

## Press Release

# Schneider Electric acquires 100% ownership of Electroshield – TM Samara, transforming Russia into a key market for the Group

**Rueil-Malmaison (France), March 28, 2013** - Schneider Electric announced today that it has acquired full ownership of Electroshield – TM Samara, further to the 50% acquired in October 2010, after obtaining the requisite regulatory approvals in Russia. Electroshield – TM Samara is one of the leading Russian players in medium voltage with a strong presence in key end markets like oil & gas, utilities, mining and other electro-intensive industries.

Electroshield – TM Samara has operations in Russia and Central Asia employing around 10,000 people in 4 industrial sites (in Russia and Uzbekistan). It generated average annual sales of more than RUB 20 billion (~€ 500 million) since the Group acquired 50% stake in 2010, with an adjusted EBITA margin in line with the Group's Infrastructure business. Electroshield – TM Samara has:

- One of the key positions in Russian medium voltage market with strong local R&D presence that Schneider Electric will continue to grow
- Local manufacturing footprint that the Group intends to expand to serve the rapidly growing medium voltage market in Russia as well as export markets
- Proven execution capabilities for delivering innovative solutions and turnkey projects for medium/low voltage substations
- Excellent market access to oil & gas, utilities and mining, minerals and metals industries

Following this acquisition, Schneider Electric can report a step change in its presence in Russia with a headcount of approx 12,000 and 2012 sales of around € 1.2 billion on a pro-forma basis, making it the Group's second largest country in the new economies and fourth largest globally.

Jean-Pascal Tricoire, President and CEO, commented: *"I am proud to welcome Electroshield – TM Samara employees to the Group. Electroshield – TM Samara has been a close technological partner for a long time. This engagement reaffirms our commitment to Russia and is a key milestone in our active participation in the economic and technological development of the country. Electroshield – TM Samara considerably enhances our capacity to be a key player in the oil & gas and mining industry in the region, as well as to develop energy efficiency and smart grid in Russia. This strategic investment also reinforces our worldwide presence in the technologies for energy, mining and urban infrastructure, and confirms Schneider Electric Russia as an essential organization of our company"*

The cumulative price for 100% of equity is RUB 20.4 billion (~ € 510 million) with net debt of zero as of today. As agreed, the second half of the equity was acquired at the same value as the first half in 2010. Previously it was accounted under the equity accounting method and following the obtention of full ownership it will be fully consolidated. This acquisition is expected to meet Schneider Electric's Return on Capital Employed criteria.

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## *Financial Information* (p. 2)

### About Schneider Electric

As a global specialist in energy management with operations in more than 100 countries, Schneider Electric offers integrated solutions across multiple market segments, including leadership positions in Utilities & Infrastructure, Industries & Machines Manufacturers, Non-residential Building, Data Centres & Networks and in Residential. Focused on making energy safe, reliable, efficient, productive and green, the Group's 140,000 plus employees achieved sales of 24 billion euros in 2012, through an active commitment to help individuals and organizations make the most of their energy.

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

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