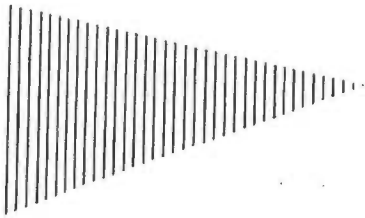


Schneider Nordic Baltic A/S

Lautrupvang 1, 2750 Ballerup

CVR no. 21 40 93 32



Annual report 2015

Approved at the annual general meeting of shareholders on 10 June 2016

Chairman:

.....
Véronique Blanc

Building a better
working world



Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditors' report	3
Management's review	4
Operating review	4
Financial statements for the period 1 January - 31 December	5
Income statement	5
Balance sheet	6
Statement of changes in equity	8
Notes to the financial statements	9



Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Schneider Nordic Baltic A/S for the financial year 1 January - 31 December 2015.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 10 June 2016
Executive Board:

Niels H. Svenningsen
Adm. Director

Alexandre G. M. Brunet
Director

Board of Directors:

Leonid Mukhamedov
Chairman

Christophe Boloch

Véronique Blanc



Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Schneider Nordic Baltic A/S for the financial year 1 January - 31 December 2015.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 10 June 2016
Executive Board:

Niels H. Svenningsen
Adm. Director

Alexandre G. M. Brunet
Director

Board of Directors:

Leonid Mukhamedov
Chairman

Christophe Boloch

Véronique Blanc



Independent auditors' report

To the shareholders of Schneider Nordic Baltic A/S

Independent auditors' report on the financial statements

We have audited the financial statements of Schneider Nordic Baltic A/S for the financial year 1 January - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 10 June 2016
ERNST & YOUNG
Godkendt Revisionspartnersekskab
CVR No. 30 70 02 28

Jan C. Olsen
State Authorised Public Accountant


Bo Lethum
State Authorised Public Accountant



Management's review

Operating review

The Company's business review

Schneider Nordic Baltic A/S is the parent company of the majority of Schneider Electric SAS' operations in the Nordic and Baltic countries.

The principal activities in the subsidiaries comprise the production and sale of electric installation equipment and communication, industrial automation and security solutions.

Financial review

The income statement for 2015 shows a profit of DKK 573,720 thousand against a profit of DKK 611,206 thousand last year, and the balance sheet at 31 December 2015 shows equity of DKK 3,459,155 thousand.

Post balance sheet events

No significant events have occurred subsequent to the financial year.



Financial statements for the period 1 January - 31 December

Income statement

Note	DKK'000	2015	2014
2	Administrative expenses	-3,337	-600
	Ordinary operating profit/loss	-3,337	-600
	Other operating income	69,582	41,677
	Other operating expenses	-69,069	-40,578
	Operating profit/loss	-2,824	499
	Income from investments in group entities	581,018	616,934
3	Financial income	683	540
4	Financial expenses	-7,567	-8,350
	Profit before tax	571,310	609,623
5	Tax for the year	2,410	1,583
	Profit for the year	573,720	611,206
	Proposed profit appropriation		
	Proposed dividend recognised under equity	573,720	611,206
		573,720	611,206



Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	<u>2015</u>	<u>2014</u>
	ASSETS		
	Non-current assets		
	Intangible assets		
	Acquired intangible assets	6,829	1,538
	Development projects in progress and prepayments for intangible assets	<u>0</u>	<u>1,113</u>
		<u>6,829</u>	<u>2,651</u>
6	Investments		
	Investments in group entities, net asset value	<u>3,309,759</u>	<u>3,309,759</u>
		<u>3,309,759</u>	<u>3,309,759</u>
	Total non-current assets	<u>3,316,588</u>	<u>3,312,410</u>
	Current assets		
	Receivables		
	Receivables from group entities	156,384	192,387
	Deferred tax assets	26	640
	Income taxes receivable	2,761	827
	Other receivables	8	98
	Deferred income	<u>1,500</u>	<u>1,125</u>
		<u>160,679</u>	<u>195,077</u>
	Total current assets	<u>160,679</u>	<u>195,077</u>
	TOTAL ASSETS	<u>3,477,267</u>	<u>3,507,487</u>



Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	2015	2014
	EQUITY AND LIABILITIES		
	Equity		
7	Share capital	306,400	306,400
	Retained earnings	2,579,035	2,579,035
	Dividend proposed for the year	573,720	611,206
	Total equity	3,459,155	3,496,641
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	9,642	5,206
	Payables to group entities	8,470	5,640
		18,112	10,846
	Total liabilities other than provisions	18,112	10,846
	TOTAL EQUITY AND LIABILITIES	3,477,267	3,507,487

- 1 Accounting policies
- 8 Collateral
- 9 Contractual obligations and contingencies, etc.
- 10 Related parties



Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Dividend proposed for the year	Total
Equity at 1 January 2014	306,400	2,579,035	717,151	3,602,586
Profit/loss for the year	0	0	611,206	611,206
Dividend distributed	0	0	-717,151	-717,151
Equity at 1 January 2015	306,400	2,579,035	611,206	3,496,641
Profit/loss for the year	0	0	573,720	573,720
Dividend distributed	0	0	-611,206	-611,206
Equity at 31 December 2015	306,400	2,579,035	573,720	3,459,155

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Schneider Nordic Baltic A/S for 2015 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

The accounting policies applied by the Company are consistent with those of last year. Compared to last year, a reclassification has been made in the income statement. Other operating expenses have been separated from administration costs. The comparative figures have been adjusted accordingly.

