully registered form, to the account of the Noteholder as provided in Condition 7(a) and (iii) in the case of Materialised Notes, to the Fiscal Agent as provided in the Agency Agreement and remain available for payment against presentation and surrender of Materialised Notes and/or Coupons, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in these Conditions, (e) in the case of Materialised Notes (i) those mutilated or defaced Materialised Notes that have been surrendered in exchange for replacement Materialised Notes, (ii) (for the purpose only of determining how many such Materialised Notes are outstanding and without prejudice to their status for any other purpose) those Materialised Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Materialised Notes have been issued, and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more Definitive Materialised Notes, pursuant to its provisions.

This Condition 4 shall not apply to or be applicable in respect of any Relevant Debt for any Security created by the Issuer or a Principal Subsidiary over:

- (i) any equity share capital acquired by the Issuer or a Principal Subsidiary in any company resulting in that company becoming a majority-owned subsidiary of the Issuer or such Principal Subsidiary after the Issue Date for the sole purpose of financing or re-financing that acquisition and securing a principal amount not exceeding the cost of that acquisition; or
- (ii) any assets forming all or part of a business acquired by the Issuer or a Principal Subsidiary after the Issue Date for the sole purpose of financing or re-financing that acquisition and securing a principal amount not exceeding the cost of that acquisition.

5 Interest and Other Calculations

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date (the “**Fixed Rate**”).

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

(b) Interest on Floating Rate Notes:

- (i) Interest Payment Dates: Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date (the “**Floating Rate**”). Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the

number of months or other period shown in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

- (ii) **Business Day Convention:** If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is:
- (A) the Floating Rate Business Day Convention or “**FRN Convention**”, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment,
 - (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day,
 - (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought to the immediately preceding Business Day, or
 - (D) the Preceding Business Day Convention, such date shall be brought to the immediately preceding Business Day.
- (iii) **Rate of Interest for Floating Rate Notes:** the Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.

(A) **ISDA Determination for Floating Rate Notes**

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified in the relevant Final Terms;
- (y) the Designated Maturity is a period specified in the relevant Final Terms; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period or such other date as specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) **Screen Rate Determination for Floating Rate Notes**

- (a) Where Screen Rate Determination is specified in the relevant Final Terms as the manner according to which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:
 - (i) the offered quotation, or
 - (ii) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either (i) 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) or (ii) if otherwise, the Relevant Screen Page Time on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

- (b) if the Relevant Screen Page is not available or if sub-paragraph (a)(i) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (a)(ii) applies and fewer than three such offered quotations appear on the Relevant Screen Page, subject as provided below, the Calculation Agent shall request, (i) if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, (ii) if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, (iii) if otherwise, each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if otherwise, at the Relevant Screen Page Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (c) if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if otherwise, at the Relevant Screen Page Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if otherwise, the Relevant Inter-Bank Market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if otherwise, at the Relevant Screen Page Time, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market, if the Reference Rate is EURIBOR, the Euro zone inter-bank market or, if otherwise, the Relevant Inter-Bank Market, as the case may be, provided that, if the Rate of Interest cannot be determined in

accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Rate Multiplier or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) **Linear Interpolation**

Where Linear Interpolation is specified in the relevant Final Terms to be applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where “Screen Rate Determination” is specified to be applicable in the relevant Final Terms) or the relevant Floating Rate Option (where “ISDA Determination” is specified to be applicable in the relevant Final Terms), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available the next longer than the length of the relevant Interest Accrual Period, provided however, that if there is no such rate available for a period of time shorter or, as the case may be, longer than the relevant Interest Accrual Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“**Applicable Maturity**” means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

(c) **Fixed/Floating Rate Notes**

Fixed/Floating Rate Notes may bear interest at a rate that will automatically change from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate on the date set out in the Final Terms.

(d) **Zero Coupon Notes**

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 6(b)(i)).

(e) **Accrual of Interest**

Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgement) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(f) **Margin, Maximum/Minimum Rates of Interest and Redemption Amounts, Rate Multipliers and Rounding**

(i) If any Margin or Rate Multiplier is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in

the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.

- (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be. In no event shall the amount of interest payable (including, for the sake of clarity, any applicable margin) be less than zero.
- (iii) For the purposes of any calculations required pursuant to these Conditions, (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country/ies of such currency.

(g) Calculations

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period in the Final Terms, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(h) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts

As soon as practicable after the relevant time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or any Optional Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are admitted to trading on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the second Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each

determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(i) **Definitions**

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Business Day**” means:

- (i) in the case of a currency other than Euro or RMB, a day (other than a Saturday, Sunday or a public holiday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in relation to any sum payable in RMB, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in RMB in Hong Kong and in the relevant Business Centre(s) (if any); and/or
- (iii) in the case of Euro, a day on which the TARGET System is operating (a “**TARGET Business Day**”); and/or
- (iv) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (whether or not constituting an Interest Period, the “Calculation Period”):

- (i) if “**Actual/Actual**” or “**Actual/Actual - ISDA**” or “**Act/Act**” or “**Act/Act - ISDA**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**Actual/Actual ICMA**” is specified in the relevant Final Terms:
 - (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (b) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the next Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year;
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“**Determination Date**” means the date specified herein or, if none is so specified, the Interest Payment Date.

- (v) if “**30/360**” is specified in the relevant Final Terms, the number of days in the Calculation Period by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30

- (vi) if “**30E/360**” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30

- (vii) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

“**Effective Date**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

“**Euro-zone**” means the region comprised of member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the EC as amended.

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“**Interest Amount**” means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be.

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified in the relevant Final Terms.

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period or the interest amount in relation to RMB Notes, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro.

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“**Interest Period Date**” means each Interest Payment Date.

“**ISDA Definitions**” means the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc.

“**Rate of Interest**” means the rate of interest payable from time to time in respect of any particular Note and that is specified in the relevant Final Terms.

“**Reference Banks**” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market or, if otherwise, the principal offices of five major banks in the Relevant Inter-Bank Market, in each case selected by the Calculation Agent or as specified in the relevant Final Terms.

“**Relevant Financial Centre**” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, London.

“**Relevant Inter-Bank Market**” means such inter-bank market as may be specified in the relevant Final Terms.

“**Relevant Rate**” means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

“**Relevant Screen Page**” means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms.

“**Relevant Screen Page Time**” means such time as may be specified in the relevant Final Terms (or any successor or replacement page, section, caption, column or other part of a particular information service).

“**Relevant Time**” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre or, if no such customary local time exists, 11.00 hours in the Relevant Financial Centre and, for the purpose of this definition, “**local time**” means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, Brussels Time.

“**Representative Amount**” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, an amount that is representative for a single transaction in the relevant market at the time.

“**RMB Note**” means a Note denominated in RMB.

“**Specified Currency**” means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated.

“**Specified Duration**” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(b)(ii).

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System or any successor thereto.

(j) Calculation Agent and Reference Banks

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined in the Agency Agreement). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation

Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid and notice of any such change of Calculation Agent shall promptly be given to the Noteholders in accordance with Condition 14 below.

(k) RMB Notes:

Notwithstanding the foregoing, each RMB Note which is a Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate per annum equal to the Rate of Interest. For the purposes of calculating the amount of interest, if any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which case it shall be brought forward to the immediately preceding Business Day. Interest will be payable in arrear on each Interest Payment Date.

The Calculation Agent will, as soon as practicable after the Relevant Time as specified in the relevant Final Terms on each Interest Determination Date, calculate the amount of interest payable per Specified Denomination for the relevant Interest Period. The determination of the amount of interest payable per Specified Denomination by the Calculation Agent shall (in the absence of manifest error and after confirmation by the Issuer) be final and binding upon all parties.

The Calculation Agent will cause the amount of interest payable per Specified Denomination for each Interest Period and the relevant Interest Payment Date to be notified to each of the Paying Agents and to be notified to Noteholders as soon as possible after their determination but in no event later than the fourth Business Day thereafter. The amount of interest payable per Specified Denomination and Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an adjustment of the Interest Period, if the Interest Payment Date is not a Business Day. If the Notes become due and payable under Condition 10, the accrued interest per Specified Denomination shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this provision but no publication of the amount of interest payable per Specified Denomination so calculated need be made.

Interest shall be calculated in respect of any period by applying the Rate of Interest to the Specified Denomination, multiplying such product by the actual number of days in the relevant Interest Period or, as applicable, other period concerned and dividing it by 365, and rounding the resultant figure to the nearest RMB sub-unit, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

6 Redemption, Purchase and Options

(a) Final Redemption

Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount).

(b) Early Redemption:

(i) Zero Coupon Notes:

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Nominal Amount (calculated as provided below) of such Note.
- (B) Subject to the provisions of sub-paragraph (C) below, the “**Amortised Nominal Amount**” of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Amortised Nominal Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Nominal Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Nominal Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgement) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Final Terms.

- (ii) **Other Notes:** The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount.

(c) Redemption for Taxation Reasons:

- (i) If, by reason of any change in, or any change in the official application or interpretation of, the law of a Relevant Jurisdiction (as defined below), becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes or Coupons, not be able to make such payment without having to pay additional amounts as specified under Condition 8 below, the Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, subject to having given not more than 45 nor less than 30 days’ prior notice to the Noteholders or, if applicable, to the holders of Coupons (the “**Couponholders**”) (which notice shall be irrevocable) in accordance with Condition 14, redeem all, but not some only, of the Notes at their Redemption Amount together with any interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for such additional amounts.
- (ii) If the Issuer would on the next payment of principal or interest in respect of the Notes or Coupons be prevented by the law of a Relevant Jurisdiction from making payment to the Noteholders or, if applicable, Couponholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8 below, then the Issuer shall

forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders or, if applicable, the Couponholders, in accordance with Condition 14, redeem all, but not some only, of the Notes then outstanding at their Redemption Amount together with any interest accrued to the date set for redemption on (A) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes or, if applicable, Coupons, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders or, if applicable, Couponholders, shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) 14 days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Final Terms, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes, or, if applicable, Coupons or, if that date is passed, as soon as practicable thereafter.

"Relevant Jurisdiction" means the Republic of France or any other jurisdiction in which the Issuer, or its successor, is or becomes organized or resident for tax purposes, or any political subdivision or taxing authority in, or of, any of the foregoing.

(d) Make-Whole Redemption by the Issuer:

If a Make-Whole Redemption by the Issuer is specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer will, subject to compliance by the Issuer with all relevant laws, regulations and directives and on giving not less than 15 nor more than 30 days' irrevocable notice in accordance with Condition 14 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms), have the option to redeem the Notes, in whole or in part, at any time or from time to time, prior to their Maturity Date (the **"Optional Redemption Date"**) at their Optional Redemption Amount. The Optional Redemption Amount will be calculated by the Calculation Agent and will be the greater of (x) 100 per cent. of the nominal amount of the Notes so redeemed and, (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (not including any interest accrued on the Notes to, but excluding, the relevant Optional Redemption Date) discounted to the relevant Optional Redemption Date on an annual basis at the Redemption Rate plus a Redemption Margin (as specified in the relevant Final Terms), plus in each case (x) or (y) above, any interest accrued on the Notes to, but excluding, the Optional Redemption Date.

The **"Redemption Rate"** is the average of the four quotations (eliminating the highest quotation (or, in the event of equality, one of the highest quotations) and the lowest quotation (or in the event of equality, one of the lowest quotations)) given by the Reference Dealers of the mid-market annual yield to maturity of the Reference Security (as specified in the relevant Final Terms) on the fourth business day preceding the Optional Redemption Date at 11.00 a.m. (Central European time (CET)).

"Reference Dealers" means each of the four banks selected by the Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues or as specified in the relevant Final Terms.

If the Reference Security is no longer outstanding, a Similar Security specified in the Final Terms, will be chosen by the Calculation Agent at 11.00 a.m. (Central European time (CET)) on the third business day in London preceding the Optional Redemption Date, quoted in writing by the Calculation Agent to the Issuer and notified in accordance with Condition 14.

The Redemption Rate will be notified by the Issuer in accordance with Condition 14.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

In the case of a partial redemption of, or a partial exercise of the Issuer's option in respect of, Materialised Notes, the notice to holders of such Materialised Notes shall also contain the numbers of the Definitive Materialised Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances and taking account of prevailing market practices, subject to compliance with any applicable laws and requirements of the Regulated Market on which the Notes are admitted to trading.

In the case of a partial redemption of, or a partial exercise of the Issuer's option in respect of, Dematerialised Notes, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed and those Dematerialised Notes of any Series that will not be redeemed shall be made in accordance with Article R.213-16 of the Code, subject to compliance with any other applicable laws and requirements of the Regulated Market on which the Notes are admitted to trading. In no event, the outstanding nominal amount of each Note following such reduction shall be below any amount which would prevent the Issuer from choosing its home Member State (as such term is defined in the Prospectus Directive).

Any notice given by the Issuer pursuant to this Condition 6(d) shall be deemed void and of no effect in relation to any Note in the event that, prior to the giving of such notice by the Issuer, the relevant Noteholder had already delivered an Exercise Notice in relation to such Note in accordance with Condition 6(f) below.

So long as the Notes are admitted to trading on a Regulated Market and the rules of that stock exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in accordance with Articles 221-3 and 221-4 of the General Regulation (*Règlement Général*) of the AMF and on the website of any other competent authority and/or Regulated Market where the Notes are admitted to trading, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes a list of any Definitive Materialised Notes drawn for redemption but not surrendered.

(e) Redemption at the Option of the Issuer and Exercise of Issuer's Options and Partial Redemption

If Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) redeem, or exercise any Issuer's option (as may be described in the relevant Final Terms) in relation to, all or, if so provided, some, of the Notes on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified in the relevant Final Terms and no greater than the maximum nominal amount to be redeemed specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the certificate numbers of the Definitive Materialised Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange requirements.

In the case of a partial redemption of or a partial exercise of an Issuer's option in respect of Dematerialised Notes of any Series, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed and those Dematerialised Notes that will not be redeemed shall be made in accordance with Article R.213-16 of the Code and the provisions of the relevant Final Terms, subject to compliance with any other applicable laws and stock exchange requirements.

So long as the Notes are admitted to trading on a Regulated Market and the rules of that stock exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in accordance with Articles 221-3 and 221-4 of the General Regulation (*Règlement Général*) of the AMF and on the website of any other competent authority and/or Regulated Market where the Notes are admitted to trading, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes a list of any Definitive Materialised Notes drawn for redemption but not surrendered.

(f) Redemption at the Option of Noteholders and Exercise of Noteholders' Options

If Put Option is specified in the relevant Final Terms, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option or any other Noteholders' Option that may be set out in the relevant Final Terms (which must be exercised on an Option Exercise Date) the holder must deposit with any Paying Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent within the notice period. In the case of Materialised Notes, the Exercise Notice shall have attached to it the relevant Notes (together with all unmatured Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Fiscal Agent or the Paying Agent with a specified office in Paris as specified in the Exercise Notice. No option so exercised and, where applicable, no Note so deposited or transferred, may be withdrawn without the prior consent of the Issuer.

(g) Residual Maturity Call Option

If a Residual Maturity Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice in accordance with Condition 14 to the Noteholders redeem the Notes, in whole or in part, at par together with interest accrued to, but excluding, the date fixed for redemption, which shall be no earlier than (i) three months before the Maturity Date in respect of Notes having a maturity of not more than seven years or (ii) six months before the Maturity Date in respect of Notes having a maturity of more than seven years, until the Maturity Date (in each case, the "**Residual Maturity Call Option Date**") as specified in the relevant Final Terms.

For the purpose of the preceding paragraph, the maturity of not more than seven years or the maturity of more than seven years shall be determined as from the Issue Date of the first Tranche of the relevant Series of Notes.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption, the relevant provisions of Condition 6(d) shall apply *mutatis mutandis* to this Condition 6(g).

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

(h) Redemption at the Option of Noteholders following a Change of Control

If Change of Control Put Option is specified in the relevant Final Terms, and if at any time while any such Note remains outstanding there occurs a Change of Control of the Issuer and within the Change of Control Period a Rating Downgrade occurs as a result of that Change of Control or as a result of a Potential Change of Control (a “**Put Event**”), then the holder of such Note will have the option (the “**Change of Control Put Option**”) (unless, prior to the giving of the Put Event Notice (as defined below), the Issuer gives notice of its intention to redeem such Note under Condition 6(c)) to require the Issuer to redeem or, at the Issuer’s option, to procure the purchase of that Note on the Optional Redemption Date (all as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date.

