THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

The distribution of this document into jurisdictions other than the United Kingdom may be restricted by law. Therefore, persons outside the United Kingdom into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document comprises a supplementary prospectus (the "**Supplementary Prospectus**") relating to AVEVA Group plc ("**AVEVA**" or the "**Company**") and the AVEVA Consideration Shares and has been prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the "**FCA**") made under section 73A of FSMA, has been approved by the FCA in accordance with section 87A of FSMA and has been made available to the public in accordance with Rule 3.2 of the Prospectus Rules. This Supplementary Prospectus has been prepared to comply with the requirements of English law, the Listing Rules, the Prospectus Rules and the rules of the London Stock Exchange, and information disclosed may not be the same as that which would have been disclosed if this Supplementary Prospectus had been prepared in accordance with the laws and regulations of jurisdictions outside England.

This Supplementary Prospectus is supplementary to, and must be read in conjunction with, the prospectus published by the Company on 5 September 2017 in relation to the proposed issue and admission of up to 97.4 million AVEVA Consideration Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities (the "**Original Prospectus**").

Capitalised terms used and not defined in this Supplementary Prospectus shall have the meaning given to such terms in the Original Prospectus.

AVEVA

CONTINUAL PROGRESSION

AVEVA GROUP PLC

(incorporated and registered in England and Wales with registered number 02937296)

Proposed Combination with the Schneider Electric Software Business

Issue of approximately 97.4 million Consideration Shares

Waiver of Rule 9 of the Takeover Code

Proposed Return of Value to Shareholders of approximately 1,014 pence per Ordinary Share

Admission of the existing Ordinary Shares and the Consideration Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities

Lead Financial Adviser

Lazard & Co., Limited

Corporate Broker, Sponsor and Financial Adviser
Numis Securities Limited

You should read this Supplementary Prospectus and the Original Prospectus (including any documents incorporated herein and therein by reference), as a whole carefully and in their entirety. In particular, your attention is drawn to the factors described in the "Risk Factors" section of the Original Prospectus which contains a discussion of the risks which may materially affect the value of an investment in AVEVA, the Enlarged Group and/or the Consideration Shares.

The Ordinary Shares are admitted to the premium listing segment of the Official list and to trading on the London Stock Exchange's main market for listed securities. As the combination is classified as a reverse takeover under the Listing Rules, upon completion of the Combination the listing on the premium listing segment of the Official List of all of the existing Ordinary Shares will be cancelled, and application will be made for immediate re-admission of those Ordinary Shares and the admission of the Consideration Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and dealings in the Ordinary Shares and the Consideration Shares will commence at 8 a.m. on the day of Completion.

Investors should rely only on the information in the Original Prospectus, this Supplementary Prospectus and information incorporated herein by reference. No person has been authorised to give any information or make any representations other those contained in this Supplementary Prospectus and, if given or made, any such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors, the Proposed Directors, Lazard, Numis or any other person.

Save as disclosed in this Supplementary Prospectus, since the publication of the Original Prospectus, there have been no significant new factors, material mistakes or inaccuracies relating to the information contained in the Original Prospectus.

Lazard & Co., Limited ("**Lazard**") is authorised and regulated in the United Kingdom by the FCA, is acting as Lead Financial Adviser exclusively for AVEVA and no one else in connection with the contents of the Original Prospectus and this Supplementary Prospectus, the Combination, Admission or any other matters referred to in the Original Prospectus and this Supplementary Prospectus and will not regard any other person (whether or not a recipient of the Original Prospectus or this Supplementary Prospectus) as a client in relation to the Combination, Admission or any other matters referred to in the Original Prospectus and this Supplementary Prospectus and will not be responsible for providing the protections afforded to its clients nor for giving advice in relation to the contents of the Original Prospectus and this Supplementary Prospectus, the Combination, Admission, or any other matter or arrangement referred to in the Original Prospectus or this Supplementary Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on Lazard under FSMA or the regulatory regime established thereunder, Lazard does not accept any responsibility or liability whatsoever for, nor make any representation or warranty, express or implied, concerning the contents of the Original Prospectus and/or this Supplementary Prospectus, including the accuracy, completeness or verification of the Original Prospectus and/or this Supplementary Prospectus, or for any other statement made or purported to be made by AVEVA, or on AVEVA's behalf, or by Lazard, or on Lazard's' behalf in connection with the Company, the Combination, the Consideration Shares or Admission and nothing in the Original Prospectus or this Supplementary Prospectus is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future. To the fullest extent permitted by law, Lazard disclaims all and any duty, liability or responsibility whatsoever (whether direct or indirect and whether in contract, in tort, under statute or otherwise) which it might otherwise have in respect of the Original Prospectus and/or this Supplementary Prospectus or any such statement.

