



## Financial Press Release

### ***New Organic Growth Record in First Quarter 2007: +13.7%***

- **Reported growth of 22.4%, including APC**
- **Excellent start to 2007 throughout Europe**
- **Noteworthy performance in North America**
- **Sustained expansion in emerging countries**
- **Organic growth target for full-year 2007 revised upward to 8%**

Rueil Malmaison, April 19, 2007 – Schneider Electric sales for the **first quarter of 2007** totaled **€3,893 million**, up a strong **22.4%** on a current structure and exchange rate basis from the year-earlier period.

Acquisitions (primarily APC, consolidated since February 15, 2007, as well as IBS, Merten and GET, acquired in 2006) contributed a significant €412 million, or 12.9% of sales growth for the quarter. The negative currency effect reduced sales by €118 million (or 4.2%) reflecting the new depreciation of the dollar against the euro.

On a constant structure and exchange rate basis, sales rose **13.7%** in the first quarter of 2007, setting a new growth record for a quarter. The first three months of the year were shaped by especially strong increases in energy management, services, as well as in packages and solutions.

The quarter benefited from a particularly fast pace in Europe, notably driven by the confirmed success of the new businesses (energy management, services and ultra terminal). North America returned to a higher level of growth, materializing the solid order trend at end-2006 and the impact of selling price increases. The Group again turned in a remarkable performance in the emerging countries, with average growth of 19%.

The breakdown by geographical region was as follows:

€ million	Q1 2007 sales	Organic growth quarter	Changes in scope of consolidation	Currency effect	% Change (current) quarter
Europe	1,864	+14.6%	+10.4%	+0.2%	+25.2%
North America	1,051	+9.3%	+17.7%	-9.1%	+17.9%
Asia-Pacific	669	+16.2%	+15.0%	-5.4%	+25.8%
Rest of the World	309	+17.6%	+7.1%	-9.5%	+15.2%
<b>Total</b>	<b>3,893</b>	<b>+13.7%</b>	<b>+12.9%</b>	<b>-4.2%</b>	<b>+22.4%</b>



**Investor Relations:**  
Schneider Electric  
Alexandre Brunet

Phone: +33 (0)1 41 29 70 71  
Fax: +33 (0)1 41 29 71 42  
[www.schneider-electric.com](http://www.schneider-electric.com)  
ISIN: FR0000121972

**Media Contact:**  
Schneider Electric  
Véronique Moine

Phone: +33 (0)1 41 29 70 76  
Fax: +33 (0)1 41 29 71 95

**Media Contact:**  
DGM  
Michel Calzaroni  
Olivier Labesse

Phone: +33 (0)1 40 70 11 89  
Fax: +33 (0)1 40 70 90 46

---

## Financial Press Release (p. 2)

**In Europe**, the year got off to a particularly strong start with organic growth of **14.6%**. Operations in Eastern Europe achieved an exceptional increase of around 35%, confirming the potential of markets in Russia and the new members of the European Union.

In Western Europe, growth continued at a high pace in Spain and the United Kingdom on the back of solid demand in the construction and infrastructure markets. It strengthened in Italy and Germany. In addition to the vibrant dynamic in services and energy management, first-quarter performance was amplified by favorable weather conditions. This could potentially lead to a weaker seasonality effect this year in the second quarter.

**In North America**, sales increased by **9.3%**. This was higher than in the second half of 2006, which suffered from the sudden impact of the residential market's downturn. Sales continued to be lifted by the good trend in non-residential construction and by heavy demand for energy management solutions, with several projects for large utility buildings and data centers. A positive price effect also supported the top line.

In the **Asia-Pacific** region, the **16.2%** rise in sales confirmed the robust trend seen in previous quarters. With growth rates of more than 20%, China and India continued to lead the region, while the other Asian countries suffered from an unfavorable basis of comparison.

