Good start to 2017: Q1 growth +4.5%, +3.1% org., thanks to successful execution & improving trends in many geographies & end-markets

- ***Building, IT and Industry up c. +4.4% organic, growing in all regions***
- ***Infrastructure down -2.4% organic, up c. +1% excluding selectivity[1]; Good progress on EcoStruxure Grid***
- ***New Economies up +6% with strong growth in China, Russia & India***
- ***U.S. up thanks to construction, OEM & IT***
- ***Western Europe up across all businesses***
- ***Strategic priorities delivering- Product revenues up +5% org. in Q1; Service orders up high single-digits org.; EcoStruxure roll-out on track***
- ***FY 2017 Objectives confirmed***

Rueil Malmaison (France), April 20, 2017 - Schneider Electric reported first quarter revenues of **€5,840** million, up **+3.1%**[2] organically.

The breakdown of revenue by business segment was as follows:

€ million	**Q1 2017**		
	Revenues	**Organic Growth**	**Reported Growth**
Building	2,556	+3.8%	+5.1%
Industry	1,416	+5.3%	+8.9%
Infrastructure	1,036	-2.4%	-4.4%
IT	832	+4.6%	+7.5%
Group	**5,840**	**+3.1%**	**+4.5%**

Jean-Pascal Tricoire, Chairman and CEO, commented: *"We see a good start of the year in 2017 as we focus and execute our strategy. We grow our sales through our partner network with the launch of many new innovative offers and the push of EcoStruxure. We focus on product sales and developing services and software. We work on margin improvement through continued selectivity on projects and keeping our attention on costs. We also invest in the development of our EcoStruxure offerings in the domains of building, power, datacenter, machines, plant and grid. Following this positive Q1, we confirm our full year objectives."*

I. ORGANIC GROWTH ANALYSIS BY BUSINESS

Building (44% of Q1 revenues) was up **+3.8%** organically[3]. During the quarter the Group focused on its strategic initiatives including leveraging its differentiated innovative offers through its large partner network. The

[1] Excluding a selectivity impact estimated at c. €40m in Q1
[2] Including c. +1.5% positive working days, reversing in Q2
[3] The organic growth of Building including Delixi, which is deconsolidated since 2016, would have been c. +5% in Q1

Investor Relations
Schneider Electric
Amit Bhalla
Tel: +44 20 7592 8216
www.schneider-electric.com
ISIN : FR0000121972

Press Contact :
Schneider Electric
Véronique Roquet-Montégon
Tel : +33 (0)1 41 29 70 76
Fax : +33 (0)1 41 29 88 14

Press Contact :
DGM
Michel Calzaroni
Olivier Labesse
Phone : +33 (0)1 40 70 11 89
Fax : +33 (0)1 40 70 90 46

Group also continued to enhance its offerings for EcoStruxure Building and in new economies to develop its adapted mid-range offers. Final Distribution & Wiring Devices grew organically c. +6% across all markets. Asia-Pacific grew with China posting double-digit growth in a strong construction market and with distributors restocking, partially driven by anticipated price increases. The rest of Asia-Pacific was mixed, with growth in South East Asia but decline in Australia. In North America, U.S. residential activity remained strong, helped by successful commercial development of new offers. Commercial & Industrial buildings activities showed improved performance. Canada and Mexico also showed a positive development. In Western Europe, the Group grew, helped by working days. In France, residential activity remained favorable. The U.K., Germany, Italy and Spain grew. Nordics showed also a positive development, thanks to residential markets. Rest of the World was slightly up as projects in Africa and Russia more than compensated for Saudi Arabia's decline.

IT (14% of Q1 revenues) grew **+4.6%** organically with all regions up and new economies growing strongly. The Group continued its focus on IT channels, leveraging digitization. North America was up thanks to growth in services and sales through IT channels in the U.S. and Canada. Western Europe was up with growth in datacenters and distributed IT in France, Germany, and Nordics. Italy & Spain grew while the U.K. was down. Asia-Pacific was up benefiting from strong growth in South East Asia and in India, where the Luminous business performed well. China grew slightly while Australia and Japan faced weaker markets. Rest of the World grew thanks to Russia, Africa and South America while the Middle-East remained weak. 3-phase systems were up and Services continued to grow strongly.

Industry (24% of Q1 revenues) was up **+5.3%** organically, driven by strong global demand in discrete industries while Process Automation continued to stabilize. The Group continued its focus on expanding in growing segments and developing strong value propositions for its customers across multiple industries. China showed strong growth in an improving market for discrete industries and benefitted from distributor restocking. North America was marginally up. The U.S grew in a more favorable market as the Group benefitted from commercial initiatives for targeted OEM segments while process automation showed signs of stabilization. Mexico declined due to a high base of comparison. Western Europe was up with growth in Spain, Germany and Italy while France was about flat. Software was impacted by its exposure to resource-related segments while other segments showed good momentum, and by the move of a few offers to a subscription-based model.