Numis Securities Limited ("**Numis**"), which is authorised and regulated in the United Kingdom by the FCA, is acting as Sponsor and Financial Adviser exclusively for AVEVA and no one else in connection with the contents of the Original Prospectus and this Supplementary Prospectus, the Combination, Admission or any other matters referred to in the Original Prospectus and this Supplementary Prospectus and will not regard any other person (whether or not a recipient of the Original Prospectus or this Supplementary Prospectus) as a client in relation to the Combination, Admission or any other matters referred to in the Original Prospectus and this Supplementary Prospectus and will not be responsible for providing the protections afforded to its clients nor for giving advice in relation to the contents of the Original Prospectus and this Supplementary Prospectus, the Combination, Admission, or any other matter or arrangement referred to in the Original Prospectus or this Supplementary Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on Numis under FSMA or the regulatory regime established thereunder, Numis does not accept any responsibility or liability whatsoever for, nor make any representation or warranty, express or implied, concerning the contents of the Original Prospectus and/or this Supplementary Prospectus, including the accuracy, completeness or verification of the Original Prospectus and/or this Supplementary Prospectus, or for any other statement made or purported to be made by AVEVA, or on AVEVA's behalf, or by Numis, or on Numis' behalf in connection with the Company, the Combination, the Consideration Shares or Admission and nothing in the Original Prospectus or this Supplementary Prospectus is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future. To the fullest extent permitted by law, Numis disclaims all and any duty, liability or responsibility whatsoever (whether direct or indirect and whether in contract, in tort, under statute or otherwise) which it might otherwise have in respect of the Original Prospectus and/or this Supplementary Prospectus or any such statement.

No person has been authorised to give any information or make any representations other than those contained in the Original Prospectus, as supplemented by this Supplementary Prospectus, and any such information or representations must not be relied upon as having been so authorised by the Company, the Directors, the Proposed Directors, Lazard, Numis or any other person. AVEVA will comply with its obligation to publish supplementary prospectuses containing further updated information required by law or by any regulatory authority but assumes no further obligation to publish additional information.

Subject to FSMA, the Listing Rules, the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules and the Prospectus Rules, neither the delivery of the Original Prospectus and/or this Supplementary Prospectus nor any subscription or sale made thereunder or hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Supplementary Prospectus or that the information in this Supplementary Prospectus is correct as at any time after this date. Without limitation, the contents of the AVEVA Group's or Schneider Electric Software Business' websites do not form part of this Supplementary Prospectus.

The contents of the Original Prospectus, this Supplementary Prospectus and any subsequent communication from AVEVA, Lazard, Numis or any of their respective affiliates, officers, directors, employees or agents are not to be construed as legal, financial or tax advice. Each prospective investor should consult his, her or its own legal adviser, financial adviser or tax adviser for legal, financial or tax advice.

This Supplementary Prospectus is dated 16 February 2018.

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PART I - SUPPLEMENTARY INFORMATION

This Supplementary Prospectus is supplemental to, and should be read in conjunction with the Original Prospectus. To the extent that there is any inconsistency between a statement in this Supplementary Prospectus and a statement contained in the Original Prospectus, the statement in this Supplementary Prospectus will prevail. Any decision to invest in the Ordinary Shares and the Consideration Shares should be based on consideration of the Original Prospectus, as supplemented by this Supplementary Prospectus, as a whole. This Supplementary Prospectus has been prepared in accordance with section 87G of FSMA and the Prospectus Rules.

1. Background

Listing Rules 6.2.1R and 6.2.4R require AVEVA to have published audited historical financial information in respect of the Schneider Electric Software Business that has a latest balance sheet date that is not more than six months before the date of the Original Prospectus and not more than nine months before the date of Admission. From 1 January 2018, the latest balance sheet date of the audited financial information in respect of the Schneider Electric Software Business contained in Part VIII (*Historical Combined Financial Information of the Schneider Electric Software Business*) of the Original Prospectus will be more than nine months old.

This Supplementary Prospectus contains audited historical financial information in respect of the Schneider Electric Software Business for the six months ended 30 September 2017 in order to satisfy the requirements of Listing Rules 6.2.1R and 6.2.4R and to enable Admission to occur once the conditions to Completion have been satisfied.

2. Supplementary Information

Set out in Part II (*Historical Combined Financial Information of the Schneider Electric Software Business for the six months ended 30 September 2017 and 2016*) of this Supplementary Prospectus is the combined financial information of the Schneider Electric Software Business for the six months ended 30 September 2017 and 2016, together with the notes to that combined financial information, and the accountant's report on that combined financial information.

