

Schneider Electric Infrastructure Limited

Ladies and Gentlemen,

I take immense pleasure in welcoming our esteemed Shareholders, who are here with us today for the third Annual General Meeting of Schneider Electric Infrastructure Limited.

The world of electricity is changing. Every day, end-user expectations increase and suppliers worldwide gain a greater awareness of the environmental impact of energy. As dependability on electricity grows globally, the ways in which we produce, distribute, and use energy must also evolve accordingly. While the energy challenge continues, the availability of renewable sources of energy and the amalgamation of new IT and energy technologies are reinventing ways to manage and deliver energy solutions. Your Company is committed to addressing these energy challenges by creating an environment where users, managers and utilities work together to create more innovative and integrated intelligent solutions for smarter management of energy. Your Company is very well equipped in terms of state-of-the-art products, cutting edge technological solutions and efficient services through dedicated R&D programs.

I am pleased to inform you that Your Company has retained its market leadership despite the sectoral environment. Your Company has also started to effectively collaborate with other Schneider Electric companies to increase the offerings and improve accessibility to markets.

Despite challenging market conditions in 2012- 13, Your Company has shown resilience and a strong execution of its strategy in maintaining a leadership position in the electrical infrastructure business. The Infrastructure market overall has decreased in value as investment in key sectors such as Power Generation and Renewables have slowed down. The orders have decreased by 7.7%. The order Intake rested at 13115 Millions compared to 14214 Millions last year. Sales decreased only by 2.8% thanks to a strong backlog, better execution and customer intimacy. The Sales is valued at

13104 Millions compared to 13492 Millions in the previous year. The operating performance of the business during the year has been stable. However, it has been impacted by separation and integration costs incurred as a result of the legal framework we operate in, as well as further provisioning of older receivables, whose recoverability in the current market environment has become more challenging. This has led to an overall loss for the financial year. The young age of Your Company and the regulations related to distribution of dividends, due to the current year loss, restricts your Company to distribute Dividends this year. Nevertheless, I retain full confidence in your Company's ability to continue to grow profitably in its existing business as well as new growth areas and become a stronger and more profitable market leader.

Your Company has strengthened its position in the Infrastructure business as a key player with a strong portfolio of 'Smart' products and solutions. The company continued its focus on innovation, customer satisfaction, strengthening the local manufacturing / R&D capabilities and has built a new factory at Poonamallee, Chennai for Energy Automation. Your Company has won several prestigious contracts in Utility, Industry including in new segments like Transport, IT, Building etc.

During the year, the company launched several initiatives on employee engagement, training & development, etc. to further improve employee competencies. Your Company's energized and committed workforce is one of the most important assets that create values for our customers and stake holders. In a nutshell, the company continues to remain focussed on generating sustainable and profitable growth for its shareholders, and would sincerely like to thank all the stake-holders, customers, and employees for their continued support and confidence in Schneider Electric Infrastructure Limited, and in our capacity to help build a country of smarter infrastructure and city with these words I once again welcome you all to this Annual General Meeting.

Thank You !

(This is the Chairman's speech delivered at the AGM and does not purport to be the proceedings of the Annual General Meeting)