A “**Change of Control**” shall be deemed to have occurred at each time that any person or persons acting in concert come(s) to own or acquire(s) (i) more than 50 per cent. of the issued share capital of the Issuer or (ii) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights.

“**Change of Control Period**” means:

- (i) pursuant to a Change of Control, the period commencing on the date of the public announcement of the result (*avis de résultat*) by the *Autorité des marchés financiers* (the “**AMF**”) of the relevant Change of Control and ending on the date which is 90 days (inclusive) after the date of the public announcement by the AMF of the relevant Change of Control provided that (a) a Rating Downgrade occurs during that period and (b) such Rating Downgrade results from a Change of Control; or
- (ii) pursuant to a Potential Change of Control, the period commencing 180 days prior to the date of the public announcement of the result (*avis de résultat*) by the AMF of the relevant Change of Control and ending on the date of such announcement (inclusive) provided that (a) a Rating Downgrade occurs during that period and (b) such Rating Downgrade results from a Potential Change of Control.

“**Rating Agency**” means S&P or any other rating agency of equivalent international standing requested from time to time by the Issuer to grant a rating to the Notes and, in each case, their respective successors or affiliates.

A “**Rating Downgrade**” shall be deemed to have occurred in respect of a Change of Control or in respect of a Potential Change of Control if within the Change of Control Period:

(A) the rating previously assigned to the Notes by any Rating Agency is (x) withdrawn or (y) changed from an investment grade rating (BBB-, or its respective equivalents for the time being, or better) to a non-investment grade rating (BB+, or their respective equivalents for the time being, or worse) or (z) if the rating previously assigned to the Notes by any Rating Agency was below an investment grade rating (as described above), lowered by at least one full rating notch, or

(B) the Notes have no credit rating, and no Rating Agency assigns within the Change of Control Period an investment grade credit rating to the Notes, unless the Issuer has a credit rating from a Rating Agency, in which case paragraph (A) shall apply to the credit rating assigned to the Issuer by any Rating Agency; and

provided that (i) a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control or Potential Change of Control, as the case may be, if the Rating Agency making the change in rating does not publicly announce or publicly confirm that the reduction was the result of the Change of Control or the Potential Change

of Control, as the case may be, and (ii) any Rating Downgrade has to be confirmed in a letter, or other form of written communication, sent to the Issuer and publicly disclosed.

“Potential Change of Control” means any public announcement or statement by the Issuer, any actual or potential bidder relating to any potential Change of Control of the Issuer.

As soon as the Rating Agency authorises the Issuer to disclose the Rating Downgrade, the Issuer becoming aware that a Put Event has occurred shall promptly give notice (a **“Put Event Notice”**) to the Noteholders in accordance with Condition 14 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option to require redemption or, as the case may be, purchase of a Note following a Put Event, the holder of that Note must in the case of Dematerialised Notes, transfer or cause to be transferred or, in the case of Materialised Notes, deposit or cause to be deposited such Note (together, if applicable, with all unmatured Coupons and unexchanged Talons) with any Paying Agent at its specified office within the period (the **“Put Period”**) of 45 days after the Put Event Notice is given together with a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (as applicable) (a **“Put Option Notice”**) and in which the holder may specify a bank account to which payment is to be made.

The Issuer shall redeem or, at the option of the Issuer, procure the purchase of, the Notes in respect of which the Change of Control Put Option has been validly exercised as provided above, and subject to the transfer of such Notes to the account of the relevant Paying Agent for the account of the Issuer as described above on the date which is the fifth Business Day following the end of the Put Period (the **“Optional Redemption Date”**). Payment in respect of any Note so transferred will be made in Euro to the holder to the specified Euro-denominated bank account in the Change of Control Put Option Notice on the Optional Redemption Date via the relevant Paying Agent.

(i) Clean-Up Call Option

If a Clean-Up Call Option is specified in the relevant Final Terms and if 80 per cent. or any other percentage above as specified in the relevant Final Terms (the **“Clean-Up Percentage”**) of the initial aggregate nominal amount of Notes of the same Series have been redeemed or purchased and, in each case, cancelled, the Issuer may, on giving not less than 15 nor more than 30 days’ irrevocable notice in accordance with Condition 14 to the Noteholders redeem the Notes, in whole but not in part, at the Early Redemption Amount together with interest accrued to, but excluding, the date fixed for redemption.

(j) Purchases

The Issuer and any of its Subsidiaries may at any time purchase Notes (provided that, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. Unless the possibility of holding and reselling is expressly excluded in the Final Terms, all Notes so purchased by the Issuer may be held and resold in accordance with applicable French laws and regulations.

(k) Cancellation

All Notes purchased by or on behalf of the Issuer for cancellation or any of its Subsidiaries will forthwith be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Notes, by surrendering each such Materialised Note together with all unmatured Coupons and all unexchanged Talons to the Fiscal Agent and, in each case, if so transferred or surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any

Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(l) Illegality

If, by reason of any change in French law or any change in the official application of such law, becoming effective after the Issue Date, it becomes unlawful for the Issuer to perform or comply with one or more of its obligations under the Notes, the Issuer will, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption.

7 Payments and Talons

(a) Dematerialised Notes

Payments of principal and interest in respect of Dematerialised Notes shall be made (i) in the case of Dematerialised Notes in bearer dematerialised form or administered registered dematerialised form, by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the relevant Noteholder and (ii) in the case of Dematerialised Notes in fully registered form, to an account denominated in the relevant currency with a Bank designated by the relevant Noteholder. All payments validly made to such Account Holders will constitute an effective discharge of the Issuer in respect of such payments.

(b) Materialised Notes

Payments of principal and interest in respect of Materialised Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Materialised Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(v)) or Coupons (in the case of interest, save as specified in Condition 7(f)(v)), as the case may be, (i) in the case of a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank and (ii) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a Bank. “**Bank**” means a bank in the principal financial centre for such currency or, in the case of Euro, in a city in which banks have access to the TARGET System, or in the case of RMB, in Hong Kong.

(c) Payments in the United States

Notwithstanding the foregoing, if any Materialised Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Materialised Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) Payments Subject to Fiscal Laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) Appointment of Agents

The Fiscal Agent, the Paying Agents, the Calculation Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Redenomination Agent, the Registration Agent and the Consolidation Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent expert(s) and, in each case, do not assume any obligation or relationship of agency or trust for or with any Noteholder or holder of a coupon (a “**Couponholder**”). The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Redenomination Agent, the Registration Agent, the Consolidation Agent and the Calculation Agent(s), and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) Paying Agents having specified offices in at least two major European cities of which, so long as the Notes are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and the rules of such Regulated Market so require, one shall be Luxembourg, and a Paying Agent having a specified office in a major European city outside France, (v) in the case of Dematerialised Notes in fully registered form, a Registration Agent and, (vi) such other agents as may be required by the rules of any other stock exchange on which the Notes may be admitted to trading.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Materialised Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 14 below.

(f) Unmatured Coupons and Unexchanged Talons

- (i) Unless Materialised Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Materialised Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) If Materialised Notes so provide, upon the due date for redemption of any such Materialised Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Materialised Note, any unexpired Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Materialised Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any such Note is presented for redemption without any unexpired Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Materialised Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and

surrender if appropriate) of the relevant Note representing it, as the case may be. Interest accrued on a Materialised Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note representing it, as the case may be.

(g) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) Non-Business Days

If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (B) on which banks and foreign exchange markets are open for business in such jurisdictions as shall be specified as “**Financial Centres**” in the relevant Final Terms and (C) (i) (in the case of a payment in a currency other than Euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) (in the case of a payment in Euro) which is a TARGET Business Day, or (iii) (in the case of a payment in Renminbi) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

(i) Payment of US Dollar Equivalent

Notwithstanding any other provision in these Conditions, if an Inconvertibility, Non-Transferability or Illiquidity occurs or if RMB is otherwise not available to the Issuer as a result of circumstances beyond its control and such unavailability has been confirmed by a RMB Dealer, following which the Issuer is unable to satisfy payments of principal or interest (in whole or in part) in respect of RMB Notes, the Issuer on giving not less than five nor more than 30-days irrevocable notice to the Noteholders prior to the due date for payment, may settle any such payment (in whole or in part) in US dollars on the due date at the US Dollar Equivalent of any such RMB denominated amount.

In such event, payments of the US Dollar Equivalent of the relevant principal or interest in respect of the Notes shall be made by transfer to the U.S. dollar account of the relevant Account Holders for the benefit of the Noteholders. For the avoidance of doubt, no such payment of the US Dollar Equivalent shall by itself constitute a default in payment within the meaning of Condition 10.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7(i) by the RMB Rate Calculation Agent, will (in the absence of manifest error) be binding on the Issuer, the Agents and all Noteholders.

For the purposes of this Condition 7(i):

“**Governmental Authority**” means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong or any other relevant jurisdiction of a Renminbi offshore market.

“**Illiquidity**” means that the general RMB exchange market in Hong Kong or any other relevant jurisdiction of a Renminbi offshore market becomes illiquid, other than as a result of an event of

Inconvertibility or Non-Transferability, as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two RMB Dealers as a result of which event the Issuer cannot, having used its reasonable endeavours, obtain sufficient RMB in order fully to satisfy its obligation to pay interest or principal in respect of the RMB Notes.

“**Inconvertibility**” means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of RMB Notes in the general RMB exchange market in Hong Kong or any other relevant jurisdiction of a Renminbi offshore market, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

“**Non-Transferability**” means the occurrence of any event that makes it impossible for the Issuer to deliver RMB between accounts inside Hong Kong or any other relevant jurisdiction of a Renminbi offshore market from an account inside Hong Kong or any other relevant jurisdiction of a Renminbi offshore market or to an account outside Hong Kong or any other relevant jurisdiction of a Renminbi offshore market, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

“**RMB Dealer**” means an independent foreign exchange dealer of international repute active in the RMB exchange market in Hong Kong or any other relevant jurisdiction of a Renminbi offshore market reasonably selected by the Issuer.

“**RMB Note**” means a Note denominated in RMB.

“**RMB Rate Calculation Agent**” means the agent appointed from time to time by the Issuer for the determination of the RMB Spot Rate or identified as such in the relevant Final Terms.

“**RMB Rate Calculation Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong or any other relevant jurisdiction of a Renminbi offshore market and in New York City.

“**RMB Rate Calculation Date**” means the day which is two RMB Rate Calculation Business Days before the due date for payment of the relevant RMB amount under the Conditions.

“**RMB Spot Rate**” for a RMB Rate Calculation Date means the spot CNY/US dollar exchange rate for the purchase of US dollars with CNY in the over-the-counter CNY exchange market in Hong Kong or any other relevant jurisdiction of a Renminbi offshore market for settlement on the relevant due date for payment, as determined by the RMB Rate Calculation Agent at the Relevant Time as specified in the relevant Final Terms on such RMB Rate Calculation Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither such rate is available, the RMB Rate Calculation Agent will determine the RMB Spot Rate at the Relevant Time as specified in the relevant Final Terms on the RMB Rate Calculation Date as the most recently available CNY/U.S. dollar official fixing rate for settlement on the relevant due date for payment reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

“**US Dollar Equivalent**” means the relevant RMB amount converted into US dollars using the RMB Spot Rate for the relevant RMB Rate Calculation Date, as calculated by the RMB Rate Calculation Agent.

8 Taxation

(a) Withholding Tax exemption

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes or Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

(b) Additional Amounts

If the law or regulation of a Relevant Jurisdiction should require that payments of principal, or interest in respect of any Note or Coupon be subject to deduction or withholding in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within any Relevant Jurisdiction or any authority therein or thereof having power to tax, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon, as the case may be:

- (i) **Other connection:** to, or to a third party on behalf of, a Noteholder or, if applicable, a Couponholder, as the case may be, who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Note or Coupon; or
- (ii) **Presentation more than 30 days after the Relevant Date:** in the case of Materialised Notes, more than 30 days after the Relevant Date except to the extent that the Noteholder or, if applicable a Couponholder, as the case may be, would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day.

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Nominal Amounts and all other amounts in the nature of principal payable pursuant to Condition 7 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition.

(c) Supply of information

Each Noteholder shall be responsible for supplying to the relevant Paying Agent, in a timely manner, any information as may be required in order to comply with the identification and reporting obligations imposed on it by Article 242 ter of the French *Code général des impôts* and Articles 49 I ter to 49 I sexies of Annexe III to the French *Code général des impôts*.

9 Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Events of Default

The Representative (as defined under Condition 11), upon request of any Noteholder, may, upon written notice to the Issuer and the Fiscal Agent given before all defaults shall have been cured, cause the principal amount of all the Notes (but not some only) held by such Noteholder to become immediately due and payable, together with accrued interest thereon, as of the date on which such notice for payment is received by the Fiscal Agent without further formality, if any of the following events (each an “**Event of Default**”) shall occur:

- (i) in the event of default by the Issuer in the payment of principal and interest on any Note, when and as the same shall become due and payable, if such default shall not have been cured within 7 business days from such due date;
- (ii) in the event of default by the Issuer in the due performance of any other provision of the Notes, if such default shall not have been cured within 21 business days after receipt by the Fiscal Agent of written notice of such default given by a Noteholder;
- (iii) any other present or future indebtedness of the Issuer or any of its Principal Subsidiaries for borrowed monies in excess of Euro 100,000,000 (or its equivalent in any other currency), whether individually or in the aggregate, becomes, following, where applicable, the expiry of any originally applicable grace period, due and payable prior to its stated maturity as a result of a default thereunder, or any such indebtedness shall not be paid when due or, as the case may be, within any originally applicable grace period therefor or any steps shall be taken to enforce any security in respect of any such indebtedness or any guarantee or indemnity given by the Issuer or any of its Principal Subsidiaries for, or in respect of, any such indebtedness of others shall not be honoured when due and called upon;
- (iv) a judgement is issued for the judicial liquidation (*liquidation judiciaire*) or for a transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer or any of its Principal Subsidiaries or, to the extent permitted by law, the Issuer or any of its Principal Subsidiaries is subject to any other insolvency or bankruptcy proceedings or the Issuer or any of its Principal Subsidiaries makes any conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors. For the purpose solely of this paragraph, the term “**Principal Subsidiaries**” shall have the same meaning as under Condition 4 hereinabove; or
- (v) in the event that the Issuer or any of its Principal Subsidiaries ceases to carry on all or a material part of its or their business or other operations, except for the purposes of and following a merger or reorganisation (*fusion, scission* or *apport partiel d'actifs*) (i) on terms approved by the General Meeting of the Noteholders if French law were to require such merger or reorganisation to be approved by the General Meeting of the Noteholders or (ii) or in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are vested in the Issuer, another of its Principal Subsidiaries or any other Subsidiary which as a result of such merger or reorganisation becomes a Principal Subsidiary.

11 Representation of Noteholders

In respect of the representation of the Noteholders, the following shall apply:

a) Full *Masse*

If the relevant Final Terms specify “Full *Masse*”, the Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse* (the “*Masse*”) and the provisions of the French *Code de Commerce* relating to the *Masse* shall apply, as completed by, and subject to the below provisions of this Condition 11(a).

- (i) **Legal Personality:** The *Masse* will be a separate legal entity and will act in part through a representative (the “**Representative**”) and in part through a general meeting of the Noteholders (a “**General Meeting**”).
- (ii) **Representative:** The names and addresses of the initial Representative (as defined below) of the *Masse* and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the representative of the single *Masse* of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement, dissolution or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement, dissolution or revocation of appointment of the alternate Representative, an alternate will be elected by the General Meeting.

- (iii) **General Meetings:** In accordance with Article R.228-71 of the French *Code de Commerce*, the right of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the second business day in Paris preceding the date set for the meeting of the relevant General Meeting.

Each Noteholder has the right to participate in a General Meeting in person, by proxy, by correspondence and, in accordance with Article L.228-61 of the French *Code de commerce*, by videoconference or by any other means of telecommunication allowing the identification of participating Noteholders, as provided *mutatis mutandis* by Article R.223-20-1 of the French *Code de commerce*.

Decisions of General Meetings once approved will be published in accordance with the provisions set forth in Condition 14. The decisions referred to in Articles R.228-61, R.228-79 and R.236-11 of the French *Code de commerce* will be published, to the extent permitted by such Articles, in accordance with Condition 14.

or

b) Contractual *Masse*

If the Notes have a denomination of at least Euro 100,000 or its equivalent in any other currency or are issued outside France for the purpose of Article L.228-90 of the French *Code de Commerce*, the relevant Final Terms may specify “Contractual *Masse*”, in which case Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse* (in each case, the “*Masse*”), which will be subject to the below provisions of this Condition 11(b).