The information referred to above supplements the information set out in:

(a) paragraphs 4 and 5 of Part I (*Letter from the Chairman of AVEVA Group plc*) of the Original Prospectus and paragraph 1 of Part IV (*Information on the Schneider Electric Software Business*) of the Original Prospectus;

(b) Part VIII (*Historical Combined Financial Information of the Schneider Electric Software Business*) of the Original Prospectus; and

(c) paragraph 17.2 of Part XIII (*Additional Information*) of the Original Prospectus.

3. Amendments to the Summary Information

This Supplementary Prospectus amends the summary information which forms part of the Original Prospectus with the addition to Element B.7 of the section entitled "*Summary*" of the Original Prospectus of the information set out below:

Section B – Issuer and any guarantor		
B.7	Selected historical key financial information	Selected historical financial information which summarises the results of operations and financial condition of the Schneider Electric Software Business for the six months ended 30 September 2017 and 30 September 2016, prepared in accordance with IFRS as issued by the IASB and as adopted by the EU, is set out in the following tables. Information provided for the six months ended 30 September 2017 and 30 September 2016 has been extracted without material adjustment from the historical combined financial information of the Schneider Electric Software Business for the six months ended 30 September

2017 and 30 September 2016, respectively, included in the Supplementary Prospectus.

Summarised Consolidated Income Statement

	Half-year ended Sept. 30, 2017	Half-year ended Sept. 30, 2016
	(US$ millions)	
Revenue	**288.4**	**277.4**
Cost of sales	(108.4)	(105.0)
Gross profit	**180.0**	**172.4**
Research and development	(49.0)	(49.6)
Selling, general and administrative expenses	(87.4)	(80.6)
Total operating expenses	**(136.4)**	**(130.2)**
Adjusted EBITA*	**43.6**	**42.2**
Other operating income and expenses	1.2	(0.4)
Restructuring costs	(1.5)	(2.7)
EBITA**	**43.3**	**39.1**
Amortisation of identifiable intangible assets	(21.8)	(23.1)
Operating income	**21.4**	**16.0**
Net financial income/ (expense)	(1.5)	1.3
Profit before tax	19.9	17.3
Income tax expense	(4.4)	(2.8)
Net income	**15.6**	**14.5**

** Operating profit before amortisation of identifiable intangible assets, goodwill impairment, restructuring costs and other operating income and expenses.*

*** Operating profit before amortisation and impairment of identifiable intangible assets and before goodwill impairment.*

Summarised Consolidated Balance Sheet

	September 30, 2017	March 31, 2017
	(US$ millions)	
Total non-current assets	295.9	316.9
Total current assets	286.8	315.7
TOTAL ASSETS	**582.7**	**632.6**
Total invested equity	(74.6)	214.7
Total non-current liabilities	86.2	89.1
Total current liabilities	571.0	328.8
TOTAL LIABILITIES AND INVESTED EQUITY	**582.7**	**632.6**

Summarised Consolidated Cash Flow Statement

	Half-year ended Sept. 30, 2017	Half-year ended Sept. 30, 2016
	(US$ millions)	
Net cash provided by operating activities	33.6	49.3
Net cash used in investing activities	(7.1)	(9.6)
Net cash (used in) provided by financing activities	(27.7)	(34.0)
Effect of exchange rate changes	1.7	(2.7)
Net (decrease) increase in cash and cash equivalents	0.5	3.0
Cash and cash equivalents at beginning of period	28.0	16.4
Cash and cash equivalents at end of period	28.5	19.4

During the half-year ended 30 September 2017 the impact of legal reorganisations of carved-out entities has created a significant change in the financial position of the Schneider Electric Software Business with the net impact being a reduction in invested equity by US$299 million. The impact of legal reorganisations of carved-out entities in H1 2018 includes: (i) the impacts on equity of legal reorganisations realised by way of sale of assets funded by debt against Schneider Electric to newly created legal entities (US$(58) million in H1 2018), (ii) transfers of investments in these new legal entities to Schneider Electric Software Business parent entities funded by debt against Schneider Electric (US$(156) million in H1 2018) and (iii) Schneider Electric funding net receivables retained by Schneider Electric at the time of legal reorganisations of carve-out entities (US$(85) million in H1 2018). It is intended that the resulting equity and debt be adjusted by recapitalisation funded by Schneider Electric prior to the closing of the proposed combination between the Schneider Electric Software Business and AVEVA and pursuant to the provisions of the Merger Agreement.

There has been no significant change in the trading or financial position of the Schneider Electric Software Business since 30 September 2017 (the date to which the last audited financial information of the Schneider Electric Software Business was prepared).

