IT BUSINESS

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Schneider Electric

Disclaimer

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

This presentation includes information pertaining to our markets and our competitive positions therein. Such information is based on market data and our actual revenues in those markets for the relevant periods. We obtained this market information from various third party sources (industry publications, surveys and forecasts) and our own internal estimates. We have not independently verified these third party sources and cannot guarantee their accuracy or completeness and our internal surveys and estimates have not been verified by independent experts or other independent sources.

We are a global leader in critical power cooling & services

€3.4bn

2014 revenues

Critical Power, Cooling & Services

~€4.3bn

2014 revenues

Including other business revenues in Datacenter

#1 worldwide

OUR BUSINESS MODELS (% OF REVENUE)

45%
Products

36%
Systems

19%
Services

KEY SEGMENTS

Small & Medium businesses[1]

Residential

Enterprise Datacenter

Cloud and Service providers[2]

Diverse Industries

Utilities & Infrastructure

1 Including Financial institutions
2 Including Cloud and Telecom

GEOGRAPHIES (% OF REVENUE)

58%
Mature Countries

42%
New Economies

Our fundamental strengths allow us to capture increasing demand for reliability and energy efficiency

Our competitive advantage spans over four dimensions

#1 MARKET POSITION IN HOME & BUSINESS NETWORKS WORLDWIDE	GLOBAL SCALE, INTEGRATED SOLUTIONS FOR ALL ENVIRONMENTS	WIDE PORTFOLIO INCLUDING LOW AND MEDIUM VOLTAGE, COOLING, SOFTWARE AND SERVICES	WORLD CLASS R&D CAPABILITY AND FOOTPRINT
More than 220,000 IT partners globally, 10 times the coverage of our nearest competitor	Legendary reliability with over 60 million units installed in a broad range of environments	Integrated Schneider Electric solutions deployed in the top 600 Cloud and Service Providers worldwide	Engineers collaborating at our R&D centers of excellence across all regions

We are a trusted partner for reliability & energy efficiency to serve increasing demand from cloud computing, IOT & new economies

CLOUD COMPUTING

3-4% Data Center market growth driven by cloud based micro and hyper data centers.[1]

Opportunity for driving energy efficiency and reliability in data centers for entire SE portfolio

INTERNET OF THINGS (IOT)

€1.5 trillion market in 2016 for IoT devices and related network infrastructure. [2]

Increasing customer demand for availability of networks

NEW ECONOMIES

€20 trillion infrastructure spending in Brazil, India & China by 2025. [3]

Will benefit Secure Power infrastructure applications

1 IDC Worldwide Datacenter Census and Construction 2014–2018 Forecast, Doc #251830, Oct 2014
2 IDC Worldwide and Regional Internet of Things 2014–2020 Forecast Update by Technology Split, Doc # 252330, Nov 2014
3 PWC infrastructure spending forecast 2015

Our strategic priorities during the next company program are to capture growth

DO MORE

> Leverage entire Schneider Electric portfolio to drive growth in data centers

> Offer enhanced services to improve customer experience

> Drive product growth through IT channels and leverage E-tail

> Boost secure power solutions growth through cross-selling

INNOVATE

> Continue to develop innovative offers and architectures for data centers

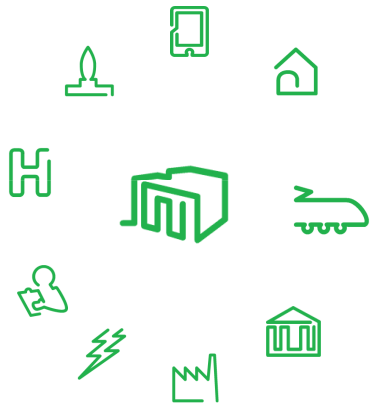> Drive mid market product growth in new economies

SIMPLIFY

> Optimize sales force deployment
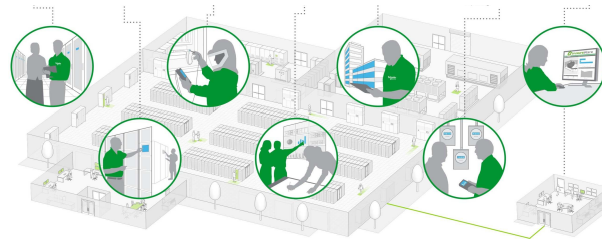
ACCELERATE GROWTH IN DATA CENTERS