The *Masse* will be governed by the provisions of the French *Code de commerce*, with the exception of Articles L.228-48, L.228-59, R.228-61, R.228-63, R.228-69, R.228-79 and R.236-11 of the French *Code de Commerce* and subject to the following provisions:

- (i) **Legal Personality:** The *Masse* will be a separate legal entity and will act in part through a representative (the “**Representative**”) and in part through a general meeting of the Noteholders (the “**General Meeting**”).
- (ii) The *Masse* alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.
- (iii) **Representative:** The office of the Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representatives:
 - (a) the Issuer, the members of its Board of Directors (*Conseil d'Administration*), its general managers (*directeurs généraux*), its statutory auditors, or its employees as well as their ascendants, descendants and spouses; or
 - (b) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors (*Conseil d'administration*), Management Board (*Directoire*) or Supervisory Board (*Conseil de surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouses; or
 - (c) companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
 - (d) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative of the *Masse* and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single *Masse* of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement, dissolution or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of death, retirement, dissolution or revocation of appointment of the alternate Representative, an alternate will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

- (iv) **Powers of the Representative:** The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not interfere in the management of the affairs of the Issuer.

- (v) **General Meeting:** A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting, together with the proposed agenda for such General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 14 not less than 15 days prior to the date of such General Meeting.

Each Noteholder has the right to participate in a General Meeting in person, by proxy, correspondence, or, videoconference or any other means of telecommunications allowing the identification of the participating Noteholders as provided *mutatis mutandis* by Article R.223-20-1 of the French *Code de commerce*. Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

- (vi) **Powers of the General Meetings:** The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) to Noteholders, nor establish any unequal treatment between the Noteholders, nor to decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by Noteholders attending such General Meetings or represented thereat.

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder on the second business day in Paris preceding the date set for the meeting of the relevant General Meeting at 0:00, Paris time.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 14.

- (c) **Information to Noteholders:** Each Noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents and at any other place specified in the notice of the General Meeting.
- (d) **Expenses:** The Issuer will pay all expenses relating to the operation of the *Masse*, including expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.
- (e) **Single Masse:** The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 13, shall, for the defence of their respective common interests, be grouped in a single *Masse*. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single *Masse* of all such Series.
- (f) **One Noteholder:** If and for so long as the Notes of any Series are held by a single Noteholder and unless a Representative has been appointed in relation to such Series, such Noteholder shall exercise all powers,

rights and obligations entrusted to the *Masse* by the provisions of Condition 11. The Issuer shall hold a register of the decisions taken by the sole Noteholder and shall make them available, upon request, to any subsequent holder of any of the Notes of such Series.

For the avoidance of doubt, in this Condition 11 “**outstanding**” shall not include those Notes subscribed or purchased by the Issuer that are held by it and not cancelled pursuant to applicable French laws and regulations as referred to in Condition 6(j).

12 Replacement of definitive Notes, Coupons and Talons

If, in the case of any Materialised Notes, a Definitive Materialised Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Definitive Materialised Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Definitive Materialised Notes, Coupons or Talons must be surrendered before replacements will be issued.

13 Further Issues and Consolidation

The Issuer may from time to time without the consent of the Noteholders, or Couponholders create and issue further notes to be assimilated (*assimilées*) with the Notes provided such Notes and the further Notes carry rights identical in all respects (or in all respects save for issue date, issue price, the principal amount thereof and the first payment of interest) and that the terms of such Notes provide for such assimilation, and references in these Conditions to “**Notes**” shall be construed accordingly.

The Issuer may from time to time on any Interest Payment Date occurring on or after the date specified for a redenomination of the notes pursuant to Condition 1(d), on giving not less than 30 days’ prior notice to the Noteholders in accordance with Condition 14, without the consent of the Noteholders or the Couponholders, consolidate the Notes with one or more issues of other notes issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other notes have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

14 Notices

- (a) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or, (ii) at the option of the Issuer, they are published (a) so long as such Notes are admitted to trading on Euronext Paris, in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF and, (b) so long as such Notes are admitted to trading on any other Regulated Market or other stock exchange, and, to the extent applicable, laws or regulations or the rules of such Regulated Market or other stock exchange(s) so require, on the website of any other competent authority or Regulated Market of the EEA Member State where the Notes are admitted to trading, or (c) as otherwise provided in applicable laws, regulations or rules.
- (b) Notices to the holders of Materialised Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if, at the option of the Issuer, they are published (i) so long as such Notes are admitted to trading on Euronext Paris, in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement*

Général) of the AMF and, (ii) so long as such Notes are admitted to trading on any other stock exchange including any other Regulated Market, (a) in a leading daily newspaper of general circulation in the city/ies where the Regulated Market(s), or other stock exchange on which such Notes are admitted to trading is located, if the rules applicable to such Regulated Market or other stock exchange so require, or (b) on the website of any other competent authority or Regulated Market of the EEA Member State where the Notes are admitted to trading, or (c) or as otherwise provided in applicable laws, regulations or rules.

- (c) If any such publication is not practicable, notice shall be validly given if published in a leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Notes in accordance with this Condition.
- (d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication of a notice required by Conditions 14(a), (b) and (c) above; except that notices will be published (a) so long as such Notes are admitted to trading on Euronext Paris, in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF and (b) so long as the Notes are admitted to trading on any other Regulated Market(s) and the rules of such Regulated Market(s) so require, notices shall be published on the website of any other competent authority or Regulated Market of the EEA Member State where the Notes are admitted to trading, or (c) as otherwise provided in applicable laws, regulations or rules.

15 No Hardship (*Imprévision*)

Article 1195 of the French *Code civil* shall not apply to these Conditions.

16 Governing Law and Jurisdiction

(a) Governing Law

The Notes (and, where applicable, the Coupons and the Talons) and all non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, French law.

(b) Jurisdiction

Any claim against the Issuer in connection with any Notes, Coupons or Talons may be brought before any competent court located in Paris.

TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALIZED NOTES

Temporary Global Certificate

A Temporary Global Certificate, without interest Coupons, will initially be issued in connection with Materialised Notes. Upon the initial deposit of such Temporary Global Certificate with a common depository for Euroclear and Clearstream (the “**Common Depository**”), Euroclear or Clearstream will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depository may also (if indicated in the relevant Final Terms) credit the accounts of subscribers with other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems with a nominal amount of Notes. Conversely, a nominal amount of Notes that is initially deposited with any clearing system other than Euroclear or Clearstream may similarly be credited to the accounts of subscribers with Euroclear or Clearstream.

Exchange

Each Temporary Global Certificate issued in respect of Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “**Subscription and Sale**”), in whole, but not in part, for Definitive Materialised Notes; and
- (ii) otherwise, in whole but not in part, upon certification as to non-US beneficial ownership in the form set out in the Agency Agreement for Definitive Materialised Notes.

A Noteholder must exchange its share of the Temporary Global Certificate for Materialised Notes before interest or any amount payable in respect of the Notes will be paid.

Delivery of Definitive Materialised Notes

On or after its Exchange Date, the holder of the Temporary Global Certificate must surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for the Temporary Global Certificate so surrendered, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Notes.

In this Base Prospectus, “Definitive Materialised Notes” means, in relation to any Temporary Global Certificate, the Definitive Materialised Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Notes will be security printed in accordance with any applicable legal and stock exchange requirements in, or substantially in, the form set out in Schedule 2 Part A to the Agency Agreement.

Exchange Date

“**Exchange Date**” means, in relation to a Temporary Global Certificate, the day next succeeding the day that is 40 days after its issue date, provided that, in the event any further Materialised Notes are issued prior to such day pursuant to Condition 13, the Exchange Date for such Temporary Global Certificate shall be postponed to the day falling after the expiry of 40 days after the issue of such further Materialised Notes.

USE OF PROCEEDS

The net proceeds of the issue of Notes will be used for the general business of Schneider Electric. If in respect of any particular issue of Notes, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

DESCRIPTION OF SCHNEIDER ELECTRIC S.E.

The description of the Issuer has been incorporated by reference in Section “Documents incorporated by reference” pages 63 to 67 of this Base Prospectus.

RECENT DEVELOPMENTS

Press release of 27 July 2017 on Schneider Electric second quarter revenues and first half results for the period ending 30 June 2017

“Accelerating growth & profit in H1: Revenue up +4% reported, Adj. EBITA +8%, Net Income +18%, FCF +15%

- **H1 revenue of €12.2bn, +2.7% organic, +4.1% outside Infrastructure**
- **H1 adj. EBITA margin up 60bps1 org., to 14.1%**
- **H1 Net income up +18%, Free Cash Flow up +15%**
- **Good progress on strategic roadmap with Products up +4%, Services & Software orders up c. +4%. EcoStruxure progressing well**
- **Infrastructure Rebound on track, adj. EBITA margin +1.5pt in H1; Moving to next phase**
- **Upgraded FY targets**

Key figures (€ million)	2016 HY ¹¹ restated	2017 HY	Reported Change	Organic Change
Revenues	11,742	12,173	+3.7%	+2.7%
Adjusted EBITA	1,587	1,718	+8.3%	+7%
<i>% of revenues</i>	<i>13.5%</i>	<i>14.1%</i>	<i>+60 bps</i>	<i>+60 bps</i>
Net Income (Group share)	809	958	+18%	
Free Cash Flow	436	501	+15%	

Jean-Pascal Tricoire, Chairman and CEO, commented: *“In the first half of this year, we deliver a solid organic growth of +4.1% in Building, Industry and IT and a total organic growth for the Group of +2.7%. In line with our plan, we continue to grow our profitability, achieving +60bps improvement in our adjusted EBITA margin. We also deliver strong cash generation with Free Cash Flow up +15%. In H1, we continue to maximize the synergies between our technologies through our integrated sales & delivery model, providing added value for our customers. We continue to grow our products, services & software and improve margin on systems. Infrastructure Rebound is on track, achieving double-digit margin in the last 12 months with an H1 margin improvement of +1.5pt. We project the next phase of the Rebound, with the aim to improve the performance of Infrastructure to the next level. Our Digital EcoStruxure platform is accelerating and we continue to scale up in our 6 domains. Following this strong H1 performance, we raise our objectives for 2017.”*

I SECOND QUARTER REVENUES WERE UP +2.2% ORGANICALLY

2017 Q2 revenues were **€6,333 million**, up **+2.2%** organically and **+2.9%** on a reported basis. Excluding c.-€60m from project selectivity and -1.5pt working day impact in the quarter, organic underlying growth stood at **c. +4.7%**.

¹¹ Compared to 2016 restated for Solar

Organic growth by business

€ million	H1 2017		Q2 2017	
	Revenues	Organic growth	Revenues	Organic growth
Building	5,341	+4.0%	2,785	+4.2%
Industry	2,907	+5.7%	1,491	+6.0%
Infrastructure	2,156	-3.7%	1,120	-4.9%
IT	1,769	+2.1%	937	-0.1%
Group	12,173	+2.7%	6,333	+2.2%

Buildings (Low Voltage, 43% of Q2 revenues) was up +4.2%¹² organically and showed solid growth across all four regions. The Group's strategic initiatives delivered good results: Final Distribution & Wiring Devices was up c. +5% thanks to initiatives leveraging its partner network, and EcoStruxure Building showed encouraging results. North America saw solid growth in Final Distribution & Wiring Devices. Additionally, the U.S. benefitted from good traction in data center and healthcare segments, as well as the execution of projects in energy performance contracting. Despite a negative working day impact, Western Europe grew in favorable end-markets. Asia-Pacific performance benefitted from good momentum in China where construction remained positive and diversification to targeted segments delivered results, while Australia remained negative though sequentially improving. Rest of the world was positive, with particularly good results in CIS, thanks to the medium offer strategy, and Africa. South America was down while the Middle East was slightly up.

IT (Secure Power, 15% of Q2 revenues) was about flat in Q2 organically. The Group continued to see good trends in data centers, particularly in 3-phase and in medium and low voltage. The U.S. saw growth in 3-phase UPS, but the performance was impacted by lower sales in IT channels, although orders grew slightly, and racks. Western Europe was slightly up with growth in data centers in France, Germany, and the U.K., notably in the 3-phase UPS offer. Asia-Pacific was up benefiting from strong growth in India, where the Luminous business performed well, and from growth in China, where the focus on the data center segment is yielding results. Japan performance was impacted by distributor destocking. Rest of the world was stable with growth in CIS but a decline in the Middle-East. Services continued to grow strongly.

Industry (Industrial Automation, 24% of Q2 revenues) was up +6.0% organically, with growth in all four regions. The Group saw continued success in its expansion into growing segments and benefitted from good growth in products sold through distributors as well as good momentum in its EcoStruxure offers. Process Automation returned to growth with increasing opportunities in brownfield operations. In this positive market, the Group has seen a tight market in the procurement of some electronic components which has tempered even further growth. China performed strongly with high demand from OEM and targeted segments. North America was up strongly. Western Europe was up with growth in German and U.K. OEM markets offsetting weakness in France. Software was about flat, still impacted by the weaker resources market of last year, though orders grew in the quarter.

Infrastructure (Medium Voltage, 18% of Q2 revenues) was down -4.9% organically, flat excluding selectivity initiatives which impacted revenues by c. -€60m in Q2. The Group continues to progress on the Infrastructure Rebound program focusing on growing transactional, services and EcoStruxure Grid, while turning around its lower margin businesses. During the quarter, transactional sales grew in the U.S. and China, and the business saw good traction with service orders. Selectivity initiatives will be completed by Q4 2017, to reposition the business for continued margin improvement.

In Q2 the product business represented 59% of revenues and was up +3% organically. Services grew +2%.

¹² The organic growth of Building including Delixi, which is deconsolidated since 2016, would have been c. +5% in Q2.

Organic growth by geography

€ million	H1 2017		Q2 2017	
	Revenues	Organic growth	Revenues	Organic growth
Western Europe	3,322	+1%	1,687	0%
Asia-Pacific	3,334	+6%	1,799	+6%
North America	3,433	+2%	1,771	+1%
Rest of the World	2,084	+2%	1,076	+2%
Group	12,173	+2.7%	6,333	+2.2%

Western Europe (27% of Q2 revenues) performed well, capitalizing on channel initiatives employed across the region. In Q2 sales were flat after including the impacts of negative working days and selectivity. The trends remain favorable in construction and OEM markets. Spain, Italy and Germany grew, the U.K. was slightly down, while Nordics suffered from a high base of comparison linked to new ranges launched in 2016. In France, end-market trends remained positive but performance was impacted by distributors' destocking, which should reverse in H2.

Asia-Pacific (28% of Q2 revenues) was up **+6%** organic, mainly driven by growth in China. China benefitted from strong growth in industrial demand and further repositioning on growing segments, including consumer related industries. India was up for the quarter. South-East Asia was mixed with good growth in Malaysia and Vietnam offsetting Korea. Australia was negative but showed some early signs of sequential improvement.

North America (28% of Q2 revenues) was up **+1%**. The U.S. posted strong growth in Building and Industry. In a positive construction market, Building continued to benefit from the rollout of some offers and from its focus on growing market segments such as data centers and healthcare, and a rebound in industrial buildings. Industry grew in its offers for OEM, in a favorable market, and Process Automation improved. IT declined, though the outlook remains positive, and Infrastructure continued to be impacted by the weak capital expenditure demand from last year and selectivity initiatives. Mexico grew, mainly due to a favorable construction market. Canada declined on lower Infrastructure project execution.

Rest of the World (17% of Q2 revenues) was up **+2%** organically, driven by growth across businesses in Africa and CIS. Middle East continued to suffer from a difficult economic environment with additional impact seen in Qatar, while Turkey posted solid growth. South America was mixed, with Brazil stabilizing while Chile performance deteriorated in a difficult market.

Q2 2017 revenues in new economies were up **+5%** and represented **42%** of total revenues.

Consolidation¹³ and foreign exchange impacts

Net acquisitions had an impact of **-€8 million or -0.1%**. DTN (consolidated under the Infrastructure business) and some minor acquisitions and disposals in other businesses.

The impact of foreign exchange fluctuations was positive at **+€51 million or +0.8%**, primarily due to the strengthening of the U.S. dollar and several new economies' currencies against the euro.