PART II - HISTORICAL COMBINED FINANCIAL INFORMATION OF THE SCHNEIDER ELECTRIC SOFTWARE BUSINESS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017 AND 2016

Section A: Accountant's report on the historical combined financial information of the Schneider Electric Software Business for the six months ended 30 September 2017 and 2016

The Directors and Proposed Directors
AVEVA Group plc
High Cross
Madingley Road
Cambridge
CB3 0HB
United Kingdom

16 February 2018

Dear Sirs

Schneider Electric Software Business

We report on the financial information of the Schneider Electric Software Business which comprises the combined Statements of Income, Statements of Comprehensive Income, Statements of Financial Position, Statements of Changes in Equity and Statements of Cash Flows for the six months ended 30 September 2017 ("**the Financial Information**"). This financial information has been prepared to comply with Listing Rule 6.2.1R(3) for inclusion in the supplementary prospectus (issued subsequent to the combined class 1 circular and prospectus dated 5 September 2017 relating to the proposed combination with the Schneider Electric Software Business by AVEVA Group plc resulting in a reverse takeover of AVEVA Group plc under IFRS) on the basis of the accounting policies set out in Note 1 - Basis of Preparation and Note 2 - Significant Accounting Policies. This report is required by Listing Rule 6.2.4R(1) and is given for the purpose of complying with that rule and for no other purpose.

We have not audited or reviewed the financial information for the six months ended 30 September 2016 which has been included for comparative purposes only and accordingly do not express an opinion thereon.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to ordinary shareholders as a result of the inclusion of this report in the prospectus and any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to Commission Regulation (EC) 809/2004, consenting to its inclusion in the supplementary prospectus.

Responsibilities

The Directors and Proposed Directors of AVEVA Group plc are responsible for preparing the Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union and in a form that is consistent with the accounting policies of AVEVA Group plc.

It is our responsibility to form an opinion on the Financial Information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the Financial Information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the Financial Information gives, for the purposes of the Supplementary Prospectus dated 16 February 2018, a true and fair view of the state of affairs of the Schneider Electric Software Business as at 30 September 2017 and of its profits, cash flows and recognised changes in equity for the six months then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the Supplementary Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Supplementary Prospectus in compliance with item 1.2 of Annex I of Commission Regulation (EC) 809/2004.

Yours faithfully

ERNST & YOUNG Audit

Jean-Yves Jégourel

Section B: Combined financial information of the Schneider Electric Software Business for the six months ended 30 September 2017 and 2016

Combined Statements of Income

(Amounts in millions of USD unless otherwise stated)

		Half-year ended Sept. 30, 2017	Half-year ended Sept. 30, 2016
Revenue	3	**288.4**	**277.4**
Cost of sales		(108.4)	(105.0)
Gross profit		**180.0**	**172.4**
Research and development	4	(49.0)	(49.6)
Selling, general and administrative expenses	4	(87.4)	(80.6)
Total operating expenses		**(136.4)**	**(130.2)**
Adjusted EBITA*		**43.6**	**42.2**
Other operating income and expenses	4	1.2	(0.4)
Restructuring costs		(1.5)	(2.7)
EBITA**		**43.3**	**39.1**
Amortisation of identifiable intangible assets	9	(21.8)	(23.1)
Operating income		**21.4**	**16.0**
Net financial income/(expense)	6	(1.5)	1.3
Profit before tax		19.9	17.3
Income tax expense	7	(4.4)	(2.8)
Net income		**15.6**	**14.5**

* *Operating profit before amortisation of identifiable intangible assets, goodwill impairment, restructuring costs and other operating income and expenses.*

** *Operating profit before amortisation and impairment of identifiable intangible assets and before goodwill impairment.*

The accompanying notes are an integral part of the Combined Financial Statements

Combined Statements of Comprehensive Income

(Amounts in millions of USD unless otherwise stated)

	September 30, 2017	September 30, 2016
Net income for the period	15.6	14.5
Currency translation adjustments	(2.2)	(1.8)
Other comprehensive (loss)/income for the year, net of tax, to be reclassified	**(2.2)**	**(1.8)**
Total comprehensive income (loss) for the period	**13.3**	**12.7**

Note: the tax impact is nil as none of the non-USD operations are planned to be disposed of in the foreseeable future.

Combined Statements of Financial Position

(Amounts in millions of USD unless otherwise stated)