Infrastructure (18% of Q1 revenues) was down **-2.4%**, but up c. +1% excluding selectivity initiatives. Selectivity initiatives impacted revenues by c. -€40m in Q1, as the Group executed its Rebound plan. During the quarter the Group continued to progress with its value proposals in the new digital energy landscape through EcoStruxure Grid. North America was down due to a combination of lower backlog execution, and selectivity initiatives. Western Europe was up with France and Germany benefitting from successful project execution. Nordics and the U.K. were up, while Spain declined. Asia Pacific was down, led by continuing weakness in Australia due to lower resource-related investment and a high base in some countries in the region. Rest of the World was mixed, with weakness in the Middle-East but continued growth in CIS. Services were down in Q1 although orders showed good development.

Investor Relations
Schneider Electric
Amit Bhalla
Tel: +44 20 7592 8216
www.schneider-electric.com
ISIN : FR0000121972

Press Contact :
Schneider Electric
Véronique Roquet-Montégon
Tel : +33 (0)1 41 29 70 76
Fax : +33 (0)1 41 29 88 14

Press Contact :
DGM
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Olivier Labesse
Phone : +33 (0)1 40 70 11 89
Fax : +33 (0)1 40 70 90 46

Products were up **+5%** organically in Q1. Solutions were up **+1%** organically in Q1. Within Solutions, Services were up **+1%,** with orders up **high single-digit.** The Solutions business represented **41%** of revenues in Q1.

II. ORGANIC GROWTH ANALYSIS BY GEOGRAPHY

€ million	Q1 2017		
	Revenues	Organic Growth	Reported Growth
Western Europe	1,635	+3%	+1%
Asia-Pacific	1,535	+5%	+7%
North America	1,662	+2%	+5%
Rest of World	1,008	+3%	+6%
Group	**5,840**	**+3.1%**	**+4.5%**

Western Europe (28% of Q1 revenues) was up **+3%**, with growth in all businesses, helped by a positive working day impact. France was slightly up in positive markets for residential construction and IT while Industrial activity remained close to flat. Germany and Spain benefitted from favorable OEM demand, although Spain was impacted by lower project execution in Infrastructure. Italy grew on successful commercial initiatives in construction, OEM and IT. The U.K. was up even as the Group continues to closely monitor the potential impact of Brexit on its operations.

Asia-Pacific (26% of Q1 revenues) was up **+5%** with double digit growth in China and several New Economies in the region. China benefitted from further improvements in end-markets. Tier 1 and 2 city construction markets remain strong (and regulatory policies have not yet had a significant impact) while growth resumed in Tiers 3 & 4. OEM demand remained favorable. Additionally, the Group saw distributor restocking ahead of planned price increases. India grew thanks to strong demand in home secure power products. Performance in Australia continued to be penalized by weakness in commodity-based segments and a less favorable residential market. The rest of Asia showed mixed results with Japan suffering from a high base while Indonesia performed well.

North America (28% of Q1 revenues) was up **+2%.** The U.S. posted growth in all divisions outside Infrastructure. Building and Industry grew in a favorable market for construction and OEM. IT was up, benefitting from a focus on services and project execution. Infrastructure continued to be impacted by weak capital expenditure demand from last year. Mexico grew, mainly due to a favorable construction market. Canada declined on lower Infrastructure project execution.

Rest of the World (18% of Q1 revenues) was up **+3%** organically, driven by Africa and CIS that recorded growth across all businesses. Middle-East remained a drag, as the economic environment in Saudi Arabia was difficult, whereas Turkey grew. South America was down, with slight growth in Brazil offset by declines in the rest of the region, mainly due to a high base in projects.

Organic revenues growth in new economies was up **+6%** and new economies represented **41%** of total first quarter 2017 revenues.

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Schneider Electric
Amit Bhalla
Tel: +44 20 7592 8216
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Press Contact :
Schneider Electric
Véronique Roquet-Montégon
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Fax : +33 (0)1 41 29 88 14

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III. CONSOLIDATION[4] AND FOREIGN EXCHANGE IMPACTS

Net acquisitions had an impact of **-€34 million** or **–0.6%** on the revenues. This is mainly due to the disposal of Telvent Transportation (consolidated under Infrastructure business), and some minor acquisitions and disposals in other businesses.