Consolidated financial statements

With reference to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements for Schneider Nordic Baltic A/S and its group entities are part of the consolidated financial statements of Schneider Electric Industries SAS (France).

Reporting currency

The financial statements are presented in Danish kroner.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Other operating income and operating expenses

Other operating income comprises re invoicing of cost from other European group entities to Nordic group entities.

Other operating expenses comprise purchases of services from other European group entities.

Administrative expenses

Administrative expenses include office premises/expenses, audit and legal expenses as well as amortisation of intangible assets used for administrative purposes.

Income from investments in group entities

The item includes dividend received from subsidiaries in so far as the dividend does not exceed the accumulated earnings in the subsidiary in the period of ownership.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses, realised and unrealised gains and losses on securities, payables and transactions denominated in foreign currencies as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Other intangible assets include software licences.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Development projects include new software solutions.

Investments in group entities

Investment in subsidiaries are measured at cost. The cost is reduced by received dividends exceeding the accumulated earnings after the acquisition date.

Impairment of non-current assets

Every year, intangible assets as well as investments in subsidiaries are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable is impaired.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Proposed dividends

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

Liabilities

Other liabilities are measured at net realisable value.

2 Staff costs

The Company has no employees.

DKK'000	2015	2014
3 Financial income		
Interest receivable, group entities	146	136
Exchange gain	518	246
Other financial income	19	158
	<u>683</u>	<u>540</u>
DKK'000	2015	2014
4 Financial expenses		
Exchange losses	7,493	7,970
Other financial expenses	74	380
	<u>7,567</u>	<u>8,350</u>



Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK'000	2015	2014
5 Tax for the year		
Estimated tax charge for the year	-2,527	-1,450
Deferred tax adjustments in the year	615	-133
Tax adjustments, prior years	-498	0
	<u>-2,410</u>	<u>-1,583</u>

6 Investments

DKK'000	Legal form	Domicile	Interest	Equity	Profit/loss
Subsidiaries					
Lexel	AB	Sweden	100 %	548	-188
(1) Strömfors Electric	OY	Finland	100 %	56,237	7,313
(1) AB Wibe	AB	Sweden	100 %	108,699	4,565
(1) Thorsman & Co.	AB	Sweden	100 %	110,896	2,691
SE Fire & Security	OY	Finland	100 %	65,640	455
Schneider Electric Buildings	AB	Sweden	100 %	366,178	17,184
(1) Craftere 1	AB	Sweden	100 %	3,848	3,549
(1) SE Buildings UK	Ltd.	UK	100 %	179,041	0
(1) TAC Regional	Ltd.	UK	100 %	0	0
(1) TAC Products	Ltd.	UK	100 %	0	0
(1) IBS Australia Pte	Ltd.	Australia	100 %	0	0
(1) IBS Hong Kong Ltd	Ltd.	Hong Kong	100 %	0	0
(1) Buildings Australia Pty	Ltd.	Australia	100 %	134,703	30,353
(1) Pelco Europe	B.V.	Netherlands	100 %	146,599	4,433
OY Lexel Finland	AB	Finland	100 %	48,864	-127
(1) Lexel Fabrika	Sia	Latvia	100 %	101,550	23,044
(1) Schneider Electric Latvija	Sia	Latvia	100 %	3,470	-10,701
(1) Schneider Electric Baltic Distribution Centre	Sia	Latvia	100 %	-3,694	-7,045
(1) Schneider Electric Lietuva	UAB	Lithuania	100 %	3,030	-2,276
(1) Schneider Electric Eesti	AS	Estonia	100 %	5,574	-1,888
Lexel Holding Norge	AS	Norway	100 %	211,860	91,217
(1) ELKO	AS	Norway	100 %	94,073	191,631
Jo Jo	Ltd.	UK	100 %	0	0
Ørbækvej 280	A/S	Denmark	100 %	18,227	1,938
Schneider Electric Danmark	A/S	Denmark	100 %	271,967	159,967
Schneider Electric Distribution Centre	AB	Sweden	100 %	15,498	1
Lexel Holdings	Ltd.	UK	100 %	0	0

(1) All subsidiaries are sub-subsidiaries and are wholly-owned. The stated equity and profit/loss derive from the annual reports for 2015.

DKK'000	2015	2014
7 Share capital		
The share capital consists of the following:		
306,400 shares of DKK 1,000.00 each	306,400	306,400
	<u>306,400</u>	<u>306,400</u>

The Company's share capital has remained DKK 306,400 thousand over the past 6 years.



Financial statements for the period 1 January - 31 December

Notes to the financial statements

8 Collateral

The Company has not placed any assets as security for loans at 31 December 2015.

9 Contractual obligations and contingencies, etc.

Other contingent liabilities

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2013 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

10 Related parties

Schneider Nordic Baltic A/S' related parties comprise the following:

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent's consolidated financial statements</u>
Schneider Electric Industries SAS	Schneider Electric Industries SAS	http://www2.schneider-electric.com/sites/corporate/en/finance/presentations/annual-reports.page

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
Schneider Electric Industries SAS	Schneider Electric Industries SAS