

INFRASTRUCTURE BUSINESS

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February 19, 2015



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 medium voltage, grid automation & network management software



BUSINESS SIZE

€5.3bn



#1 worldwide

Medium voltage & grid automation

OUR BUSINESS MODELS (% OF REVENUE)

31%
Products

52%
Systems

17%
Services



KEY SEGMENTS



Buildings



Water and
Wastewater



Datacenters



Oil & Gas



Mining, Minerals &
Metals



Other
Infrastructures



Distribution
Utilities

+ Strong synergies with rest of the Group

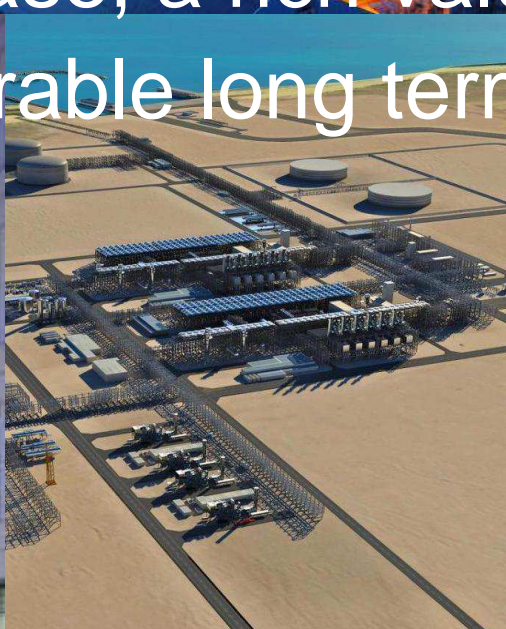
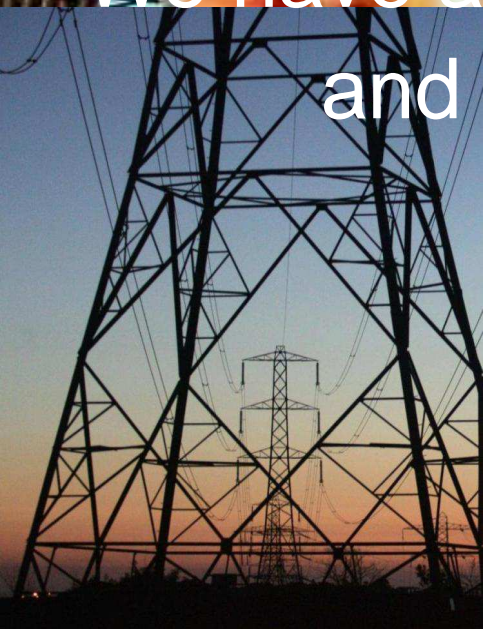
GEOGRAPHIES (% OF REVENUE)

49%
Mature Countries

51%
New Economies



We have a huge installed base, a rich value proposition, and benefit from favorable long term trends



A global leader with a huge installed base and a rich value proposition

WORLDWIDE COVERAGE

- > Balanced presence between mature and new economies
- > Leader in new economies
- > 2 complementary go-to-market channels: direct and through partners

MARKET LEADERSHIP

- > #1 player in a very fragmented market
- > Medium Voltage (MV) volume leadership
- > Synergies with Low Voltage (LV)

HUGE INSTALLED BASE & STRONG SERVICE CAPABILITY

- > Long business history and long product lifetime
- > Service capability across multiple vendor products

RICH AND ADVANCED VALUE PROPOSITION

- > End-to-end comprehensive solutions integrating offers from Infrastructure and other businesses
- > The most advanced Distribution Management System (DMS) in the industry

2015 environment remains mixed

FAVORABLE TRENDS

- > O&G companies searching for **cost optimization**
- > Continued investment in large Data centers, and **Commercial and Industrial Buildings**
- > Utilities investing in **grid modernization**
- > Continued demand for asset maintenance **services**

HEADWINDS

- > **Oil price** volatility impacting CAPEX
- > Currency depreciation and uncertainty in **Russia**
- > **China** slowdown

Long term trends are favorable

AGEING INFRASTRUCTURE

In mature countries – most utilities networks have exceeded their theoretical lifetime

Demand for field device maintenance, retrofit and services

MORE STRINGENT ENERGY REGULATIONS & COMPETITIVE ENVIRONMENT

12% growth in renewable energy over the next 5 years¹

Push for renewables, grid efficiency and new business models

CONTINUED INVESTMENT IN INFRASTRUCTURE

\$ 5 trillion investment required per year in global infrastructure until 2030²

Opportunities in commercial and industrial buildings, data centers and mining

INVESTMENT IN NEW ECONOMIES

€20 trillion infrastructure spending in Brazil, India & China by 2025³

Mid-market and localized offers

We bring our customers "peace of mind"
thanks to upgradeable cross-business energy solutions and services