Based on current rates, the FX impact on FY 2017 revenues is estimated to be around **-€250m**.

¹³ Changes in scope of consolidation also include some minor reclassifications of offers among different businesses.

II HALF YEAR 2017 KEY RESULTS

€ million	2016 HY ¹⁴	2017 HY	Change	Organic change
Revenues	11,742	12,173	+3.7%	+2.7%
Gross Profit	4,517	4,715	+4.4%	+3.4%
<i>Gross profit margin</i>	<i>38.5%</i>	<i>38.7%</i>	<i>+0.2pt</i>	<i>+0.3pt</i>
Support Function Costs	(2,930)	(2,997)	+2.3%	+1.4%
Adjusted EBITA	1,587	1,718	+8.3%	+7.0%
<i>Adjusted EBITA margin</i>	<i>13.5%</i>	<i>14.1%</i>	<i>+0.6pt</i>	<i>+0.6pt</i>
Restructuring costs	(131)	(156)		
Other operating income & expenses	(8)	71		
EBITA	1,448	1,633	+12.8%	
Amortization & impairment of purchase accounting intangibles	(82)	(61)		
Net income (Group share)	809	958	+18.4%	
Free Cash Flow	436	501	+15%	

ADJUSTED EBITA MARGIN AT 14.1%, UP +0.6 POINT ORGANIC VERSUS H1 2016 THANKS TO IMPROVING VOLUME, STRONG PRODUCTIVITY AND ATTENTION TO COSTS

Gross profit was up +4.4% and Gross margin improved by +0.2pt to 38.7% in H1 2017 thanks to strong productivity and an almost flat mix, despite negative net price¹⁵.

2017 H1 Adjusted EBITA reached **€1,718** million, increasing organically by +7%. The Adjusted EBITA margin improved +60 bps to 14.1%.

The key drivers contributing to the earnings change were the following:

- Volume impact was positive **+€97** million in H1.
- Solid execution of tailored supply chain initiatives contributed **+€206** million in industrial productivity the year, its highest level in H1 for the past 5 years, thanks to improving volume that boosted purchasing and Lean Manufacturing efficiency. The 3-year performance is set to beat the c.€1bn target.
- The net price¹⁶ impact was negative at **-€75** million, impacted by the raw materials headwind of **c.-€120** million. Pricing was positive **+€44m** in H1 and pricing compensated for 90% of products' raw material impact outside of China, with improvement expected in H2. In China, despite price investments, volume growth, strong productivity and cost efficiency protected the margin. H2 raw material impact is expected to be c.-€100m at current prices. Pricing actions needed to compensate for raw material increases will be balanced with opportunities for growth.
- Cost of Goods Sold inflation was **-€44** million, of which the production labor cost and other cost inflation was **-€31** million, and an increase in R&D in Cost of Goods Sold was **-€13** million.

¹⁴ Restated from Solar

¹⁵ Price less raw material impact

¹⁶ Price less raw material impact

- Support function costs increase organically by **€42 million** in H1. Total gross SFC reduction in H1 2017 is **c. €90 million**, enabling reinvestments of c. €60 million in strategic initiatives. Overall SFC to sales ratio improved by 40bps to 24.6%.
- Currency increased the adjusted EBITA by **+€19 million**, mainly due to the strengthening of the U.S. dollar and several new economies' currencies against the euro.
- Mix was negative at **-€9 million**, showing an improving trend vs. H1 2016 thanks notably to systems selectivity initiatives. It is slightly down mainly due to mix in the IT division.
- Acquisitions, net of divestments, and others, were negative at **-€21 million** for H1.

By business, the H1 2017 adjusted EBITA for **Building** amounted to €1,111 million, or **20.8%** of revenues, up +0.3 points year-on-year mainly thanks to better volumes, industrial productivity and positive mix. **Industry** generated an adjusted EBITA of €487 million, or **16.7%** of revenues, up +0.9 point benefiting from improving volume and productivity. **Infrastructure** adjusted EBITA was €180 million, or **8.4%** of revenues, up +1.5 point year-on-year thanks to higher system gross margin and strong cost control. **IT** business reported an adjusted EBITA of €256 million, **14.5%** of revenues, down -1.2 point impacted by negative mix, raw material impact, investments and one-offs.

Corporate costs in H1 2017 amounted to **-€316 million** or 2.6% of revenues.

NET INCOME UP +18%

The restructuring charges were **-€156 million** in H1 2017. Restructuring costs are expected to be in line with last year.

Other operating income and expenses had a positive impact of **€71 million**, vs. -€8 million in H1 2016, mainly driven by the disposal of DTN.

The amortization and depreciation of intangibles linked to acquisitions was **-€61 million**. The decrease in amortization comes mainly due to the end of the depreciation of acquired technologies and customer relationships from past acquisitions.

Net financial expenses were **-€184 million**, €63 million lower than in H1 2016. Cost of debt (net) decreased by €21 million, showing a continued decrease in the cost of financing. Other financial income and expenses improved by €42m compared to H1 2016, mainly on lower exchange losses.

Income tax amounted to **-€361 million**, representing an effective tax rate of 26% in line with the Group expectation of an effective tax rate of 26% to 28% for 2017.

Share of profit on associates amounted to **+€34 million**.

Income from Discontinued operations was a negative **-€76 million**, corresponding mainly to the depreciation of assets related to the deconsolidation of the Solar activity.

The Net Income was **€958 million** in H1 2017, up +18% from H1 2016.

FREE-CASH-FLOW INCREASES BY +15%

Free cash flow was **€501 million**, thanks to strong operating cash flow and working capital management. It included net capital expenditure of **-€351 million**. The trade working capital increased by **-€238 million** linked to volume growth.

BALANCE SHEET REMAINS SOLID

Schneider Electric's net debt¹⁷ at June 30, 2017 amounted to €4,948 million (€4,824 million in December 2016) after payment of €1.1 billion in dividend.

III INFRASTRUCTURE REBOUND PROGRAM ENTERS NEXT PHASE

In line with the Group's expectations, Infrastructure has seen a significant improvement in H1 in profitability with an improvement of +1.5pt, and reached 10.4% of Adjusted EBITA margin over the last twelve months. This increase reflects the good results obtained from a better management of systems, notably through selectivity, the good growth generated in activities with solid profitability (medium voltage products, services, EcoStruxure Grid), as well as the successful implementation of the cost efficiency program.

Moving forward, the Group will further accelerate the development of the c. €2.5Bn of Medium Voltage business positioned on growing markets that is highly synergetic with the low voltage business, already at mid-teens adjusted EBITA level.

The part of the portfolio of c. €2Bn, that consists mainly of projects and equipment and with a mid-single digit adjusted EBITA level, will undergo additional steps to generate increased efficiency for the business, and the Group as a whole. The Group will launch a project to implement a new organization designed to enable greater agility, autonomy and focus, with a dedicated manufacturing footprint and a specialized sales force for customers. This new organization would be focused on strong performance enhancement over the next 12 months as the Group carries out a strategic review, with all options being explored.

IV SHARE BUY BACK

As announced by the Group on June 1, 2017, following the finalization of its sales of Telvent DTN to TBG AG, Schneider Electric intends to use the net proceeds from this transaction towards a share buyback program of around €1bn ending June 2019.

V 2017 TARGETS UPGRADED

Following its strong performance in H1, the Group will continue to execute its strategic priorities. The Group expects the positive environment seen in H1 in its major end-markets to continue.

Therefore, the Group upgrades its 2017 objectives:

- The Group targets for 2017, organic revenue growth between +3% and +4% for the Group outside Infrastructure. For Infrastructure, the priority remains margin improvement. The selectivity for the division is expected to end in 2017 with an expected impact of c. -4% on revenue for the year. Outside of selectivity, the Group now expects the performance for the Infrastructure division to be a low single-digit organic growth.
- For 2017, the Group now targets the upper end of its initial +20 to +50 bps target range for the organic adjusted EBITA margin improvement. Following the evolution of currencies since April, the FX impact is now expected to be -10 to -20bps on the Adjusted EBITA margin for the year."

Appendix – Revenues breakdown by business

Second quarter 2017 revenues by business were as follows:

€ million	Q2 2017				
	Revenues	Organic growth	Changes in scope of consolidation	Currency effect	Reported growth

¹⁷ Net debt: Total current non and non-current financial liabilities minus cash and cash equivalent.

Building	2,785	+4.2%	+0.4%	+0.5%	+5.1%
Industry	1,491	+6.0%	+2.2%	+0.9%	+9.1%
Infrastructure	1,120	-4.9%	-4.0%	+0.9%	-8.0%
IT	937	-0.1%	0.0%	+2.1%	+2.0%
Group	6,333	+2.2%	-0.1%	+0.8%	+2.9%

Half year 2017 revenues by business were as follows:

€ million	HY 2017				
	Revenues	Organic growth	Changes in scope of consolidation	Currency effect	Reported growth
Building	5,341	+4.0%	+0.1%	+1.0%	+5.1%
Industry	2,907	+5.7%	+2.0%	+1.3%	+9.0%
Infrastructure	2,156	-3.7%	-4.2%	+1.6%	-6.3%
IT	1,769	+2.1%	0%	+2.4%	+4.5%
Group	12,173	+2.7%	-0.4%	+1.4%	+3.7%

Appendix – Revenues breakdown by geography

Second quarter 2017 revenues by geographical region were as follows:

€ million	Q2 2017		
	Revenues	Organic growth	Reported growth
Western Europe	1,687	0%	-2%
Asia-Pacific	1,799	+6%	+7%
North America	1,771	+1%	+4%
Rest of the World	1,076	+2%	+3%
Group	6,333	+2.2%	+2.9%

Half year 2017 revenues by geographical region were as follows:

€ million	HY 2017		
	Revenues	Organic growth	Reported growth
Western Europe	3,322	+1%	0%
Asia-Pacific	3,334	+6%	+7%
North America	3,433	+2%	+4%
Rest of the World	2,084	+2%	+4%
Group	12,173	+2.7%	+3.7%

Appendix – Consolidation impact on revenues and EBITA

In number of months	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

Telvent Transportation Infrastructure Business €125 million revenues in 2015	3m							
DTN Infrastructure Business \$213 million revenues in 2016		1m	3m	3m	3m	2m		

Appendix - Gross Margin, Analysis of Change

	HY 2017
	Gross Margin
2016 H1 GM	38.5%
Volume	0.0 pt
Net Price	(0.8) pt
Productivity	1.7 pt
Mix	(0.1) pt
R&D & Production Labor Inflation	(0.4) pt
FX	(0.1) pt
Scope & Others	(0.1) pt
2017 H1 GM	38.7%

Appendix - Results breakdown by division

€ million	2016 HY Restated	2017 HY
Revenues	11,742	12,173
Building	5,082	5,341
Industry	2,667	2,907
Infrastructure	2,300	2,156
IT	1,693	1,769
Adjusted EBITA	1,587	1,718
Building	1,042	1,111
Industry	424	487
Infrastructure	158	180
IT	266	256
Corporate	(303)	(316)

Appendix – Free Cash Flow

Analysis of debt change in €m	HY 2016 restated	HY 2017
Net debt at opening at Dec. 31	(4,631)	(4,824)
Operating cash flow	1,320	1,367
Capital expenditure – net	(400)	(351)
Change in trade working capital	(275)	(238)
Change in non-trade working capital	(207)	(277)
Free cash flow	436	501
Dividends	(1,127)	(1,133)
Acquisitions – net	(44)	558
Net capital increase	(273)	10
FX & other	(118)	(59)
(Increase) / Decrease in net debt	(1,092)	(123)
Net debt at June 30	(5,723)	(4,948)

Press release of 27 July 2017 - Schneider Electric enhances its position in Core Low Voltage with the acquisition of ASCO Power Technologies

Rueil-Malmaison (France), 27 July 2017– Schneider Electric, the global specialist in energy management and automation, announced today that it has signed an agreement to acquire Asco Power Technologies (“ASCO”), a leader in the Automatic Transfer Switch (“ATS”) market for a consideration of \$1,250m (c.€1,072m) in an all cash transaction. The acquisition enhances Schneider Electric’s EcoStruxure Power Platform in key markets and segments.

ASCO currently employs c.2,000 people, mainly in North America, and operates 7 manufacturing sites. Its revenues in CY2016¹⁸ reached \$468m with an adjusted EBITDA margin of c.23%. ASCO, founded in Baltimore, has a long history in Power Management first introducing ATS in 1925 and later expanding into surge, loadbanks, and fire pump and control applications. ASCO’s products are sold under the brands of ASCO, Firetrol, Avtron, Froment. Since December 2016, ASCO has been operating as a well- run and autonomous part of Vertiv (formerly Emerson Network Power).

ASCO is a market leader in power source management for critical buildings in North America. ATS automatically transfers critical loads from the primary source of power to the back-up power source in the event of a power outage. It requires compliance with specific technical regulation standards. Schneider Electric is the market leader in the ATS market in China. Both companies also operate in the ATS market in the rest of the world. With this acquisition Schneider Electric becomes the global market leader in ATS.

With the addition of the ASCO portfolio, Schneider Electric’s EcoStruxure Power Platform is further enhanced in North America with additional opportunities in the rest of the world. From an end-market perspective, the

¹⁸ CY2016: calendar year 2016

acquisition further enhances Schneider Electric's value proposition in the end-to-end Energy Management chain for customers in Healthcare, Financial services, Datacentres and other Critical Buildings.

The market for ATS presents attractive long-term growth opportunities as more commercial and industrial customers move towards autonomous or multi-source power management. This trend is driven by a more decentralized power generation world, core to Schneider Electric's strategic focus.

The transaction price of \$1,250m reflects a multiple of c.11.7x the adjusted EBITDA CY2016. The transaction will be accretive to the Group adjusted EBITA margin and will provide significant revenues and costs synergies expected to generate c.\$40m yearly in adjusted EBITA (approximately two-thirds from revenues synergies and one-third from costs synergies). The cost of implementing these synergies is expected to be up to \$50m. The transaction meets the return criteria set by the Group, with an expected accretion of Adjusted EPS¹⁹ in the first year and with an expected return on capital employed exceeding WACC beyond the third year post closing. The acquisition is subject to customary regulatory approvals and is expected to be closed by end-2017. Post deal closure, the ASCO business will form part of the Schneider Electric Building business (Low Voltage).

Jean-Pascal Tricoire, Chairman and CEO commented, "*ASCO brings to Schneider Electric a well-recognized brand in North America, a strong level of know-how, prescription skills and network and a diversified customer base. Its leading position in Automatic Transfer Switch in North America complements Schneider Electric's current offer in power distribution equipment in North America and it reinforces Schneider Electric's global leadership in energy management. With ASCO, we are enhancing our EcoStruxure Power management capabilities. This will help us to offer the most advanced solutions and technologies for critical buildings in a more decentralized world. A market with natural growth as more commercial and industrial customers move towards autonomous or multi-source energy management.*"

Press release of 5 September 2017 - Combination of AVEVA and the Schneider Electric industrial software business to create a global leader in engineering and industrial software

Rueil Malmaison, September 5, 2017 – Schneider Electric SE ("Schneider Electric") announces today that its Board of directors and AVEVA Group plc ("AVEVA" or the "Company") Board have reached agreement on the terms and conditions of a combination of AVEVA and Schneider Electric industrial software business (the "Schneider Electric Software Business") (forming, the "Enlarged AVEVA Group") to create a global leader in engineering and industrial software (the "Combination").

Strategic rationale

The directors of Schneider Electric and AVEVA (the "Directors") believe that there is a clear and compelling business logic and strategic rationale for a combination of the Schneider Electric Software Business and AVEVA, for reasons including:

- The combined entity will be a global leader in engineering and industrial software, with scale and relevance in key markets as well as an extensive technology portfolio, with combined revenues and Adjusted EBITA of approximately £657.5 million and £145.8 million respectively for the financial year ended 31 March 2017 ("FY17");
- The company will offer a comprehensive combined product portfolio, offering an unmatched set of solutions covering all aspects of digital asset management from process simulation to design, construction and manufacturing operations management and optimisation; and

¹⁹ Adjusted for Purchase price allocation and one-time cost linked to the transaction

- The Combination will create an Enlarged AVEVA Group well-positioned to take advantage of future M&A opportunities building on its scale and comprehensive industry and lifecycle solution coverage.