		September 30, 2017	March 31, 2017
ASSETS			
Non-Current assets:			
Goodwill	**8**	53.0	53.0
Intangible assets	**9**	229.1	248.7
Property, plant and equipment	**10**	10.0	10.8
Financial assets		0.6	1.9
Deferred tax assets	**12**	3.2	2.6
Total non-current assets		**295.9**	**316.9**
Inventory	**13**	15.4	11.3
Trade and other receivables	**11**	181.4	175.1
Unbilled contract revenue		52.1	52.0
Other current assets		9.4	11.3
Amounts receivable with related parties	**23**	-	37.9
Cash and cash equivalents	**15**	28.5	28.0
Total current assets		**286.8**	**315.7**
TOTAL ASSETS		**582.7**	**632.6**
LIABILITIES AND INVESTED EQUITY			
Invested equity	**19**	(78.2)	208.9
Other comprehensive income		3.7	5.9
Total invested equity		**(74.6)**	**214.7**
Provisions	**17**	3.3	4.4
Financial liabilities		0.7	2.4
Pension liabilities	**18**	9.1	6.4
Deferred tax liabilities	**12**	73.2	75.9
Total non-current liabilities		**86.2**	**89.1**
Current liabilities:			
Amounts payable with related parties	**23**	240.5	-
Trade and other payables	**16**	132.9	141.7
Contract payments on account & other contract liabilities	**27**	102.0	104.1
Other current liabilities	**16**	95.6	83.0
Total current liabilities		**571.0**	**328.8**
TOTAL LIABILITIES AND INVESTED EQUITY		**582.7**	**632.6**

The accompanying notes are an integral part of the Combined Financial Statements

Combined Statements of Changes in Equity

(Amounts in millions of USD unless otherwise stated)

	Invested Equity	Other Elements of Comprehensive Income	Total Invested Equity
As of April 1, 2016	**287.0**	**8.9**	**295.9**
Net income for the year	14.5	-	14.5
Currency translation adjustments	7.2	(1.8)	5.4
Capital increase in cash by SE to combined entities	1.1	-	1.1
Dividends	(40.0)	-	(40.0)
Impact of legal reorganisations of carved out entities	(18.6)	-	(18.6)
As of September 30, 2016	**251.2**	**7.1**	**258.3**
Net income for the year	35.7	-	35.7
Currency translation adjustments	8.6	(1.2)	7.4
Capital increase in cash by SE to combined entities	17.8	-	17.8
Dividends	(0.8)	-	(0.8)
Impact of legal reorganisations of carved out entities	(103.5)	-	(103.5)
As of March 31, 2017	**208.9**	**5.9**	**214.7**
Net income for the half-year	15.6	-	15.6
Currency translation adjustments	(3.3)	(2.2)	(5.5)
Dividends	-	-	-
Impact of legal reorganisations of carved out entities	(299.3)	-	(299.3)
As of September 30, 2017	**(78.2)**	**3.7**	**(74.6)**

- A capital increase in cash by Schneider Electric to combined entities was performed in Italy and Singapore in FY2017, in the context of the transfer of the Software business to legal entities as part of the pre-closing reorganisation.

- In FY2017, dividends were distributed mainly by Schneider Electric Software LLC.

- During the half-year ended 30 September 2017 the impact of legal reorganisations of carved-out entities has created a significant change in the financial position of the Schneider Electric Software Business with the net impact being a reduction in invested equity by US$299m. Impact of legal reorganisations of carved-out entities in FY2017 and H1 2018 includes: (i) the impacts on equity of legal reorganisations realised by way of sale of assets funded by debt against Schneider Electric to newly created legal entities (US$(122)m in FY2017, and US$(58)m in H1 2018), (ii) transfers of investments in these new legal entities to Schneider Electric Software Business parent entities funded by debt against Schneider Electric (US$(156)m in H1 2018) and (iii) SE funding net receivables retained by Schneider Electric at the time of legal reorganisations of carve-out entities (US$(85)m in H1 2018). It is intended that the resulting equity and debt be adjusted by recapitalisation funded by Schneider Electric prior to the closing of the proposed combination between the Schneider Electric Software Business and AVEVA Group plc and pursuant to the provisions of the Merger Agreement.

Combined Statements of Cash Flows

(Amounts in millions of USD unless otherwise stated)

		Half-year ended Sept. 30, 2017	Half-year ended Sept. 30, 2016
Operating activities:			
Net income		15.6	14.5
Depreciation & amortisation (excl. identifiable intangible assets)	**9-10**	9.0	8.1
Amortisation of identifiable intangible assets		21.8	23.1
Net financial income	**6**	1.0	(1.3)
Income tax expense	**7**	4.4	2.8
Income tax paid		(16.2)	(6.2)
Other non-cash items included in net income		(0.3)	(0.1)
Change in working capital		(1.7)	8.4
Net cash provided by operating activities		**33.6**	**49.3**
Investing activities:			
Additions to tangible assets	**10**	(2.0)	(3.0)
Additions to intangible assets	**9**	(6.2)	(6.6)
Acquisition of businesses, net of cash acquired	**8,9**	-	-
Proceeds from disposal of assets		1.2	-
Net cash used in investing activities		**(7.1)**	**(9.6)**
Financing activities:			
Change in group funding including for legal reorganisations*		170.6	5.0
Distribution to SE in connection with legal reorganisations		(196.9)	
Interest expense paid		(1.4)	(0.1)
Capital increase in cash by SE to combined entities		-	1.1
Dividends paid		-	(40.0)
Net cash (used in) provided by financing activities		**(27.7)**	**(34.0)**
Effect of exchange rate changes		1.7	(2.7)
Net (decrease) increase in cash and cash equivalents		**0.5**	**3.0**
Cash and cash equivalents at beginning of period		28.0	16.4
Cash and cash equivalents at end of period	**15**	**28.5**	**19.4**