Our execution priorities during the company program
are growth supported by innovation, and simplification





DO MORE

- > Keep accelerating services
 - > Accelerate growth in electro-intensive and data center segments
 - > Leverage presence in commercial and industrial buildings with enhanced cross-business solutions
-

INNOVATE

- > Develop applications enabling Smart Utility
 - > Develop innovative products and cross-business solutions
-

SIMPLIFY

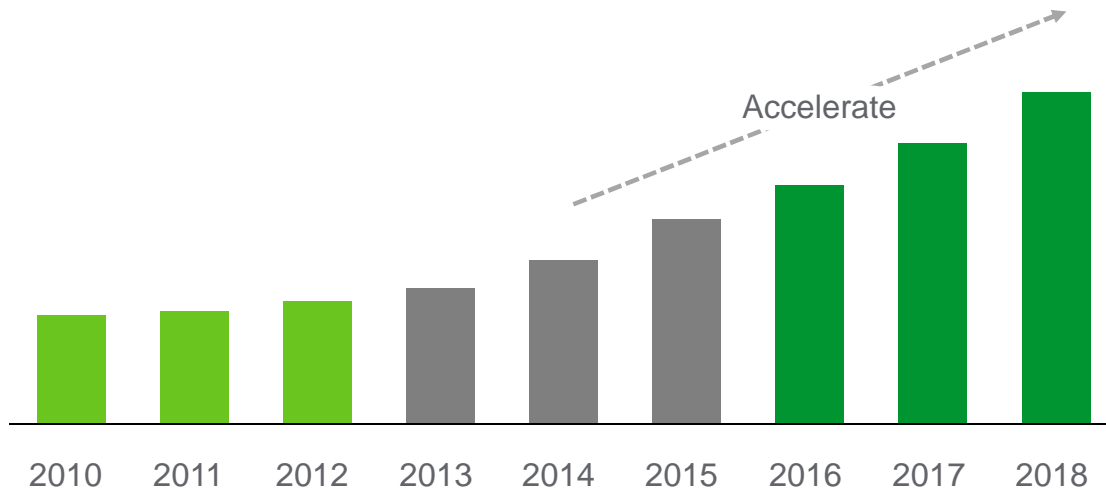
- > Offer rationalization & Industrial footprint optimization
- > Focus on portfolio management
- > Costs tailored to business model and geography
- > Improve project execution efficiency

The right side of the slide features two overlapping triangular shapes. The top one is a light green triangle pointing downwards, and the bottom one is a darker green triangle pointing upwards. They meet at a point in the center of the right edge.

WE REINFORCE OUR INITIATIVES TO
SUPPORT RETURN TO GROWTH

Field services grew double-digit over the period 2012-2014. Further opportunities leveraging installed based and digitization

FIELD SERVICE GROWTH PLAN (ANNUAL REVENUES)



Phase 1:

Build global services footprint

- > 200+ service centers
- > 30+ countries

Phase 2:

Scale & skill up Service Engineers

- > Deploy new services

Phase 3:

- > Digitally enabled Services
- > Leveraging Invensys footprint

SUCCESS STORY

Performance Management of multi-vendor electrical assets (MV, LV, generators, battery feeders, ATS...) enabled by digital technology

“The most complete and comprehensive solution for any organization serious about the proper maintenance and reliability of their EPSS and building electrical distribution system! Great job Schneider Electric!”

Mark Schwartz,
Director of Facilities Operations



SE solution value: \$2.5M+ 5 years

Enhanced multi-business solutions address new customer pain points in electro-intensive and data center segments

ELECTRO-INTENSIVE



MULTI-BUSINESS MINING SOLUTIONS

Infrastructure

- > Power House
- > Transformers
- > MV Switchgear

IT

- > UPS
- > Direct Current Charges
- > Perimeter Cooling

Buildings & Partner

- > LV Switchgears

Industry

- > Variable Speed Drives
- > Process Safety of Invensys

SE SOLUTION VALUE: \$40M+

DATA CENTER



- > Stockholm
- > Paris
- > Vienna
- > Frankfurt
- > Amsterdam

MULTI-BUSINESS DATACENTER SOLUTION

Infrastructure

- > MV Switchgear

IT

- > UPS
- > Perimeter Cooling

Buildings & partner

- > LV Switchgear
- > BMS

+ SPECIFIC ARCHITECTURE FOR XL DATA CENTERS

SE SOLUTION VALUE: €20M+

We leverage integrated solutions and Schneider Electric's core business model in commercial and industrial buildings

INNOVATIVE PRODUCTS OPTIMIZED FOR C.I.B. APPLICATIONS...