This transaction will, among other things:

- Enhance value proposition of Schneider Electric's Industrial IOT platform (EcoStruxure) for industrial & infrastructure customers;
- Unlock additional value at the Enlarged AVEVA Group and Schneider Electric through the potential for revenue and cost synergies, leveraging complementary end-markets and geographical exposures, customers and product portfolios. Schneider Electric and AVEVA will enter into a series of operational agreements in order to optimise the generation of synergies for the benefit of both parties;
- Result in Schneider Electric contributing its Industrial Software Business at an Adjusted EV/EBITA FY17 multiple of c.19x²⁰, broadly in line with AVEVA's multiple; and
- Upon completion, the new company, with an accretive margin, is expected to be fully consolidated in Schneider Electric accounts within the Industry division.

Certain developments at the Schneider Electric Software Business over the course of 2016 and 2017 have also reinforced the strategic rationale of the Combination, including:

- The Schneider Electric Software Business' legal reorganisation now being substantially complete, such that the Schneider Electric Software Business will comprise a stand-alone business unit sitting within a set of separate legal entities within Schneider Electric (subject to certain support functions to be provided by Schneider Electric for a period to the Schneider Electric Software Business pursuant to the Transitional Services Agreement); and
- The addition of the oil and gas pipeline management solutions division of Telvent, a company that Schneider Electric acquired in 2011, to the Schneider Electric Software Business, creating a set of assets with a market leadership position which is complementary to the combined portfolios of the Schneider Electric Software Business and AVEVA, thus enhancing the scale of the Schneider Electric Software Business as well as the overall strategic rationale of the Combination.

Key terms of the Transaction

The key terms of the combination include:

- The combination of AVEVA and the Schneider Electric Software Business;
- On completion, following the issue of ordinary shares in the capital of AVEVA to Schneider Electric (the "Consideration Shares"), Schneider Electric will own 60 percent of the Enlarged AVEVA Group on a fully diluted basis while existing AVEVA shareholders and participants in the AVEVA share plans will retain 40 per cent equity ownership (on a fully diluted basis).
- The value of the consideration shares to be issued to Schneider Electric is approximately £1.7 billion based on the AVEVA Group closing share price at the Latest Practicable Date. This represents an EV FY17 Adjusted EBITA multiple of approximately 19x for the Schneider Electric Software Business, broadly in line with AVEVA's multiple;
- Shareholders will have an opportunity to benefit (through their shareholding in the Enlarged AVEVA Group) from the enhanced market scale and reach of the Enlarged AVEVA Group together with the revenue and cost synergies which are expected to arise over the medium term;
- Schneider Electric will pay to AVEVA £550 million in cash (approximately 858 pence per Ordinary Share) which, taken together with its contribution of the Schneider Electric Software Business, will mean that

²⁰ Based on the value of the consideration shares to be issued to Schneider Electric of approximately £1.7 billion per the AVEVA Group closing share price at the Latest Practicable Date

Schneider Electric will hold a majority of the Enlarged AVEVA Share Capital. Such cash will be distributed to AVEVA shareholders (excluding Schneider Electric) at or around completion; and

- AVEVA will also distribute £100 million (approximately 156 pence per Ordinary Share) in cash to shareholders (excluding Schneider Electric) at or around completion, such amount representing a significant proportion of the excess cash held on AVEVA's balance sheet after allowing for transaction costs and a prudent view of AVEVA's working capital requirements.

Completion, which is expected to be at or around the end of 2017, is subject to the satisfaction of a number of conditions including, amongst other things, applicable regulatory and anti-trust approvals having been obtained, AVEVA shareholder approval of the Combination, and re-admission of the Enlarged AVEVA Group.

It is intended that the Enlarged AVEVA Group will continue to be admitted to listing on the Official List of the UKLA ("Official List") and to trading on the London Stock Exchange plc's main market for listed securities.

Board and Management of the Enlarged AVEVA Group

The Board of the Enlarged AVEVA Group will be constituted as follows:

- The existing Non-Executive directors of AVEVA will remain in place on completion. Philip Aiken will continue as Non-Executive Chairman following completion. Jennifer Allerton, Christopher Humphrey and Ron Mobed will continue as independent Non-Executive directors of the Enlarged AVEVA Group;
- The parties are in the process of selecting a new Chief Executive Officer of the Enlarged AVEVA Group, with a proven track record and experience in managing a global software business. An announcement identifying the new Chief Executive Officer and clarifying the timing of his appointment will be made as soon as practicable;
- James Kidd will continue in his role as Chief Executive Officer until such time as the Board decides to appoint a new Chief Executive Officer, whereupon it is intended that James will be appointed to the role of Deputy Chief Executive Officer and Chief Financial Officer in order to drive forward the strategy, implementation and integration of the Enlarged AVEVA Group;
- Emmanuel Babeau (Deputy Chief Executive Officer and Chief Financial Officer) and Peter Herweck (Executive Vice President - Industry) of Schneider Electric will be appointed as Non- Executive directors of the Enlarged AVEVA Group on completion. Emmanuel Babeau will additionally assume the role of Vice Chairman. Both of them will add significant management and industrial experience to the existing AVEVA Board;
- In order for the Board of the Enlarged AVEVA Group to comprise a majority of independent Non-Executive directors (including the Chairman), one additional independent Non-Executive director will be appointed to the Board as soon as possible following completion. Such appointment shall be approved after completion by the AVEVA Nominations Committee; and
- The Board of the Enlarged AVEVA Group will therefore comprise nine Directors, five of which (including the Chairman) will be independent Directors.

The Management of the Enlarged AVEVA Group will be comprised of:

- Key members of the existing executive management team of AVEVA, namely Dave Wheeldon (Chief Technology Officer and currently also Deputy Chief Executive Officer) and Steen Lomholt- Thomsen (Chief Revenue Officer) are expected to remain in place following completion;
- Ravi Gopinath, currently Executive Vice President of the Schneider Electric Software Business, will be appointed as Chief Operating Officer of the Enlarged AVEVA Group. He will report to the Chief Executive Officer of the Enlarged AVEVA Group; and

- David Ward will continue in his current role as Chief Financial Officer of AVEVA, until a new Chief Executive Officer is appointed. Following such appointment it is intended that David Ward will be appointed to the role of Company Secretary of the Enlarged AVEVA Group.

The Enlarged AVEVA Group's headquarters will continue to be located in Cambridge, United Kingdom.

Other Key Terms of the Transaction

The Enlarged AVEVA Group's relationship with Schneider Electric, as its majority shareholder, will be governed by a Relationship Agreement and the Listing Rules. The Relationship Agreement will remain in force until the Enlarged AVEVA Group ceases to be listed or, if earlier, until the Enlarged AVEVA Group and Schneider Electric otherwise agree (subject always to the Listing Rules) or Schneider Electric ceases to be a shareholder. Pursuant to the relationship agreement:

- For a period of two years following completion, the Board will continue to have an independent Non-Executive Chairman;
- Schneider Electric may appoint one Non-Executive director to the Board so long as it holds at least 10 per cent of the voting rights and economic interest in the Enlarged AVEVA Group and two Non- Executive directors so long as it holds at least 25 per cent of such rights and interest;
- Schneider Electric will only enter into agreements and arrangements with the Enlarged AVEVA Group on an arm's length basis and on normal commercial terms;
- The proposed Relationship Agreement will allow AVEVA to continue to pay a progressive dividend;
- There will be a standstill period for:
 - o two years post completion of the Combination during which Schneider Electric cannot increase its shareholding above 60% of the Enlarged AVEVA Group's fully diluted share capital or vote in favour of a de-listing of the Enlarged AVEVA Group without the approval of the majority of the Enlarged AVEVA Group's independent Non-Executive directors;
 - o a further 18 months period thereafter during which Schneider Electric cannot increase its shareholding to 75% or above of the Enlarged AVEVA Group's fully diluted share capital without the approval of the Enlarged AVEVA Group's independent Non-Executive independent directors, other than by way of a general offer under the City Code on Takeovers and Mergers (the "City Code"), provided that such offer is:
 - at an offer price not less than a 20% premium to the 30-day volume weighted average of the Enlarged AVEVA Group's share price immediately prior to the commencement of the offer period during which such offer is made and is recommended by a majority of the Enlarged AVEVA Group independent Non- Executives (or includes an acceptance condition which requires the acceptance of the offer by a majority of the other shareholders in the Enlarged AVEVA Group); or
 - recommended by a majority of the Enlarged AVEVA Group's independent Non-Executive directors;
- Thereafter, Schneider Electric will be under no restrictions on further acquisitions of shares or offers;
- In the event that the Enlarged AVEVA Group is de-listed, the Relationship Agreement will be terminated and all protections set out therein will cease to apply; and
- Schneider Electric and AVEVA have also entered into a series of operational agreements to govern the commercial relationship between the Enlarged AVEVA Group and Schneider Electric post completion, including the generation of synergies for the benefit of both parties.

Timetable

A combined prospectus and circular (the “Prospectus”) in relation to the Combination and convening a General Meeting of AVEVA shareholders on 29 September 2017 is expected to be published by AVEVA on 6 September 2017.

Completion, which is expected to be at or around the end of 2017, is subject to the satisfaction of a number of conditions including, amongst other things, applicable regulatory and anti-trust approvals having been obtained, AVEVA shareholder approval of the Combination, and re-admission of the Enlarged AVEVA Group.

Upon completion, the new company, with an accretive margin, is expected to be fully consolidated in Schneider Electric accounts within the Industry division.

Chairman Comments

Commenting on the Combination, Jean-Pascal Tricoire, Chairman and CEO of Schneider Electric said

“We are pleased to reach an agreement on the combination of AVEVA and the Schneider Electric Industrial Software Business, thereby creating a global leader in engineering and industrial software.

The Combination will address customers’ requirements along the full asset life cycle in key industrial and infrastructure market through a unique portfolio of asset management solutions from design & build to operations. It will also create the right environment and structure for the software teams to aggressively develop their business, while benefiting from Schneider Electric’s multiple go-to-market channels and segment expertise around the world, as well as the EcoStruxure platform and its ecosystem of partners.

We believe that through increased scale and complementary footprint, the transaction will generate synergies that will benefit customers and shareholders alike.”.

Commenting on the Combination, Philip Aiken, Chairman of AVEVA said:

“We are delighted to have reached agreement on the Combination with the Schneider Electric Software Business. The transaction will be transformational to AVEVA, creating a global leader in industrial software, which will be able to better compete on a global scale. AVEVA will significantly expand its scale and product portfolio, increase its capabilities in the owner operator market, diversify its end user markets and increase its geographic exposure to the North American market, in line with our strategic goals.

The transaction is expected to provide significant value to our shareholders via the upfront cash payment and a significant ongoing holding in the Enlarged AVEVA Group, which will benefit from synergies and a compelling equity story underpinned by an enhanced strategic positioning.”

Appendix: Selected Financial Information on Schneider Electric Software Business

Income statement (y/e 31 March)	\$ Million	\$ Million	\$ Million
USD	FY15	FY16	FY17
Revenue	620.8	620.2	575.1
Cost of sales	(238.8)	(227.2)	(190.4)
Gross profit	382.0	392.9	384.7
Research & development	(100.1)	(103.8)	(106.1)
Selling, general & administrative expenses	(170.5)	(159.6)	(159.9)
Adjusted EBITA	111.3	129.5	118.8
Other operating income & expenses	(7.1)	(5.7)	(2.4)
Restructuring costs	(0.6)	(2.2)	(4.5)
EBITA	103.6	121.6	111.8
Amortisation of identifiable intangible assets	(46.1)	(47.1)	(44.9)

Operating income	57.5	74.5	66.9
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Based on Unaudited Standalone Financials

- Between FY15 and FY17, Schneider Electric Software Business revenues showed compound annual organic growth at constant currency of (0.4) per cent and Adjusted EBITA growth of 5.1 per cent on the same basis;
- Organic revenue growth in FY16 of 5.5 per cent is mainly due to (i) project timing on Services and “Customer First” Support and (ii) the positive performance of Telvent Oil & Gas projects;
- Schneider Electric Software Business revenues have decreased from \$620.2 million to \$575.1 million in FY17, i.e. a decline of 7.3 per cent, mainly driven by:
 - Organic growth of c.(5.8) per cent;
 - Negative foreign exchange impact of (0.6) per cent;
 - Switch to subscription licensing model of (0.9) per cent.
- Adjusted EBITA in FY16 organic growth of 16.3 per cent reflects the positive impact of the growth in sales volumes strengthened by the improvement in profitability, partially offset by higher R&D costs; and
- Despite the reduction of volumes principally due to market factors, Adjusted EBITA was resilient in FY17 with broadly stable SG&A costs. The organic decline of 3.4 per cent was mitigated by profitability improvements driven by operational initiatives.

Cash Flow Statement (y/e 31 March)	\$ Million	\$ Million	\$ Million
USD	FY15	FY16	FY17
Cash flow from operating activities	99.7	109.5	131.2
Cash flows from investing activities	(10.2)	(10.3)	(18.3)
Change in group loan funding	(84.9)	(97.5)	(76.0)
Net financial income	(2.4)	0.9	(0.2)
Issue of share capital	-	-	18.9
Dividends paid	-	0.0	(40.9)
Other change in Equity	0.1	(0.0)	(0.1)
Cash flows from financing activities	(87.2)	(96.6)	(98.3)
Impact of exch. rates on cash and cash equivalents	(4.5)	(1.5)	(3.1)
Net increase / (decrease) in cash and cash equivalents	(2.2)	1.1	11.6
Opening cash and cash equivalents	17.5	15.3	16.4
Closing cash and cash equivalents	15.3	16.4	28.0
Cash flow from operating activities after capital expenditure	88.3	98.6	120.1

Balance Sheet (y/e 31 March)	\$ Million	\$ Million	\$ Million
USD	FY15	FY16	FY17
Goodwill	43.9	43.9	53.0
Intangible assets	303.9	255.1	217.3
Tangible assets	11.4	10.6	10.8

Financial assets	1.4	2.1	1.9
Deferred tax assets	-	-	2.6
Non-current assets	360.6	311.7	285.6
Inventory	7.8	6.9	11.3
Trade and other receivables	129.2	158.7	175.1
Unbilled contract revenue	41.4	47.6	52.0
Other current assets	20.3	18.0	11.3
Other receivables with related parties	111.7	86.6	30.4
Cash and cash equivalents	15.3	16.4	28.0
Current assets	325.7	334.2	308.1
Total assets	686.3	645.9	593.7
Invested equity	309.5	242.7	169.5
Other comprehensive income	6.9	10.8	6.3
Total invested equity	316.4	253.4	175.8
Provisions	4.1	4.0	4.4
Financial liabilities	2.3	4.2	2.4
Pension liabilities	4.7	5.6	6.4
Deferred tax liabilities	119.8	97.6	75.9
Non-current liabilities	131.0	111.3	89.1
Current liabilities	238.9	281.1	328.8
Total equity and liabilities	686.3	645.9	593.7

Basis of Preparation

The unaudited selected financial information on Schneider Electric Software Business (the “**Schneider Electric Software Business Financial Information**”) set out above has been prepared from the unaudited financial statements prepared under IFRS of Schneider Electric Software Business for the financial years ended 31 March 2015, 2016 and 2017.

Certain adjustments have been made to reflect the standalone performance of Schneider Electric Software Business operating independently of Schneider Electric on a basis consistent with the Combination currently envisaged. These adjustments principally relate to i) including adjustments to reflect the financial impact of running the business on a standalone basis; ii) reversing the impact of capitalising research and development expenditure in certain (non-Invensys) entities of Schneider Electric Software Business, to better reflect consistency with the capitalisation practice of both Invensys Software and AVEVA; and iii) other various adjustments. The aggregate impact of these adjustments on the revenues and Adjusted EBITA of Schneider Electric Software Business for the three financial years ended 31 March 2015, 31 March 2016 and 31 March 2017 was a revenue increase of \$19.8 million, \$19.2 million and \$9.3 million respectively, and an Adjusted EBITA decrease of \$14.3 million, \$6.2 million and an increase of \$2.4 million respectively.

Therefore the Schneider Electric Software Business Financial Information is not intended to present IFRS compliant financial statements.

Appendix: Unaudited combined entity Pro Forma FY17 Income Statement

Income statement (y/e 31 March) (£ million)	AVEVA Group	Schneider Electric Software	Pro Forma
Revenue	215.8	441.7	657.5
Cost of sales	(14.2)	(146.3)	(160.5)

Gross profit	201.6	295.5	497.1
Normalized operating costs	(147.0)	(204.3)	(351.2)
Adjusted EBITA	54.6	91.2	145.8
Margin	25.3%	20.6%	22.2%

Adjusted EBITA is calculated before amortization of intangible assets (excluding other software), share-based payments, gain/loss on fair value of forward foreign exchange contracts and exceptional items.