** Legal reorganisations funded by Boissière Finance for US$196.9m in the six months ended September 30, 2017.*

The accompanying notes are an integral part of the Combined Financial Statements

NOTE 1 – BASIS OF PREPARATION

Schneider Electric ("**SE**" or the "**Company**") is considering the carve-out of its software activities (the "**Schneider Electric Software Business**"), comprising its historical software operations ("**LOB5**"), the software operations "Invensys Software" of Invensys Group ("**Invensys**") following the latter's acquisition by SE in January 2014, and the Oil & Gas operations of Telvent Group ("**Telvent Software**") following the acquisition of Telvent by SE in August 2011.

The carved-out combined financial statements of the Schneider Electric Software Business have been prepared in accordance with IAS 34 Interim Financial Reporting under International Financial Reporting Standards ("**IFRS**") as endorsed by the European Union, for the six months ended September 30, 2017.

The Historical Financial Information for the six months ended September 30, 2017 has been prepared in accordance with the Listing Rules under the responsibility of the Board of Directors of AVEVA Group plc on February 16, 2018 for inclusion in the supplementary prospectus to the combined prospectus and Class 1 Circular in connection with the proposed combination with the Schneider Electric Software Business and the re-admission of the ordinary shares of AVEVA Group plc to be issued to SE in connection with the combination to the premium segment of the Official List of the FCA, submitted by AVEVA Group plc on February 16, 2018.

All entities within the Schneider Electric Software Business (listed in Appendix – List of reporting entities and their associated legal entities) are all under common control and wholly owned by SE as of September 30, 2017 and, as applicable, have been carved-out for inclusion in the combined financial statements as of and from the date of their acquisition by SE.

These entities are solely focused on software activities, and more specifically on the development and sale of licences, maintenance services and engineering services.

The former Invensys Software and Telvent O&G businesses primarily operate in the United States of America. They provide customers with a broad range of solutions worldwide in visualisation and supervisory control; process design, simulation and optimisation; real-time operations management and asset management.

The main brands are Wonderware, SimSci and Avantis for Invensys Software, Aquis, Termis, Citect, Ampla and ClearScada for LOB5 and ePLMS and OaSys for Telvent.

The Schneider Electric Software Business entities are a combination of software legal entities in certain countries and the software portion of other legal entities that also include non-software related businesses. The software portion of these legal entities has been carved-out and included in this combined financial information as described in this basis of preparation.

In the preparation of combined financial information, and accordingly in preparing the combined statement of income, statement of comprehensive income and statement of cash flows, certain accounting conventions commonly used for the preparation of historical combined financial information have been applied as further described below.

For the purposes of the combined financial information, the Schneider Electric Software Business has measured its identifiable assets and liabilities at the carrying amount at which they would be included in each of the combined entities separate financial statements (whether resulting from a carve-out from a larger legal entity or incorporated in a separate legal entity as a subsidiary), based on SE's date of transition to IFRS as endorsed by the EU on April 1, 2004.

Assets and liabilities of software operations carved-out from legal entities with other non-software operations have been initially recorded (i.e. as at April 1, 2014) through SE funding (expressed as amounts receivable from/payable to related parties) at their carrying value in the separate financial statements of the legal entity to which these assets and liabilities belong to as described above.

Subsequently, the cash generated or consummated by such carved-out entities has been reflected as debit or credit to SE funding and has been reflected accordingly in the cash flow statement in the line "change in group funding including for legal reorganisations".

Lastly, at the time of the legal reorganisation of each of these carved-out operations into a separate dedicated legal entity/subsidiary, SE funding has been recorded as equity or current account with a related party (its direct parent within SE) consistent in each case with the funding elected by SE and reflected in the Legal Transfer Agreement or the Business Transfer Agreement to effect the legal reorganisation.

Identifiable intangible assets in the separate financial statements of the combined entities have been measured at the amount they are reported by the entity in the entity's accounting records in SE's reporting system and for external tax return purposes and would be reported if such entities were preparing separate statutory financial statements under IFRS.

Identifiable assets and liabilities of software entities acquired by SE from unrelated parties have been reflected as transfers of business under common control from SE to the Schneider Electric Software Business recorded through equity from the date of acquisition by SE at their carrying values in the consolidated financial statements of SE as described above.