We are well positioned to capture growth in the data center ecosystem as compute workloads expand to Cloud & IoT

HYPER SCALE CLOUD DC
Processing data on the cloud

INTERNET OF THINGS
Processing data near the device

ON PREMISE DC
Processing data at the Enterprise

SE Offer: Design & build, Services; Integrated solutions include Racks, 3Ph UPS, Cooling, Medium and Low voltage products and switchgear, Building Management Systems

COLOCATION DC
Processing data off-premise

SE Offer: Micro Data Centers, Smart UPS, Intelligent Racks & PDUs

SE: Schneider Electric

SE Offer: Design & build, Services, Racks & PDU, 3Ph UPS, Cooling, Low voltage product and switchgear, Struxureware DCIM software

SE Offer: Design & build, Services, Pre-fabricated Data Centers, Medium and Low voltage products and switchgear

Our growth in hyper-scale data centers will pivot around leveraging the total Schneider Electric offer for turnkey solutions

CUSTOMER NEEDS

> Rapid deployment and turnkey installation for a large Cloud and Co-location service provider

WHY SCHNEIDER ELECTRIC

"We needed a partner who could deliver a comprehensive and reliable suite of power and IT solutions, and who embraced our ambitious goals - Schneider was that partner."

CUSTOMER BENEFITS

> Enhanced scalability
> Increased reliability
> Energy efficiency via power & cooling system monitor & control

SCHNEIDER ELECTRIC SOLUTION

The best solution is an integrated offer that leverages data center capabilities across Schneider Electric
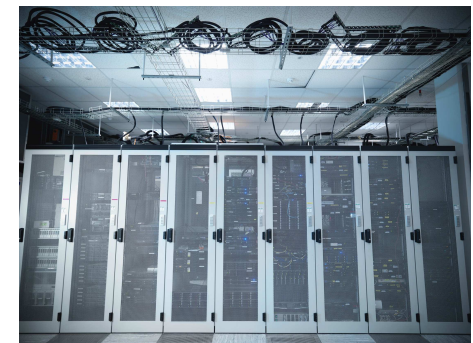
IT	BUILDINGS & PARTNER	INFRASTRUCTURE
Power Monitoring	Low Voltage Switchgear	Medium Voltage Switchgear
Power Distribution	Building Management System	
Uninterruptible Power Supply (UPS)		

Life cycle services will boost our profile in data centers to enhance customer experience

ENHANCED DESIGN, BUILD & OPERATE

> Feasibility, power, & cooling assessments

> Consulting , new builds and retrofits project management

> Managed Services and Facility Operations

COLOCATION DATA CENTER DESIGN

Designed innovative stackable datacenter vaults

> Customizable & scalable (100-400kW)
> Rapid deployment modular solution

TELECOM GIANT
Datacenter

UK datacenter for Mobile Telco
> Moved from maintenance of installed Schneider base at legacy DC to Planning, Designing, and Commissioning.
> Recurring revenue of >€5M.

COLOCATION
Datacenter

Keystone NAP datacenter, USA
> Co-developed a unique system of private, modular, and stackable data center vaults called KeyBlocks™. Reduced customer costs and improved availability.
> Revenue of >€10M.

Innovation to build customized solutions for strategic accounts

PREFABRICATED DATACENTER MODULES

> Power, cooling & IT modules

> All-in-one solutions

> Integrated with Schneider modular MV & LV switchgear

> Faster deployment for scalability

> Engineered to customer specifications

SOFTWARE: DCIM

StruxureWare™

DCIM : Datacenter Infrastructure Management

> Datacenter lifecycle management

> Improved asset utilization

INTERNET GIANT
Datacenter

Leading Internet Services Company, China
Prefabricated modules incorporating DCIM, IT cabinets, UPS, cooling, cable management, fire suppression and security

FINANCIAL SERVICES
Datacenter

Busan Bank datacenter, Korea
Achieved improved power efficiency and up to €430K per year in cost savings via deploying DCIM and rightsizing datacenter equipment

DRIVE PRODUCTS GROWTH THROUGH IT CHANNELS AND LEVERAGE RETAIL BRANDS

We are proactively driving products growth in the IT Channel through strategic relationships, partnerships, and e-commerce

1. DRIVE A HOLISTIC APPROACH TO ECOMMERCE

Enable our channel partners' e-commerce business

2. ENSURE RELEVANCE TO IT INDUSTRY TRENDS

Focus our messaging, partner enablement and sales approach around our partners' needs