Schneider Electric Software financials are translated at the average exchange rate for 2017A (\$1:£0.77).

Annual General Meeting of Schneider Electric held on 25 April 2017

Schneider Electric SE ordinary and extraordinary general meeting held on 25 April 2017 approved the appointment, supported by the board of directors, of Mrs. Xiaoyun Ma as the director representing employee shareholders. Mrs. Xiaoyun Ma is China Chief Financial Officer. Her professional address is 35, rue Joseph Monier - 92500 Rueil-Malmaison, France.

Mrs. Magali Herbaut and Mr. Gérard de La Martinière have not been renewed as directors.

TAXATION

The statements herein regarding taxation in France, Luxembourg and Hong-Kong are based on the laws and interpretation thereof in force in the Republic of France, in the Grand Duchy of Luxembourg and in the Special Administrative Region of Hong-Kong as of the date of this Base Prospectus and are subject to any changes in law which may take effect after such date, possibly with a retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective Noteholders should consult its tax advisor as to the French, Luxembourg and Hong-Kong tax consequences of any investment in or the ownership and disposition of the Notes.

LUXEMBOURG WITHHOLDING TAX

Under Luxembourg tax laws currently in effect and subject to the exception below, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest).

In accordance with the law of 23 December 2005, as amended on the introduction of a withholding tax on certain interest payments on savings income, interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg residents individual beneficial owners are subject to a 20 per cent. withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers.

FRENCH TAXATION

The following is a description, based on the laws of France as of the date of this Base Prospectus (and therefore subject to any changes in law, possibly with a retroactive effect), limited to certain tax considerations in France relating to the Notes that may be issued under the Programme to any holder of Notes who does not concurrently hold shares of the Issuer. Prospective holders or beneficial owners of Notes should consult their tax advisors as to the tax consequences of any investment in or ownership and disposition of the Notes.

Withholding Tax

Notes issued as from 1 March 2010

Pursuant to the French *Code général des impôts*, payments of interest and other revenues made by the Issuer with respect to notes issued on or after 1 March 2010 (other than Notes (described below) which are assimilated (*assimilables* for the purpose of French law) and form a single series with Notes issued prior to 1 March 2010 benefitting from the exemption from withholding tax of Article 131 *quater* of the French *Code général des impôts*) will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a “**Non-Cooperative State**”). If such payments under the Notes are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues on such Notes will not be deductible from the Issuer’s taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution established in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of 30 per cent. or 75 per cent, subject to the more favourable provisions of any applicable double tax treaty.

Notwithstanding the foregoing, neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* nor, to the extent the relevant interest or other revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the non-deductibility of interest and other revenues set out under Article 238 A of the French *Code général des impôts*, and therefore the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts* that may be levied as a result of such non-deductibility, will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such a particular issue of Notes were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the “**Exception**”). Pursuant to French tax administrative guidelines (BOI-INT-DG-20-50-20140211, no. 550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211, no. 70 and 80 and BOI-IR-DOMIC-10-20-20-60-20150320, no. 10), an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the principal purpose and effect of such issue of Notes, if such Notes are:

- offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an “**equivalent offer**” means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- admitted, at the time of their issue, to the operations of a central depository or of a securities payment and delivery systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Notes issued before 1 March 2010 and Notes which are assimilated to (*assimilables* for the purpose of French law) Notes issued before 1 March 2010

Payments of interest and other revenues made by the Issuer with respect to (i) Notes issued (or deemed issued) outside France as provided under Article 131 *quater* of the French *Code général des impôts*, before 1 March 2010 and whose term has not been extended as from such date and (ii) Notes issued on or after 1 March 2010 which are assimilated (*assimilables* for the purpose of the French law), and form a single series with, such Notes referred to under (i) above, will continue to be exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

Notes issued before 1 March 2010, whether denominated in Euro or in any other currency, and constituting *obligations* under French law, or *titres de créances négociables* or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside the Republic of France for the purpose of Article 131 *quater* of the French *Code général des impôts*, in accordance with the French administrative guidelines BOI-RPPM-RCM-30-10-30-30-20140211, no.40 to 90.

In addition, interest and other revenues paid by the Issuer on Notes issued before 1 March 2010 (or Notes issued on or after 1 March 2010 and which are to be assimilated (*assimilables* for the purpose of the French law) and form a single series with such Notes) will be subject neither to the non-deductibility set out under Article 238 A of the French *Code général des impôts* nor to the withholding tax set out in Article 119 *bis* 2 of the French *Code général des impôts* solely on account of their being accrued or paid to persons established or domiciled in a Non-Cooperative State or paid to a bank account opened in a financial institution established in a Non-Cooperative State.

Payments made to individuals tax resident (*domiciliés fiscalement*) in France

Where the paying agent (*établissement payeur*) is established in France, pursuant to Article 125 A of the French *Code général des impôts*, subject to certain limited exceptions, interest and other similar revenues received by French tax resident individuals are subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on such interest and other similar revenues paid to French tax resident individuals.

See “Terms and Conditions of the Notes — Taxation”.

HONG KONG

The following is a summary of certain Hong Kong tax considerations relating to the purchase, ownership and disposition of the Notes by a beneficial owner of the Notes. This summary is based on the tax laws and regulations of Hong Kong as currently in effect and which is subject to change or to different interpretation. This summary is for general information only and does not address all of the Hong Kong tax considerations that may be relevant to specific holders in light of their particular circumstances.

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (a) interest on the Notes is derived from Hong Kong and is received by or accrues to a company carrying on a trade, profession or business in Hong Kong;
- (b) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a company, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business; or
- (c) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong) and arises through or from the carrying on by the financial institution of its business in Hong Kong.

Sums derived from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, from the carrying on of a trade, profession or business in Hong Kong and the sum has a Hong Kong source. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

Sums received by or accrued to a financial institution by way of gain or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax.

Stamp Duty

Stamp duty will not be payable on the issue of bearer Notes provided either:

- (a) such Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

- (b) such Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong (“**Stamp Duty Ordinance**”)).

If stamp duty is payable it is payable by the Issuer on the issue of bearer Notes at a rate of 3 per cent. of the market value of the Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of bearer Notes.

No stamp duty is payable on the issue of registered Notes. Stamp duty may be payable on any transfer of registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of registered Notes provided that either:

- (a) the registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (b) the registered Notes constitute loan capital (as defined in the Stamp Duty Ordinance).

If stamp duty is payable in respect of the transfer of registered Notes it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the consideration or its value, whichever is higher. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the registered Notes if the relevant transfer is required to be registered in Hong Kong.

SUBSCRIPTION AND SALE

OVERVIEW OF DEALER AGREEMENT

Subject to the terms and on the conditions contained in an Amended and Restated Dealer Agreement dated 6 October 2017 (the “**Dealer Agreement**”) between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by such Dealer.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

SELLING RESTRICTIONS

United States

The Notes have not been and will not be registered under the Securities Act or with any securities commission or any regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings ascribed to them by Regulation S under the Securities Act (“**Regulation S**”).

Materialised Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and the regulations thereunder.

Each Dealer has agreed and that, except as permitted by the Dealer Agreement, it will not offer, sell or, in the case of Materialised Notes in bearer form, deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche, as determined, and certified to the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period (as defined in Regulation S, the “**Distribution Compliance Period**”) a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act and the laws of certain states and jurisdictions of the United States if such offer or sale is made otherwise than in accordance with an exemption from such registration requirements.

Prohibition of Sales to EEA Retail Investors

From 1 January 2018, unless the Final Terms in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer

appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of IMD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined the Prospectus Directive; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Prior to 1 January 2018, and from that date if the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable” in relation to each Member State of the EEA which has implemented the Prospectus Directive, each Each Dealer has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in a Member State except that it may make an offer of such Notes to the public in that Member State:

- (i) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such Final Terms and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (iii) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC as amended and includes any relevant implementing measure in each Member State.

United Kingdom

Each Dealer has represented and agreed that:

- (i) **Investment advertisements:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended (the “FSMA”)) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer;
- (ii) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom; and
- (iii) **Accepting Deposits in the United Kingdom:** in relation to any Notes having a maturity of less than one year from the date of their issue, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of FSMA by the Issuer.

France

Each of the Dealers has represented and agreed that:

- (i) **Offer to the public in France:** it has only made and will only make an offer of Notes to the public in France on or after the date of approval of the Base Prospectus relating to those Notes by the *Autorité des marchés financiers* (“AMF”) in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF, and ending at the latest on the date which is 12 months after the date of the approval of the Base Prospectus; or
- (ii) **Private Placement in France:** it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour le compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Dealers has represented and agreed, and each of further Dealers appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Act and other relevant laws, ministerial guidelines and regulations of Japan.

Hong Kong

This Base Prospectus and the applicable Final Terms have not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus”, as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors”, as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

People’s Republic of China

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that neither it nor any of its affiliates has offered or sold or will offer or sell, directly or indirectly, any of the Notes in the PRC, except as permitted by applicable laws and regulations of the PRC.

Singapore

Each Dealer has acknowledged that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Base Prospectus.

No action has been taken in any jurisdiction that would permit an offer to the public of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Prospectus, the Final Terms or any other offering material, in all cases at its own expense and neither the Issuer nor any other Dealer shall have responsibility therefor.

Each of the Dealers and the Issuer has represented and agreed and will be required to represent and agree that Materialised Notes may only be issued outside of France

**FORM OF FINAL TERMS FOR NOTES WITH A DENOMINATION OF LESS THAN
€100,000**

**PRO FORMA FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF SECURITIES WITH
A DENOMINATION OF LESS THAN €100,000 TO BE ADMITTED TO TRADING ON AN EU
REGULATED MARKET AND/OR OFFERED TO THE PUBLIC IN THE EUROPEAN ECONOMIC
AREA**

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“**MiFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC (“**IMD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC, as amended (the “**Prospectus Directive**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]²¹

Final Terms dated [●]

SCHNEIDER ELECTRIC SE

**Issue of Euro [Aggregate Nominal Amount of Tranche]
[Title of Notes]**

under the Euro 7,500,000,000 Euro Medium Term Note Programme

[Any person making or intending to make an offer of Notes may only do so [(i) in those Public Offer Jurisdictions mentioned in paragraph [10 (viii)] of Part B below, provided such person is [an Authorised Offeror] in that paragraph and that such offer is made during the Offer Period specified for such purpose therein; or (ii) otherwise] **in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.**

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

The expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto), and includes any relevant implementing measure in a Member State.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 6 October 2017 which received visa n°17-538 from the *Autorité des marchés financiers* (the “**AMF**”) on 6 October 2017 [and the supplement[s] to the Base Prospectus dated [●] which received visa n°[●] from the AMF on [●] (the “**Supplement[s]**”)] [which [together] constitute[s] a Base Prospectus for the purposes of Directive 2003/71/EC, as amended (the “**Prospectus Directive**”).

²¹ Delete legend if the offer of the Notes is concluded prior to 1 January 2018, or on and after that date the Notes do not constitute “packaged” products, in which case, insert “Not Applicable” in paragraph 10(viii) of Part B below. Include legend if the offer of the Notes will be concluded on or after 1 January 2018, the Notes may constitute “packaged” products and the Issuer intends to prohibit the Notes being offered, sold or otherwise made available to EEA retail investors. In this case insert “Applicable” in paragraph 10(viii) of Part B below.

This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. A summary of the issue of the Notes is annexed to these Final Terms. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. [The Base Prospectus [and the Supplement(s)] [is] [are] available for viewing at the office of the Fiscal Agent or each of the paying agents and on the [website of the Issuer (www.schneider-electric.com), and on the website of the AMF (www.amf-france.org) and copies may be obtained from Schneider Electric S.E., 35, rue Joseph Monier - 92500 Rueil-Malmaison, France.]

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”), which are the [●] EMTN Conditions which are incorporated by reference in the Base Prospectus dated 6 October 2017]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Directive 2003/71/EC, as amended (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated 6 October 2017 which received visa n°17-538 from the *Autorité des marchés financiers* (the “**AMF**”) on 6 October 2017 [and the supplement(s) to the Base Prospectus dated [●] which received visa n°[●] from the AMF on [●] (the “**Supplement[s]**”), which [together] constitute[s] a Base Prospectus for the purposes of the Prospectus Directive, including the [●] EMTN Conditions which are incorporated by reference in the Base Prospectus. A summary of the issue of the Notes is annexed to these Final Terms. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the [●] EMTN Conditions and the Base Prospectus dated 6 October 2017 and the Supplement(s). [The Base Prospectuses [and the supplement(s) to the Base Prospectus] are available for viewing at the office of the Fiscal Agent or each of the paying agents and on the [website of the Issuer (www.schneider-electric.com) and on the website of the AMF (www.amf-france.org), and copies may be obtained from Schneider Electric S.E., 35, rue Joseph Monier - 92500 Rueil-Malmaison, France.]

[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]

- | | | |
|---|--|---|
| 1 | [(i)] Issuer: | Schneider Electric S.E. |
| 2 | [(i)] Series Number: | [●] |
| | [(ii)] Tranche Number: | [●] |
| | [(iii)] Date on which the Notes become fungible: | [Not Applicable / The Notes will be assimilated (<i>assimilées</i>) and form a single series with the existing [<i>insert description of the Series</i>] issued by the Issuer on [<i>insert date</i>] (the “ Existing Notes ”) [as from the Issue Date of this Tranche] [as from the date of assimilation which is expected to be on or about 40 days after the Issue Date (the “ Assimilation Date ”) of this Tranche] |
| 3 | Specified Currency or Currencies: | [●] |
| 4 | Aggregate Nominal Amount: | [●] |
| | [(i)] Series: | [●] |
| | [(ii)] Tranche: | [●] |
| 5 | Issue Price: | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [<i>insert date</i>] (<i>in the case of fungible issues only, if applicable</i>)] |

- 6 Specified Denominations: [●]
- 7 [(i)] Issue Date: [●]
 [(ii)] Interest Commencement Date: [*Specify* / Issue Date / Not Applicable]
- 8 Maturity Date: [●] [*specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
- 9 Interest Basis: [[●] per cent Fixed Rate]
 [[*specify reference rate*] +/- [●] per cent. Floating Rate]
 [Zero Coupon]
 (further particulars specified below)
- 10 Redemption Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●] per cent. of their nominal amount.
- 11 Change of Interest Basis: [Applicable (for Fixed/Floating Rate Notes) / Not Applicable]
 [*Specify the date when any fixed to floating rate or floating to fixed rate change occurs or refer to paragraphs 14 and 15 below and identify there*]
- 12 Put/Call Options: [Investor Put]
 [Issuer Call]
 [Make-Whole Redemption by the Issuer]
 [Residual Maturity Call Option]
 [Clean-Up Call Option]
 [Change of Control Put]
 [(further particulars specified below)]
- 13 [(i)] Status of the Notes: Senior
 [(ii)] [Date of the corporate authorisations for issuance of Notes obtained: [●] [and [●], respectively]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 14 **Fixed Rate Note Provisions** [In respect of Fixed/Floating Rate Notes: from (and including) [●] to (but excluding) [●]:] [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate(s) of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear] on each Interest Payment Date
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with [the Business Day Convention specified below²²] [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted]
- (iii) Fixed Coupon Amount(s)²³: [●] per [●] in Nominal Amount

²² RMB Notes only

²³ Not applicable for RMB Notes

- (iv) Broken Amount(s): [Not Applicable] [●] payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [30/360 / Actual/Actual - ISDA / Actual/Actual ICMA /Actual/365 (Fixed) / Actual/360 / 30E/360 / 30E/360 (ISDA)]
- (vi) Determination Dates: [●] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual ([ICMA])*)
- (vii) [Business Day Convention²⁴: [Modified Following Business Day Convention/[Not Applicable]]
- (viii) Party responsible for calculating Interest Amounts (if not the Calculation Agent)²⁵: [●]/[Not Applicable]
- (ix) [Relevant Time²⁶: [11.00 a.m./[●]] ([Hong Kong/[●]] time)]
- 15 Floating Rate Note Provisions** [In respect to Fixed/Floating Rate Notes: from (and including) [●] to (but excluding) [●]:] [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [[●] in each year, subject to adjustment in accordance with the Business Day Convention set out in (iii) below]
- (iii) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
- (iv) Business Centre(s): [●]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vi) Interest Period Dates: [Not Applicable / *specify dates*]
- (vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [●]
- (viii) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: [●]
- Relevant Inter-Bank Market: [●]
- Reference Screen Page Time: [●]
- Interest Determination Date: [●]
- Relevant Screen Page: [●]
- Reference Banks: [●]
- (ix) ISDA Determination:
- Floating Rate Option: [●]

²⁴ RMB Notes only

²⁵ RMB Notes only

²⁶ RMB Notes only

- Designated Maturity: [●]
- Reset Date: [●]
- (x) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (xi) Margin(s)²⁷: [+/-][●] per cent. per annum
- (xii) Minimum Rate of Interest²⁸: [●] per cent. per annum
- (xiii) Maximum Rate of Interest: [●] per cent. per annum
- (xiv) Day Count Fraction: [30/360 / Actual/Actual - ISDA / Actual/Actual ICMA / Actual/365 (Fixed) / Actual/360 / 30E/360 / 30E/360 (ISDA)]
- (xv) Rate Multiplier: [●]
- 16 Zero Coupon Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Amortisation Yield: [●] per cent. per annum
- (ii) Day Count Fraction: [30/360 / Actual/Actual - ISDA / Actual/Actual ICMA / Actual/365 (Fixed) / Actual/360 / 30E/360 / 30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

- 17 Make-Whole Redemption by the Issuer (Condition 6(d))** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Notice period: [Not Applicable/ [●]]
- (ii) Reference Security: [●]
- (iii) Reference Dealers: [●]
- (iv) Similar Security: [Not Applicable/ [●]]
- (v) Party, if any, responsible for calculating the principal and/or interest due (if not the Calculation Agent): [Not Applicable/ [●]]
- (vi) Redemption Margin: [●]
- 18 Call Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Note of [●] Specified Denomination
- (iii) If redeemable in part:
 - (a) Minimum nominal amount to be redeemed: [●]

²⁷ In no event shall the amount of interest payable be less than zero.