For defined benefit pension plans, the assets and obligations have been included in these combined financial statements to the extent that Invensys Software is expected to be responsible for fulfilling these defined benefit pension obligations.

For ClearScada, prior to its legal reorganisation that occurred during the six months ended September 30, 2017, the statements of financial position items included in the working capital of these Schneider Electric Software Business carved-out operations, trade receivables and trade payable were allocated on the basis of observable days of sales/purchases data, taking into account specific contractual payment arrangement (e.g. advances) when applicable and significant, and the resulting changes in working capital were deemed to be funded through SE group funding.

Some of the operations of the Schneider Electric Software Business reflected in the combined financial information have not existed as separate legal entities over the periods presented. The revenues and costs of these operations have been carved-out from the legal entities in which these operations are included using historical information relating to Schneider Electric Software Business transactions included in the accounting information systems and management reporting of SE. This applies for all periods presented to:

- All carved-out revenues with the exception of the portion of Citect MES revenues which are derived from services within the same Australian legal entity from which Citect MES is carved-out and that are bundled with other goods and services when invoiced to external customers until the date of the legal reorganisation (January 1, 2017). Until January 1, 2017, this portion of Citect MES Software revenue has therefore been measured based on revenues from related sales to external customers in which Citect MES services are bundled, applying a mark-down based on a margin allocation between Citect MES Software and non-Software operations and excluding any SE distribution margin attributable to Citect MES; and

- Direct costs included in Cost of sales (typically compensation expenses relating to employees working for Schneider Electric Software) until the date of the legal reorganisation.

Direct and indirect costs reflected in the combined financial statements include costs that were charged to the Schneider Electric Software Business by SE related to the operations of the Schneider Electric Software Business. Indirect costs relate to certain support functions that are provided on a centralised basis within SE and SE shared service center locations. Due to the integration of Invensys and for management reasons, the normative system of indirect costs recharge from SE to the Schneider Electric Software Business has been put in place from January 1, 2016,

For all carved-out operations, other indirect costs incurred have been allocated using reasonable and consistent conventions based on the type of costs involved to provide the fairest approximation of the cost of services received based on amounts actually attributable to the carved-out Schneider Electric Software Business operations.

Direct and indirect costs charged to the Schneider Electric Software Business by SE are recorded as amounts payable to related parties.

As certain expenses reflected in the combined financial information are recharges from SE, the combined financial information may not be indicative of the financial position, results of operations and cash flows that would have been presented if the Schneider Electric Software Business had been a standalone entity. Therefore the combined financial information may not necessarily be indicative of the future financial position, results of operations and cash flows of the Schneider Electric Software Business.

Cash management is performed at a global level by SE. The financing position and financing costs of the Schneider Electric Software Business included in the combined financial information may not be indicative of the financial position, results of operations and cash flows that would have been presented if the Schneider Electric Software Business had been a standalone entity.

Current income tax, other than taxes owed directly to tax jurisdiction (i.e. for combined entities that are not a separate tax entity of their own but are included or consolidated in a larger tax entity), was deemed to have been settled by or to SE and recorded against SE funding when income tax profits/deficits continue to belong to the combined entity under applicable tax law or contract with their tax parent, in the year the related income tax was recorded. Current and deferred taxes for the six months ended September 30, 2017 and 2016 were measured by applying the estimated average effective tax rate for the current year to pre-tax profit of the period. The current income tax charge and position included in the combined financial information may not be indicative of the financial position, results of operation and cash flows that would have been presented if the Schneider Electric Software Business had been a standalone entity.

The Schneider Electric Software Business has not in the past formed a separate legal group, and therefore it is not meaningful to reflect any share capital for the Schneider Electric Software Business. The Schneider Electric Software Business' invested equity represents the sum of cumulative net capital invested by SE, accumulated earnings of the Schneider Electric Software Business and other elements of comprehensive income.

The carved-out Combined Financial Statements have been prepared on the assumption that the Schneider Electric Software Business is a going concern, meaning it will continue its operations in the foreseeable future and will be able to realise assets and discharge liabilities in the normal course of its operations.

The Combined Financial Statements are presented in US Dollars (US$). All values are presented in millions (US$m) rounded to one decimal place except where otherwise indicated. Amounts may not add to totals due to this rounding.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The Schneider Electric Software Business Combined Financial Statements have been prepared in compliance with IFRS as endorsed in the European Union. The Combined Financial Statements have been prepared according to the historical cost principle, with the exception of certain assets and liabilities as detailed below. Amounts in the Combined Financial Statements are presented in US Dollars and have been rounded to the nearest million. A summary of the significant accounting policies used in the preparation of these Combined Financial Statements is presented below.

