

## Financial Information

### Fourth-Quarter 2004 Sales Continued Strong Growth: Up 17.3%

- Organic growth still high in the fourth quarter, at 7.9%
- Sustained expansion in North America
- Business trending upward in Western Europe
- Very good performance in emerging markets

(Rueil Malmaison – January 20, 2005) — Schneider Electric has reported sales of **€10,365 million** for the year ended December 31, 2004, **up 18.1%** from 2003. On a constant structure and exchange rate basis, the increase was **8.5%**.

Sales expanded to **€2,737 million in the fourth quarter alone**, representing a sharp **17.3%** gain over fourth-quarter 2003. On a constant structure and exchange rate basis, sales were up **7.9%** quarter on quarter.

The acquisitions of MGE UPS Systems, Clipsal, Kavlico and Andover Controls added a significant €296 million to fourth-quarter sales, accounting for 12.7 points of the period's growth. The currency effect remained negative, reducing reported sales by €76 million, or 3.3 points of growth.

Business remained strong in North America, while the favorable trend observed in Western Europe continued in the fourth quarter, when it was intensified by seasonal factors. Growth was also sustained in emerging markets. As a result, Schneider Electric increased its world wide market share.

Sales by operating division were as follows:

€millions	2004 4 <sup>th</sup> quarter sales	Like-for-like growth	2004 full-year sales	Like-for-like growth
Europe	1,322	+4.5%	4,981	+4.7%
North America	520	+5.1%	2,103	+6.2%
Asia – Pacific	440	+21.2%	1,681	+20.1%
International (i)	181	+14.2%	672	+20.4%
Growth Platforms (ii)	274	+6.8% (iii)	928	-
<b>Total</b>	<b>2,737</b>	<b>+7.9%</b>	<b>10,365</b>	<b>+8.5%</b>

(i) Africa, Middle East, South America.

(ii) Building Automation (TAC and Andover Controls) and Secured Power (MGE UPS Systems).

(iii) Organic growth for TAC alone.



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Sales in **Europe** were up **4.5%** for the quarter, the same increase as in the first nine months of the year. Growth remained high in Eastern Europe. The gradual recovery of the industry and non-residential buildings segments continued in Western Europe, with expansion averaging 4 to 5% in the major countries. Growth was amplified over the year by the impact of targeted growth plans in the ultra-terminal and services businesses, notably in France, Italy and the United Kingdom.

Sales in **North America** continued their sustained growth, rising **5.1%** during the quarter despite higher prior-year comparatives. This performance was led by successful growth initiatives designed to offer solutions tailored to specific market segments, such as Small Project Express through distributors and Critical Power management applications for industry and services.

In the **Asia – Pacific** division, sales maintained their strong momentum, gaining **21.2%** during the quarter. This expansion demonstrated Schneider Electric's ability to consistently and significantly outperform the market. Thanks to its well-established presence and efficient business model, the Group outgrew the market by roughly 50% for the year.

Sales growth in the **International** division continued to trend significantly upward, rising **14.2%** in the fourth quarter. Business again benefited from assertive capital spending programs, especially in the Middle East.

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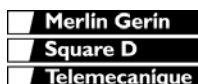
*“Schneider Electric continued to demonstrate remarkable growth in the fourth quarter. Thanks to a focus on growing new businesses through dedicated initiatives in each country, leadership positions in emerging markets and a targeted acquisition strategy, we were able to significantly step up our growth. Given current economic conditions, we forecast organic sales growth of 5 to 6% in 2005, in line with the ambition of our new<sup>2</sup> company program,”* said Henri Lachmann, Chairman and Chief Executive Officer. *“Despite the weakening of the dollar in late 2004, we anticipate the increase in full-year 2004 operating income will exceed 25%, for a one-point improvement in operating margin.”*

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**Full-year 2004 financial results will be presented on February 17, 2005.**

**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 manufactures and markets a comprehensive range of products and services for the residential, buildings, industry, and energy and infrastructure markets. Schneider Electric has 85,000 employees worldwide, operations in 130 countries and recorded sales of €10.4 billion in 2004 through 13,000 sales outlets.*



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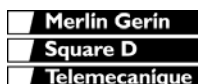
### Appendix

Fourth-quarter 2004 sales by operating division

€ millions	2004 4 <sup>th</sup> quarter sales	Like-for-like growth	Change in structure	Currency effect	Reported growth
Europe	1,322	+4.5%	+3.0%	+0.2%	+7.7%
North America	520	+5.1%	-	-8.7%	-2.6%
Asia – Pacific	440	+21.2%	+20.5%	-7.2%	+34.5%
International	181	+14.2%	+5.3%	-4.8%	+14.7%
Growth Platforms	274	-	-	-	-
<b>Total</b>	<b>2,737</b>	<b>+7.9%</b>	<b>+12.7%</b>	<b>-3.3%</b>	<b>+17.3%</b>

Full-year 2004 sales by operating division

€ millions	2004 full-year sales	Like-for-like growth	Change in structure	Currency effect	Reported growth
Europe	4,981	+4.7%	+1.5%	-0.3%	+5.9%
North America	2,103	+6.2%	+0.1%	-9.1%	-2.8%
Asia – Pacific	1,681	+20.1%	+16.3%	-6.0%	+35.4%
International	672	+20.4%	+5.2%	-5.2%	+20.4%
Growth Platforms	928	-	-	-	-
<b>Total</b>	<b>10,365</b>	<b>+8.5%</b>	<b>+13.4%</b>	<b>-3.8%</b>	<b>+18.1%</b>



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