²⁸ In no event shall the amount of interest payable be less than zero.

- (b) Maximum nominal amount to be redeemed: [●]
- (iv) Option Exercise Date(s): [●]
- (v) Notice period: [●]
- 19 **Put Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Note of [●] Specified Denomination
- (iii) Option Exercise Date(s): [●]
- (iv) Notice period: [●]
- 20 **Residual Maturity Call Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Residual Maturity Call Option Date: [●]
- 21 **Change of Control Put Option** [Applicable/Not Applicable]
- 22 **Clean-Up Call Option** [Applicable/Not Applicable]
- (i) Clean-Up Percentage: [80 per cent. / [●] per cent.]
- (ii) Early Redemption Amount: [[●] per Note of [●] Specified Denomination]
- 23 **Final Redemption Amount of each Note** [[●] per Note of [●] Specified Denomination]
- 24 **Early Redemption Amount**
- (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions): [Not Applicable/[●]]
- (ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates: [Yes/No]
- (iii) Unmatured Coupons to become void upon early redemption (Bearer Notes only): [Yes/No/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 25 Form of Notes: [Dematerialised Notes/ Materialised Notes]
(Materialised Notes are only in bearer form)
(delete as appropriate)
- (i) Form of Dematerialised Notes: [Not Applicable/ Bearer dematerialised form (*au porteur*) only/ Registered dematerialised form (*au nominatif*)]

- (ii) Registration Agent: [Not Applicable/ *if Applicable give name and details*]
(Note that a Registration Agent must be appointed in relation to Registered Dematerialised Notes only)
- (iii) Temporary Global Certificate: [Not Applicable/ Temporary Global Certificate exchangeable for Definitive Materialised Bearer Notes on [●] (the “Exchange Date”), being 40 days after the Issue Date subject to postponement as provided in the Temporary Global Certificate]
- (iv) Applicable TEFRA exemption: [C Rules / D Rules / Not Applicable]
- 26 Exclusion of the possibility to request identification of the Noteholders as provided by Condition 1(a)(i): [Applicable/Not Applicable]
- 27 Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/*give details.*]
Note that this item relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest to which item 15 (iv) relates]
- 28 Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
- 29 Possibility of resale of purchased Notes²⁹: [Yes/No]
- 30 Redenomination provisions: [Not Applicable/The provisions [in Condition [●]] apply]
- 31 Consolidation provisions: [Not Applicable/The provisions [in Condition [●]] apply]
- 32 *Masse* [Full *Masse*/ Contractual *Masse*] shall apply (*Note that: (i) in respect of any Tranche of Notes with a denomination of at least Euro 100,000 or its equivalent in any other currency or issued outside France, Condition 11(b) (Contractual Masse) may be elected by the Issuer and (ii) in respect of any Tranche of Notes with a denomination of less Euro 100,000 or its equivalent in any other currency and issued inside France, Condition 11(a) shall apply.*)
- Name and address of the Representative: [●]
 Name and address of the alternate Representative: [●]
 [The Representative will receive no remuneration/The Representative will receive a remuneration of [●]]

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Euro 7,500,000,000 Euro Medium Term Note Programme of Schneider Electric SE.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

²⁹ In accordance with applicable French laws and regulations

By:
Duly authorised

PART B – OTHER INFORMATION

1 LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: [Application has been made for the Notes to be admitted to trading on [Euronext Paris] [the Official List of the Luxembourg Stock Exchange] with effect from [●].] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)

- (ii) All the regulated markets on which, to the knowledge of the Issuer, securities of the same class of the securities to be offered or admitted to trading are already admitted to trading. [●]

2 RATINGS

Ratings:

The Notes to be issued have been rated:

[[●]: [●]]

[[Each of] [●] [and [●]] is established in the European Union and is registered under Regulation (EC) No 1060/2009 on credit ratings agencies (the “CRA Regulation”), *as amended by Regulation (EU) No 513/2011* [[Each of [●] [and/,] [●] [and/,] [●] is included in the list of credit rating agencies published by the European Security and Markets Authority on its website (www.esma.europa.eu/supervision/credit-rating-agencies/risk).]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3 [NOTIFICATION

The [Autorité des marchés financiers in France] [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [*include names of competent authorities of host Member States*] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

4 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

[“Save as discussed in [“Subscription and Sale”] so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.”]

[The [Managers/Dealers] and their affiliates have engaged and may in the future engage in investment banking and/or commercial banking transactions with, and may perform other activities for, the Issuer and its affiliates in the ordinary course of business.]

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

5 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- [(i) Reasons for the offer: [•]
(See [“Use of Proceeds”] wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]
- [(ii) Estimated net proceeds: [•]
(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)]
- [(iii) Estimated total expenses: [•] [Include breakdown of expenses.]
(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)]

6 [FIXED RATE NOTES ONLY - YIELD]

- Indication of yield: [•]
Calculated as [include details of method of calculation in summary form] on the Issue Date.
As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7 [FLOATING RATE NOTES ONLY - HISTORIC INTEREST RATES]

Details of historic [LIBOR/EURIBOR/replicate other as specified in the Conditions] rates can be obtained from [•].]

8 [TERMS AND CONDITIONS OF THE OFFER]

- Offer Price: [Issue Price][specify]
- Description of the application process: [Not Applicable/give details]
- The time period, including any possible amendments, during which the offer will be open and description of the application process: [Not Applicable/give details]
- Details of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants: [Not Applicable/give details]
- Details of the minimum and/or maximum amount of application: [Not Applicable/give details]
- Details of method and time limits for paying up and delivering securities: [Not Applicable/give details]
- Manner and date in which results of the offer are to be made public: [Not Applicable/give details]
- Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of unexercised subscription rights: [Not Applicable/give details]

Categories of potential investors to which the securities are offered and whether tranche(s) have been reserved for certain countries: [Not Applicable/give details]

Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made: [Not Applicable/give details]

Details of any post-issuance information to be provided and where such information can be obtained: [Not Applicable/give details]

Consent of the Issuer to use the Prospectus during the Offer Period: [Not Applicable / Applicable with respect to any Authorised Offeror specified below]

Authorised Offeror(s) in the various countries where the offer takes place: [Not Applicable / Name(s) and address(es) of the financial intermediary(ies) appointed by the Issuer to act as Authorised Offeror(s)/ Any financial intermediary which satisfies the conditions set out below in item “Conditions attached to the consent of the Issuer to use the Prospectus”]

Conditions attached to the consent of the Issuer to use the Prospectus: [Not Applicable / Where the Issuer has given a general consent to any financial intermediary to use the Prospectus, specify any additional conditions to or any condition replacing those set out on page 4 of the Base Prospectus or indicate “See conditions set out in the Base Prospectus”. Where Authorised Offeror(s) have been designated herein, specify any condition]

9 PLACING AND UNDERWRITING

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer: [•]

Name and address of any paying agents and depository agents in each country (in addition to the Principal Paying Agent): [•]

Names and addresses of entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under “best efforts” arrangements. Where not all of the issue is underwritten, include a statement of the portion not covered: [•]

When the underwriting agreement has been or will be reached: [•]

Name and address of entities which have a firm commitment to act as intermediaries in secondary trading: [•]

10 DISTRIBUTION

(i) Method of distribution: [Syndicated/Non-syndicated]

- (ii) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, addresses and underwriting commitments]
(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers. Where not all of the issue is underwritten, include a statement of the portion not covered.)
- (iii) Date of [Subscription] Agreement: [●]
- (iv) Stabilising Manager(s) (if any): [Not Applicable/give name]
- (v) If non-syndicated, name and address of Dealer: [Not Applicable/give name and address]
- (vi) Total commission and concession: [●] per cent. of the Aggregate Nominal Amount
- (vii) The aggregate principal amount of Notes issued has been translated into [Euro] at the rate of [●], producing a sum of (for Notes not denominated in [Euro]): [Not Applicable/[Euro][●]]
- (viii) Prohibition of Sales to EEA Retail Investors: [Not Applicable/Applicable]
(If the offer of the Notes is concluded prior to 1 January 2018, or on and after that date, the Notes do not constitute “packaged” products, in which case, “Not Applicable” should be specified. If the offer of the Notes will be concluded on or after 1 January 2018, the Notes may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)
- (ix) Non-exempt offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [specify, if applicable]] other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported] (“Public Offer Jurisdiction(s)”) during the period from [specify date] until [specify date] (“Offer Period”).

11 OPERATIONAL INFORMATION

- (i) ISIN: [●]
- (ii) Common Code: [●]
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, S.A. and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of additional Paying Agent(s) (if any): [●]

[ANNEX –ISSUE SPECIFIC SUMMARY]

[insert the issue specific summary]

**FORM OF FINAL TERMS FOR NOTES WITH A DENOMINATION OF AT LEAST
€100,000**

**PRO FORMA FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF SECURITIES WITH
A DENOMINATION OF AT LEAST €100,000 TO BE ADMITTED TO TRADING ON AN EU
REGULATED MARKET**

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“**MiFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC (“**IMD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC, as amended (the “**Prospectus Directive**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]³⁰

Final Terms dated [●]

SCHNEIDER ELECTRIC SE

**Issue of [Aggregate Nominal Amount of Tranche][Title of notes]
under the Euro 7,500,000,000 Euro Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 6 October 2017 which received visa n°17-538 from the *Autorité des marchés financiers* (the “**AMF**”) on 6 October 2017 [and the supplement[s] to the Base Prospectus dated [●] which received visa n° [●] from the AMF on [●] (the “**Supplement[s]**”) [which [together] constitute[s] a Base Prospectus for the purposes of the Directive 2003/71/EC, as amended (the “**Prospectus Directive**”).

This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. [The Base Prospectus [and the Supplement(s) [is] [are] available for viewing at the office of the Fiscal Agent or each of the paying agents and on the [website of the Issuer (www.schneider-electric.com), and on the website of the AMF (www.amf-france.org) and copies may be obtained from Schneider Electric S.E., 35, rue Joseph Monier - 92500 Rueil-Malmaison, France.]]

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”), which are the [●] EMTN Conditions which are incorporated by reference in to the Base Prospectus dated 6 October 2017. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Directive 2003/71/EC as amended (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated 6 October 2017 which received visa n°17-538 from the *Autorité*

³⁰ Delete legend if the offer of the Notes is concluded prior to 1 January 2018, or on and after that date the Notes do not constitute “packaged” products, in which case, insert “Not Applicable” in paragraph 7(viii) of Part B below. Include legend if the offer of the Notes will be concluded on or after 1 January 2018, the Notes may constitute “packaged” products and the Issuer intends to prohibit the Notes being offered, sold or otherwise made available to EEA retail investors. In this case insert “Applicable” in paragraph 7(viii) of Part B below.

des marchés financiers (the “AMF”) on 6 October 2017 [and the supplement(s) to the Base Prospectus dated [●] which received visa n°[●] from the AMF on [●] (the “**Supplement[s]**”), which [together] constitute[s] a Base Prospectus for the purposes of the Prospectus Directive, including the [●] EMTN Conditions which are incorporated by reference in the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the [●] EMTN Conditions and the Base Prospectus dated 6 October 2017 and the Supplement(s). The Base Prospectuses [and the supplement(s) to the Base Prospectus] are available for viewing at the office of the Fiscal Agent or each of the paying agents and on the website of the Issuer (www.schneider-electric.com) and on the website of the AMF (www.amf-france.org), and copies may be obtained from Schneider Electric S.E., 35, rue Joseph Monier - 92500 Rueil-Malmaison, France.]

[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]

- | | | | |
|---|--------|--|---|
| 1 | [(i)] | Issuer: | Schneider Electric S.E. |
| 2 | [(i)] | Series Number: | [●] |
| | [(ii)] | Tranche Number: | [●] |
| | (iii) | Date on which the Notes become fungible: | [Not Applicable / The Notes will be assimilated (<i>assimilées</i>) and form a single series with the existing [<i>insert description of the Series</i>] issued by the Issuer on [<i>insert date</i>] (the “ Existing Notes ”) [as from the Issue Date of this Tranche] [as from the date of assimilation which is expected to be on or about 40 days after the Issue Date (the “ Assimilation Date ”) of this Tranche] |
| 3 | | Specified Currency or Currencies: | [●] |
| 4 | | Aggregate Nominal Amount of Notes admitted to trading: | [●] |
| | [(i)] | Series: | [●] |
| | [(ii)] | Tranche: | [●] |
| 5 | | Issue Price: | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [<i>insert date</i>] (<i>in the case of fungible issues only, if applicable</i>)] |
| 6 | | Specified Denominations: | [●] |
| 7 | [(i)] | Issue Date: | [●] |
| | [(ii)] | Interest Commencement Date: | [Specify / Issue Date / Not Applicable] |
| 8 | | Maturity Date: | [●] [<i>Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year</i>] |
| 9 | | Interest Basis: | [[●] per cent Fixed Rate]
[[Specify reference rate] +/- [●] per cent Floating Rate]
[Zero Coupon]
(Further particulars specified below) |

- 10 Redemption Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●] per cent. of their nominal amount.
- 11 Change of Interest Basis: Applicable (for Fixed/Floating Rate Notes) / Not Applicable] *[Specify the date when any fixed to floating rate or floating to fixed rate change occurs or refer to paragraphs 14 and 15 below and identify there]*
- 12 Put/Call Options: [Investor Put]
[Issuer Call]
[Make-Whole Redemption by the Issuer]
[Residual Maturity Call Option]
[Clean-Up Call Option]
[Change of Control Put]
[(Further particulars specified below)]
- 13 [(i) Status of the Notes: Senior
[(ii) [Date of the corporate [●] [and [●], respectively]
authorisations for issuance of Notes
obtained:

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 14 **Fixed Rate Note Provisions** [In respect of Fixed/Floating Rate Notes: from (and including) [●] to (but excluding) [●]:] [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear] on each Interest Payment Date
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with [the Business Day Convention specified below³¹] *[specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]*/not adjusted]
- (iii) Fixed Coupon Amount[(s)]³²: [●] per [●] in Nominal Amount
- (iv) Broken Amount(s): [Not Applicable] [●] payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [30/360 / Actual/Actual - ISDA / Actual/Actual ICMA / Actual/365 (Fixed) / Actual/360 / 30E/360 / 30E/360 (ISDA)]
- (vi) Determination Dates: [●] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual ([ICMA]))*