In the **Rest of the World**, sales regained strong momentum, rising by **17.6%** after a moderate easing in the fourth quarter of 2006. Operations in the Middle East, South America and Africa all enjoyed sustained growth, with continued strong demand in the raw materials, energy and construction sectors.

### **Solid start for the Critical Power & Cooling Services Business Unit, combining APC and MGE UPS Systems**

During the quarter, Schneider Electric also finalized the acquisition of APC, the world leader in the fast-growing critical power market. APC was consolidated from February 15, 2007 onwards. As of that date, its resources were combined with those of MGE UPS Systems in a new Business Unit, in order to take full advantage of the market's growth opportunities, turnaround APC's profitability and generate the substantial synergies expected from the acquisition.

The new Critical Power & Cooling Services Business Unit contributed sales of **€401 million** in the first quarter, of which €255 million from APC. Over the full three months, sales rose **18%<sup>1</sup>** on a constant structure and exchange rate basis from the year-earlier period, of which 15% for APC. The business enjoyed sustained growth across all geographic regions.

---

<sup>1</sup> *These figures indicate the underlying performance of the Critical Power & Cooling Services business unit, by opposition to the organic growth consolidated by Schneider Electric given that the acquisition of APC is fully integrated in the Group's accounts in the perimeter effect until February 14, 2008.*



**Investor Relations:**  
Schneider Electric  
Alexandre Brunet

Phone: +33 (0)1 41 29 70 71  
Fax: +33 (0)1 41 29 71 42

[www.schneider-electric.com](http://www.schneider-electric.com)  
ISIN: FR0000121972

**Media Contact:**  
Schneider Electric  
Véronique Moine

Phone: +33 (0)1 41 29 70 76  
Fax: +33 (0)1 41 29 71 95

**Media Contact:**  
DGM  
Michel Calzaroni  
Olivier Labesse

Phone: +33 (0)1 40 70 11 89  
Fax: +33 (0)1 40 70 90 46

---

## Financial Press Release (p. 3)

All managerial positions were assigned during the first weeks of integration. At the same time, operating teams carried out an intensive campaign to inform customers. The Business Unit then launched its first plans to optimize the product offering, keep support costs under control and rationalize the supply chain.

\*\*\*\*\*

*“After 3 years of high growth, Schneider Electric has achieved a strong start to 2007 with a new organic growth record in the first quarter. This performance demonstrates the Group’s ability to generate superior growth thanks to continued investments, in innovation, new businesses, and in our geographical coverage. The acquisition of APC illustrates this strategy and holds great potential, said Jean-Pascal Tricoire, Chairman of the Management Board and CEO. “Assuming current economic conditions, Schneider Electric anticipates exceeding its revised new<sup>2</sup> company program target with organic sales growth for full-year 2007 of 8%.”*

\*\*\*\*\*

**Half-year financial results and second-quarter sales will be released on August 1, 2007.**

### **Schneider Electric: Giving the best of the New Electric World to everyone, everywhere, at any time**

*Schneider Electric is the world’s power and control specialist. Through its world-class brands, Merlin Gerin, Square D and Telemecanique, Schneider Electric anticipates and satisfies its customers’ requirements in the residential, building, industry and energy and infrastructure markets. With 112,000 employees and operations in 190 countries, Schneider Electric generated sales of € 13.7 billion in 2006 through 13,000 distributor outlets.*



**Investor Relations:  
Schneider Electric  
Alexandre Brunet**

Phone: +33 (0)1 41 29 70 71  
Fax: +33 (0)1 41 29 71 42

[www.schneider-electric.com](http://www.schneider-electric.com)

ISIN: FR0000121972

**Media Contact:  
Schneider Electric  
Véronique Moine**

Phone: +33 (0)1 41 29 70 76  
Fax: +33 (0)1 41 29 71 95

**Media Contact:  
DGM  
Michel Calzaroni  
Olivier Labesse**

Phone: +33 (0)1 40 70 11 89  
Fax: +33 (0)1 40 70 90 46