The Group is reorganizing its solar activities (formerly consolidated in the Building business) to bring more agility and pave the way for potential future alliances and/or joint ventures to further accelerate its development. This reorganization will include a shareholding stake taken by the management of the activity. This change in governance will entail a change of consolidation to the equity method. This change has been restated in the 2016 Q1 Revenues table provided in the appendix.

The impact of foreign exchange fluctuations was positive at +**€107 million** or **+2.0%**, primarily due to the appreciation 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 +**€400m**. The impact on EBITA adjusted margin is expected to be about neutral.

IV. PORTFOLIO OPTIMIZATION

Schneider Electric recently announced reaching an agreement for the sale of Telvent DTN to TBG AG, after a strategic review concluded the business was not core to the Group. It was consolidated under the Infrastructure division of the Group and recorded revenues of $213 million in 2016. The transaction is based on an enterprise value of c.$900 million (c.€840 million) and values the business at c.17x its adjusted EBITA in Schneider Electric 2016 accounts. The agreement is conditional upon the satisfaction of certain regulatory and customary closing conditions. The transaction is expected to complete in Q2 2017 at which point it will be deconsolidated from the accounts.

V. 2017 TARGETS

Following the positive Q1 results, the Group expects increased momentum in 2017 in its major end-markets. Construction and discrete industries should remain positive across key markets, notably in the U.S. and China. Western Europe is expected to grow moderately, but some political risks remain. The Group will still face headwinds from O&G and continued weakness in some resource driven economies, although these may ease towards the end of the year.

Additionally, in 2017 the Group will face a strong increase in raw material costs estimated at c.-€200m at current prices. In this environment, the Group's priorities are to increase prices to mitigate raw material impact, to grow its partner network through the launch of many new integrated offers, accelerate products, services and software, work on margin improvement through continued selectivity on projects and keep a strong attention on cost control. In addition, the Group should benefit from the recent deployment of its EcoStruxure architectures in several domains to create opportunities for growth.

Therefore, the Group confirms its targets for 2017:

[4] Changes in scope of consolidation also include some minor reclassifications of offers among different businesses.

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- Organic revenue growth between +1% and +3% for the Group outside Infrastructure. For Infrastructure the priority remains margin improvement and the organic growth target for the division is to be about flat underlying, before an expected -4% to -5% impact from project selectivity for the division in 2017.

- +20bps to +50bps organic improvement on adjusted EBITA margin. The FX impact at current rates is expected to be about neutral on margin.

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The Q1 2017 revenues presentation is available at www.schneider-electric.com

The Annual General Meeting will take place on April 25, 2017

2017 Half Year Results will be presented on July 27, 2017

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 the global specialist in energy management and automation. With revenues of ~€25 billion in FY2016, our 144,000 employees serve customers in over 100 countries, helping them to manage their energy and process in ways that are safe, reliable, efficient and sustainable. From the simplest of switches to complex operational systems, our technology, software and services improve the way our customers manage and automate their operations. Our connected technologies reshape industries, transform cities and enrich lives. At Schneider Electric, we call this **Life Is On**.

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Follow us on:

Investor Relations
Schneider Electric
Amit Bhalla
Tel: +44 20 7592 8216
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ISIN : FR0000121972

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Véronique Roquet-Montégon
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Fax : +33 (0)1 41 29 88 14

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Appendix – Consolidation impact on revenues and EBITA

In number of months	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Juno Lighting Building Business $230 million revenues in 2014	3m	3m	3m	2m				
Telvent Transportation Infrastructure Business €125 million revenues in 2015		3m	3m	3m	3m			
Delixi (deconsolidation) Building Business €650 million revenues in 2015 €63 million adjusted EBITA in 2015	3m	3m	3m	3m				

Appendix – Revenues breakdown with Q1 2016 restated[5]

€ million	Q1 2016 (restated)	Q1 2017	Organic growth	Changes in scope of consolidation	Currency effect	Reported growth
Building	2,431	2,556	+3.8%	-0.3%	+1.6%	+5.1%
Industry	1,301	1,416	+5.3%	+1.7%	+1.9%	+8.9%
Infrastructure	1,083	1,036	-2.4%	-4.5%	+2.5%	-4.4%
IT	774	832	+4.6%	0.0%	+2.9%	+7.5%
Group	**5,589**	**5,840**	**+3.1%**	**-0.6%**	**+2.0%**	**+4.5%**

€ million	Q1 2016 (restated)	Q1 2017	Organic growth	Reported growth
Western Europe	1,624	1,635	+3%	+1%
Asia-Pacific	1,431	1,535	+5%	+7%
North America	1,583	1,662	+2%	+5%
Rest of the World	951	1,008	+3%	+6%
Group	**5,589**	**5,840**	**+3.1%**	**+4.5%**

[5] Restated for Delixi deconsolidation and solar activity put in equity method

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