³¹ RMB Notes only

³² Not applicable for RMB Notes

- (vii) [Business Day Convention³³: [Modified Following Business Day Convention/[Not Applicable]]
- (viii) Party responsible for calculating Interest Amounts (if not the Calculation Agent)³⁴: [●] / [Not Applicable]]
- (ix) [Relevant Time³⁵: [11.00 a.m./[●]] ([Hong Kong/[●]] time)]
- 15 Floating Rate Note Provisions** [In respect to Fixed/Floating Rate Notes: from (and including) [●] to (but excluding) [●]:] [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [[●] in each year, subject to adjustment in accordance with the Business Day Convention set out in (iii) below]
- (iii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (iv) Business Centre(s): [●]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vi) Interest Period Date(s): [Not Applicable/specify dates]
- (vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [●]
- (viii) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: [●]
- Relevant Inter-Bank Market: [●]
- Reference Screen Page Time: [●]
- Interest Determination Date: [●]
- Relevant Screen Page: [●]
- Reference Banks: [●]
- (ix) ISDA Determination:
- Floating Rate Option: [●]
- Designated Maturity: [●]
- Reset Date: [●]
- (x) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]

³³ RMB Notes only

³⁴ RMB Notes only

³⁵ RMB Notes only

- (xi) Margin(s)³⁶: [+/-][●] per cent. per annum
- (xii) Minimum Rate of Interest³⁷: [●] per cent. per annum
- (xiii) Maximum Rate of Interest: [●] per cent. per annum
- (xiv) Day Count Fraction: [30/360 / Actual/Actual - ISDA / Actual/Actual ICMA / Actual/365 (Fixed) / Actual/360 / 30E/360 / 30E/360 (ISDA)]
- (xv) Rate Multiplier: [●]
- 16 Zero Coupon Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Amortisation Yield: [●] per cent. per annum
- (ii) Day Count Fraction: [30/360 / Actual/Actual - ISDA / Actual/Actual ICMA / Actual/365 (Fixed) / Actual/360 / 30E/360 / 30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

- 17 Make-Whole Redemption by the Issuer (Condition 6(d))** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Notice period: [Not Applicable/ [●]]
- (ii) Reference Security: [●]
- (iii) Reference Dealers: [●]
- (iv) Similar Security: [Not Applicable/ [●]]
- (v) Party, if any, responsible for calculating the principal and/or interest due (if not the Calculation Agent): [Not Applicable/ [●]]
- (vi) Redemption Margin: [●]
- 18 Call Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Note of [●] Specified Denomination
- (iii) If redeemable in part:
- Minimum nominal amount to be redeemed: [●]
- Maximum nominal amount to be redeemed: [●]
- (iv) Option Exercise Date(s): [●]
- (v) Notice period: [●]

³⁶ In no event shall the amount of interest payable be less than zero.

³⁷ In no event shall the amount of interest payable be less than zero.

- 19 **Put Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Note of [●] Specified Denomination
- (iii) Option Exercise Date(s): [●]
- (iv) Notice period: [●]
- 20 **Residual Maturity Call Option** [Applicable/ Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Residual Maturity Call Option Date: [●]
- 21 **Change of Control Put Option** [Applicable/ Not Applicable]
- 22 **Clean-Up Call Option** [Applicable/ Not Applicable]
- (i) Clean-Up Percentage: [80 per cent. / [●] per cent.]
- (ii) Early Redemption Amount: [[●] per Note of [●] Specified Denomination]
- 23 **Final Redemption Amount of each Note** [[●] per Note of [●] Specified Denomination]
- 24 **Early Redemption Amount**
- (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions): [Not Applicable/[●]]
- (ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates: [Yes/No]
- (iii) Unmatured Coupons to become void upon early redemption (Bearer Notes only): [Yes/No/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 25 Form of Notes: [Dematerialised Notes/ Materialised Notes]
(Materialised Notes are only in bearer form)
(delete as appropriate)
- (i) Form of Dematerialises Notes: [Not Applicable/ Bearer dematerialised form (*au porteur*) only/ Registered dematerialised form (*au nominatif*)]
- (ii) Registration Agent: [Not Applicable/ *if Applicable give name and details*]
(Note that a Registration Agent must be appointed in relation to Registered Dematerialised Notes only)

- (iii) Temporary Global Certificate: [Not Applicable/ Temporary Global Certificate exchangeable for Definitive Materialised Bearer Notes on [●] (the “Exchange Date”) being 40 days after the Issue Date subject to postponement as provided in the Temporary Global Certificate]
- (iv) Applicable TEFRA exemption: [C Rules/D Rules/Not Applicable]
- 26 Exclusion of the possibility to request identification of the Noteholders as provided by Condition 1(a)(i): [Applicable/Not Applicable]
- 27 Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details.]
Note that this item relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest to which item 15 (iv) relates]
- 28 Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
- 29 Possibility of resale of purchased Notes³⁸: [Yes/No]
- 30 Redenomination provisions: [Not Applicable/The provisions [in Condition [●]] apply]
- 31 Consolidation provisions: [Not Applicable/The provisions [in Condition [●]] apply]
- 32 *Masse*: [Full *Masse*/ Contractual *Masse*] shall apply (*Note that: (i) in respect of any Tranche of Notes with a denomination of at least Euro 100,000 or its equivalent in any other currency or issued outside France, Condition 11(b) (Contractual Masse) may be elected by the Issuer and (ii) in respect of any Tranche of Notes with a denomination of less Euro 100,000 or its equivalent in any other currency and issued inside France, Condition 11(a) shall apply.*)
Name and address of the Representative: [●]
Name and address of the alternate Representative: [●]
[The Representative will receive no remuneration/The Representative will receive a remuneration of [●]]

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Euro 7,500,000,000 Euro Medium Term Note Programme of Schneider Electric SE.]

³⁸ In accordance with applicable French laws and regulations

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1 LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: [Application has been made for the Notes to be admitted to trading on [Euronext Paris] [the Official List of the Luxembourg Stock Exchange] with effect from [●].] [Not Applicable.]
- (ii) Estimate of total expenses related to admission to trading: [●]

2 RATINGS

- Ratings: The Notes to be issued have been rated:
[[●]: [●]]
[[Each of] [●] [and] [●]] is established in the European Union and is registered under Regulation (EC) No 1060/2009 on credit ratings agencies (the “CRA Regulation”), *as amended by Regulation (EU) No 513/2011* [[Each of] [●] [and/] [●] [and/] [●] is included in the list of credit rating agencies published by the European Security and Markets Authority on its website (www.esma.europa.eu/supervision/credit-rating-agencies/risk).]
(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3 [NOTIFICATION]

The [*Autorité des marchés financiers* in France] [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [*include names of competent authorities of host Member States*] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

4 [REASONS FOR THE OFFER]

Reasons for the offer: [●]

5 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

“Save as discussed in [“Subscription and Sale”], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.”]

[The [Managers/Dealers] and their affiliates have engaged and may in the future engage in investment banking and/or commercial banking transactions with, and may perform other activities for, the Issuer and its affiliates in the ordinary course of business.]

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

6 [FIXED RATE NOTES ONLY – YIELD]

Indication of yield: [●]
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7 DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, addresses and underwriting commitments]
(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers. Where not all of the issue is underwritten, include a statement of the portion not covered.)
- (iii) Date of [Subscription] Agreement: [●]
- (iv) Stabilising Manager(s) (if any): [Not Applicable/give name]
- (v) If non-syndicated, name and address of Dealer: [Not Applicable/give name and address]
- (vi) Total commission and concession: [●] per cent. of the Aggregate Nominal Amount
- (vii) The aggregate principal amount of Notes issued has been translated into [Euro] at the rate of [●], producing a sum of (for Notes not denominated in [Euro]): [Not Applicable/[Euro][●]]
- (viii) Prohibition of Sales to EEA Retail Investors: [Not Applicable/Applicable]
(If the offer of the Notes is concluded prior to 1 January 2018, or on and after that date, the Notes do not constitute “packaged” products, in which case, “Not Applicable” should be specified. If the offer of the Notes will be concluded on or after 1 January 2018, the Notes may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)
- (ix) Non-exempt offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [specify, if applicable]] other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported] (“Public Offer Jurisdiction(s)”) during the period from [specify date] until [specify date] (“Offer Period”).

8 OPERATIONAL INFORMATION

ISIN: [●]
Common Code: [●]
Any clearing system(s) other than Euroclear Bank S.A./N.V. and [Not Applicable/give name(s) and number(s)]

Clearstream Banking, S.A. and the
relevant identification number(s):

Delivery:

Delivery [against/free of] payment

Names and addresses of additional [●]

Paying Agent(s) (if any):

GENERAL INFORMATION

1. This Base Prospectus has received visa n°17-538 from the AMF on 6 October 2017. Application has been made to Euronext Paris for the Notes issued under the Programme to be admitted to trading on Euronext Paris and/or on any other regulated market in a Member State of the EEA. Application has been made for the delivery by the AMF of a certificate of approval specifying that the Base Prospectus has been drawn up in accordance with the Prospectus Directive to the *Commission de Surveillance du Secteur Financier* (“CSSF”), as competent authority in Luxembourg for the purposes of the Prospectus Directive. In compliance with Article 18 of the Prospectus Directive, such notification may also be made from time to time at the Issuer’s request to any other competent authority of any other Member State of the EEA.

2. No authorisation procedures are required of the Issuer under French law for the update of the Programme.

Drawdown of Notes under the Programme, to the extent such Notes constitute *obligations*, have been authorised by the Board of Directors (*Conseil d’Administration*) of the Issuer on 26 July 2017.

Any drawdown of Notes, to the extent that such Notes do not constitute obligations, fall within the general powers of the Chairman of the Board of Directors (*Président du Conseil d’Administration*) or one of the *directeurs généraux* of the Issuer.

3. The long-term corporate rating of the Issuer by S&P is A- (stable outlook).

4. There has been no significant change in the financial or trading position of the Issuer or the Group since 30 June 2017 and no material adverse change in the prospects of the Issuer since 31 December 2016.

5. The Issuer is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) involving the Issuer during the past 12 months which may have, or have had in the recent past, significant effects on the Issuer’s and/or the Group’s financial position or profitability.

6. As of the date hereof, to the Issuer's knowledge, there are no potential conflicts of interest between the private interests and/or other duties of members of the board of directors of the Issuer and the duties they owe to the Issuer.

7. Notes have been accepted for clearance through the Euroclear and Clearstream systems which are entities in charge of keeping the records. The Common Code, the ISIN and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Brussels, Belgium and the address of Clearstream is 42 avenue John Fitzgerald Kennedy, L- 1855 Luxembourg, Grand-Duchy of Luxembourg.

8. Dematerialised Notes will be inscribed in the books of Euroclear France (acting as central depository). Dematerialised Notes which are in registered form (*au nominatif*) will also be inscribed either with the Issuer or with the registration agent.

The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, France.

9. For so long as Notes may be issued pursuant to this Base Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Fiscal Agent and the Paying Agents:

- (i) the constitutive documents (*statuts*) of the Issuer;
- (ii) the published annual report (*document de référence*) of the Issuer for the financial years ended 31 December 2016 and 31 December 2015 and the 2017 Half-Year Financial Report;
- (iii) each Final Terms for Notes that are admitted to trading on Euronext Paris or on any stock exchange or any other Regulated Market;
- (iv) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Base Prospectus and any document incorporated by reference;

- (v) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Base Prospectus.
10. For so long as Notes may be issued pursuant to this Base Prospectus, the following documents will be available on the website of the AMF (www.amf-france.org):
- (i) the Final Terms for Notes that are admitted to trading on Euronext Paris or on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange;
 - (ii) the Base Prospectus; and
 - (iii) the documents incorporated by reference in this Base Prospectus (excluding the 2017 Half-Year Financial Report).
11. The by-laws, reports, letters, and other documents, historical financial information, valuations and statements prepared by the Auditors or any expert at Schneider Electric’s request, any part of which is included or referred to in this document, as well as Schneider Electric and the Group’s historical financial information for the financial years 2016 and 2015 are available for consultation at the Company’s head office located at 35, rue Joseph Monier - 92500 Rueil-Malmaison, France.

In addition to the annual report and a summary report, the Company also publishes on its corporate website, www.schneider-electric.com, Schneider Electric “In brief” presentations, a Shareholders’ Letter (three times a year), and general, economic and financial information (presentations, press releases).

12. The Notes to be issued by the Issuer qualify under Category 2 for the purposes of Regulation S under the Securities Act (“**Regulation S**”). Notes will be issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(D) (the “**D Rules**”) unless (i) the relevant Final Terms states that such Materialised Notes are issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(C) (the “**C Rules**”), or (ii) such Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.
13. Mazars at Tour Exaltis, 61, rue Henri Regnault, 92075 La Défense Cedex, France, and Ernst & Young & Autres at Tour First – 1, place des Saisons, 92037 Paris La Défense Cedex, France (both entities regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux Comptes*) have audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer for the years ended 31 December 2016 and 2015. The French auditors carry out their duties in accordance with the principles of *Compagnie Nationale des Commissaires aux Comptes* and are members of the CNCC professional body.
14. In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the “**Stabilising Manager(s)**”) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the Final Terms of the offer of the relevant Tranche is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of Stabilising Manager(s)) in accordance with all applicable laws and rules.
15. Unless otherwise specified or the context otherwise requires, references to “**€**” “**EURO**” or “**Euro**” are to the single currency of the participating Member States of the European Union, references to “**CHF**” or “**Swiss Francs**” are to the lawful currency of the Swiss Confederation, references to “**U.S. dollars**” or “**USD**” are to the lawful currency of the United States of America, references to “**Yen**”, “**JPY**” or “**Japanese Yen**” are to the lawful currency of Japan, references to “**£**”, “**pounds sterling**” or “**Sterling**” are to the lawful currency of the

United Kingdom, and references to “**Yuan**”, “**RMB**”, “**CNY**” or “**Renminbi**” are to the Chinese Yuan Renminbi, the lawful currency of the PRC. References in this Base Prospectus to “**day**” or “**days**” are to a calendar day or to calendar days, respectively.

PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE BASE PROSPECTUS

In the name of the Issuer

The Issuer declares, having taken all reasonable care to ensure that such is the case and to the best of its knowledge, that the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Schneider Electric SE
35, rue Joseph Monier
92500 Rueil-Malmaison
France

Duly represented by:
Véronique Blanc
Senior Vice President Financing and Treasury

Duly authorised
on 6 October 2017



Autorité des marchés financiers

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (“AMF”), in particular Articles 212-31 to 212-33, the AMF has granted to this Base Prospectus visa No.17-538 on 6 October 2017. It was prepared by the Issuer and its signatories assume responsibility for it.

In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of whether the document is complete and comprehensible, and whether the information it contains is coherent. It does not imply that the AMF has verified the accounting and financial data set out in it and the appropriateness of the issue of the Notes.

In accordance with Article 212-32 of the AMF's General Regulations, any issuance or admission to trading of securities under the Base Prospectus will be subject to the publication of Final Terms.

REGISTERED OFFICE OF THE ISSUER

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Tel: +33 (0) 1 41 29 70 00

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London E14 4BB
United Kingdom

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10 Harewood Avenue
London NW1 6AA
United Kingdom

Crédit Agricole Corporate and Investment Bank
12, Place des Etats-Unis, CS 70052
92547 Montrouge Cedex
France

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

Natixis
30, avenue Pierre Mendès France
75013 Paris
France

Société Générale
29, boulevard Haussmann
75009 Paris
France

The Royal Bank of Scotland plc (trading as NatWest Markets)
250 Bishopsgate
London EC2M 4AA
United Kingdom

FISCAL AGENT, PRINCIPAL PAYING AGENT AND CALCULATION AGENT

BNP Paribas Securities Services
(affiliated with Euroclear France under number 29106)
Les Grands Moulins de Pantin
9, rue du Débarcadère
93500 Pantin
France

LUXEMBOURG LISTING AGENT

BNP Paribas Securities Services, Luxembourg Branch

60, avenue J.F. Kennedy
1855 Luxembourg
Grand Duchy of Luxembourg

STATUTORY AUDITORS

Mazars

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61, rue Henri Regnault
92075 La Défense Cedex
France

Ernst & Young & Autres

Tour First – 1, place des Saisons
92037 Paris La Défense Cedex
France

LEGAL ADVISERS

To the Issuer

in respect of French law

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75008 Paris
France

To the Dealers

in respect of French law

Linklaters LLP

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