- > Premset : compact size MV switchgear suitable to Commercial Industrial Buildings
- > VAMP Protection Relay

... INTEGRATED INTO MEDIUM VOLTAGE + LOW VOLTAGE POWER SOLUTIONS...

- > Integrated electrical distribution architecture, including grid connection
e.g. bundling Smart Panel with Premset
- > Collaborate with specifiers during design phase

... DISTRIBUTED THROUGH EXISTING PANEL BUILDER & CONTRACTOR CHANNELS.

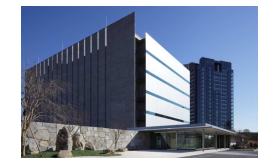
- > Reinforce and plug-into “intermediaries” by leveraging strong network of Buildings & Partner business
- > Simplified and standard Infrastructure offer for easier specification and “purchasing”



Optimized MV Products



Better MV+LV Solutions

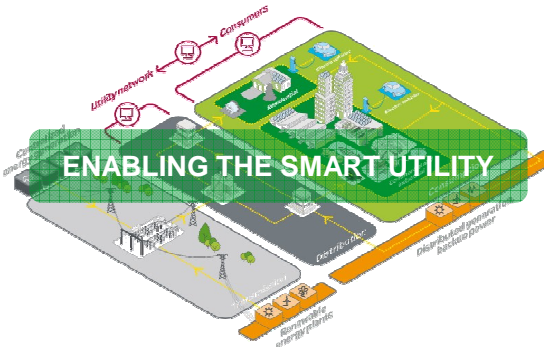


Existing Channels

Our smart applications for Utilities are gaining momentum

FOR SMART GRID OPERATORS

- > IT/OT Integration from field to control center to enterprise
- > Migration from Basic SCADA to IT/OT and large Advanced DMS Systems, USA, UK,...
- > SE solution value: €5M-15M each



FOR ENERGY SERVICE PROVIDERS

- > Bridging energy supply and demand
- > Demand Response aggregation and services for transmission network
- > SE solution value: €10M



MICROGRIDS

- > Convergence of all the 'elements' into microgrids
- > End-to-end microgrid solutions for the Faroe islands
- > Automatic optimization of hydro, wind & oil generation with smart control and frequency management with Advanced DMS
- > SE solution value: €5M



FOR SMART GENERATORS

- > Produce power securely and efficiently
- > Balance of plant for 'Last Chance' generator of nuclear power plants
- > SE solution value: €60M



FOR WIND & SOLAR OPERATORS

- > Connect and make Renewable dispatchable
- > PV Box, Control System and Grid Connection for largest Solar Farm in the European Union
- > SE solution value: €60M+



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WE WILL STEP-UP OUR EFFICIENCY
INITIATIVES TO IMPROVE OUR MARGINS

We will finalize offer rationalization and industrial footprint optimization programs

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Portfolio management and cost adaptation by business models and geography to raise our profitability

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Despite a low project risk profile, we will reinforce project execution to step-up efficiency and strengthen customer intimacy

FINALIZE THE SOLUTION CENTER SET-UP....

...TO ACHIEVE



- > Level-up opportunity qualification & technical leadership
- > Complete the regional set-up of Execution Center network for cross-business complex solutions
- > Enhance local project capabilities for standard solutions

- > Increased customer intimacy, proximity, and satisfaction
- > Higher hit rate
- > Improved cash curve
- > Improved project return

Average project size: < € 10m



CONCLUSION

A global leader, focused to grow and increase profitability

GLOBAL LEADER

A global leader with differentiating points

- > Investing in the new digitized world of energy
- > Diversified segments and geographies
- > Targeting small to medium sized projects reducing risk profile
- > Leveraging the strengths of Schneider Electric

GROWTH POTENTIAL

Despite headwinds, clear initiatives to capture growth

- > Field services
- > Smart utilities
- > Non-utility segments: electro-intensive, data centers, commercial and industrial buildings
- > Synergies with the rest of Schneider Electric

EFFICIENCY FOCUS

Ambitious initiatives to drive profitability

- > Industrial footprint optimization
- > Portfolio management & tailored business approach
- > Reinforcing project execution

The background features a white central area with two large, overlapping triangular shapes. The upper triangle is a light green color, and the lower triangle is a darker green. They meet at a point in the center, creating a white diamond-shaped void where the text is located.

HELP PEOPLE MAKE THE MOST OF THEIR ENERGY