3. RECONNECT WITH THE MASS VAR[1] CHANNEL

Maintain our strategic relationships with large accounts while reaching the mass IT Channel

E-TAIL CASE STUDY

> Over 1500 APC products featured on-line
> Over 4000 APC Product Reviews
> Targeted marketing campaigns to customer base
> Double digit sales growth in 2014

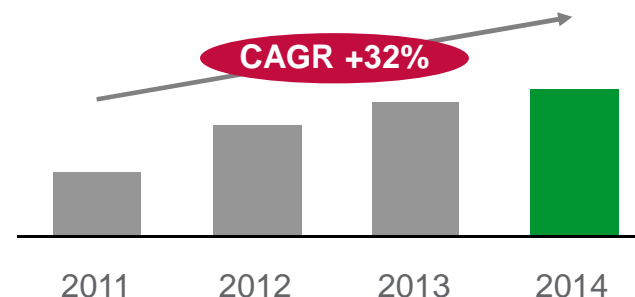*1 VAR: Value Added Rseller*

Our Luminous business is well positioned for growth with attractive medium offer & strong local brand
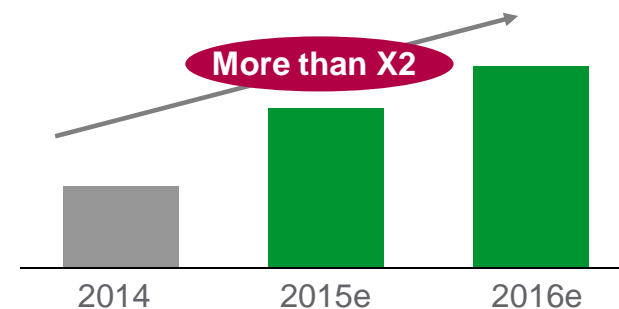
KEY COMPETITIVE STRENGTHS:

> Luminous brand

> Broad range of inverters, batteries and home electrical products

> Products recognized for quality

LUMINOUS REVENUES GROWTH

CAGR +32%

2011   2012   2013   2014

ACTIVE RESELLER BASE IN INDIA

More than X2

2014   2015e   2016e

Active Reseller base to more than double by 2016

DRIVE CROSS SELLING OF SECURE POWER SOLUTIONS FOR DIVERSE END MARKETS

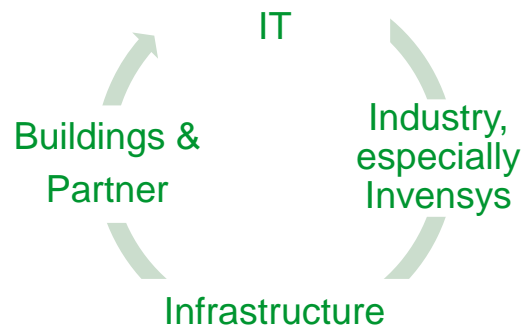# We see opportunities to boost our growth by cross-selling secure power solutions for diverse end markets

SECURE POWER (INDUSTRIAL UPS)

> Reliability under harsh environments
> Best in class uptime & servicing

secure power solutions

IT

Industry, especially Invensys

Infrastructure

Buildings & Partner

OIL & GAS

Oil refining

Oil refining project, Middle East
>€30 million potential (Invensys & UPS solutions)

TRANSPORTATION

Metro & Railways

Metro infrastructure project, US
€6 million project with Square D and UPS offers

HEALTHCARE

Hospital

Large Hospital Chain in Melbourne, Australia
€3 million project (Building Management System, Security, Drives & UPS)

CONCLUSION

IT is a market leader well positioned for further growth

COMPETITIVE ADVANTAGE

> Largest global network of IT partners

> Integrated architecture solutions with medium voltage and low voltage

> Global delivery capability and strong market access for datacenter & secure power

> Strong service capability and asset life-cycle coverage

> World class R&D capability & footprint

FAVORABLE MARKET

> Cloud computing drives increased demand for micro and hyper scale data centers

> Internet of Things increases customer demand for availability of networks

> New economies' investment in critical infrastructure

EXECUTION FOCUS

> Accelerate growth in data centers

> Drive product growth through IT channels and leverage E-tail

> Drive cross selling of secure power solutions for diverse end markets

HELP PEOPLE MAKE THE MOST OF THEIR ENERGY