(a) Principles of combination

The Combined Financial Statements include all reporting units related to the Schneider Electric Software Business, as described in Note 1. All significant intragroup balances and transactions within the Schneider Electric Software Business have been eliminated. All significant intercompany balances and transactions between the Schneider Electric Software Business and other Schneider Electric reporting units outside the Schneider Electric Software Business have not been eliminated, but are disclosed as balances and transactions with related parties as if the Schneider Electric Software Business had been a standalone entity throughout the periods presented (see Note 1).

(b) **Critical accounting estimates and judgements**

Recognition of revenue and profits

Note	Judgement & Estimates	Key Assumptions
Note 3	Recognition of revenue	A contract which requires significant production, modification, customisation or integration of software is accounted for as a long-term service contract. Profit attributable to contract activity is recognised if the final outcome of such contracts can be reliably assessed. Income from long-term contracts is recognised using the percentage-of-completion method, based either on the percentage of costs incurred in relation to total estimated costs of the entire contract, or on the contract's technical milestones, notably proof of installation or delivery of equipment
Note 9	Development costs	Expected future cash generation of new products
		Expected period of benefits
Note 17	Provisions and contingent liabilities	Probability of future events
		Estimates the amount and timing of future cash outflows arising from the liabilities
Note 18	Pension and post-retirement benefits	Discount rates
		Expected rates of return on assets
		Future salary increases
		Mortality rates
		Future pension increases

(c) **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, call deposits and other short-term, highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and short-term deposits at the balance sheet date are offset against loans and overdrafts where formal rights of set-off exist and there is an intention to settle on a net basis.

(d) **Foreign currency translation**

The Combined Financial Statements have been presented in US Dollars. The financial statements for each reporting unit of the Schneider Electric Software Business are prepared using their functional currency. The functional currency is the currency of the primary economic environment in which that reporting unit operates.

Transactions in foreign currencies are translated at the exchange rate ruling at the dates of the transactions. Related receivable and payable outstanding at year-end are remeasured at the exchange rate ruling on the closing date with related foreign exchange gain or loss recognised in income.

Assets and liabilities of foreign currency reporting units are translated at the exchange rates ruling at the balance sheet date and income statements are retranslated at the average exchange rate of the period as an estimate of the exchange rates prevailing at the dates of the transactions. Exchange differences arising from translation for consolidation are recognised in other comprehensive income.

(e) **Property, plant and equipment**

Items of property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. The cost of property, plant and equipment comprises purchase price and directly attributable costs.

Items of property, plant and equipment are depreciated to their residual values on a straight-line basis over their estimated useful lives at the following rates applied to original cost:

	Estimated useful lives
Leasehold properties	Over the period of the lease
Plant, machinery and equipment	3 to 17 years

Useful lives and residual values are examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

(f) **Leased assets**

Assets held under finance leases are capitalised and included in property, plant and equipment at fair value or, if lower, the present value of the minimum lease payments. Capitalised leased assets are subsequently depreciated over the shorter of the lease term or the asset's useful life. Obligations related to finance leases, net of finance charges in respect of future periods, are included as appropriate within liabilities. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are charged directly against income.

Other leases are classified as operating leases. Lease payments, including any premium paid at the outset of the lease, made under operating leases are recognised as an expense over the lease term on a straight-line basis.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at its inception date and an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset, or assets, or the arrangement conveys a right to use the asset.

A reassessment is made after inception of the lease only if one of the following applies:

(i) there is a change in contractual terms, other than a renewal or extension of the arrangement;

(ii) a renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;

(iii) there is a change in the determination of whether fulfilment is dependent on a specified asset; and

(iv) there is a substantial change to the asset.

Where a reassessment is made, lease accounting commences or ceases from the date when the change in circumstance gave rise to the reassessment for scenarios 1), 2), or 4) and at the date of renewal period for scenario 2).

(g) **Goodwill**

On a business combination the identifiable net assets are assessed and adjustments are made to bring the accounting policies of the business acquired into alignment with those of the Schneider Electric Software Business. The excess of the aggregate of the acquisition date fair value of consideration transferred and the amount recognised for any non-controlling interest in the acquiree over the identifiable net assets acquired is included in intangible assets as goodwill.

Any costs of integrating the acquired business are taken to the combined statement of income.

Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired, and it is subsequently carried at cost less accumulated impairment losses. The Schneider Electric Software Business' policy on testing assets for impairment is set out under "Impairment of non-financial assets" in note (i).

Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold.

(h) **Other intangible assets**

Other intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. The cost of intangible assets acquired in a business combination is the fair value at acquisition date. The cost of separately acquired intangible assets, including computer software, comprises the purchase price and any directly attributable costs of preparing the asset for use. Amortisation begins when an asset is available for use and is calculated on a straight-line basis to allocate the cost less residual value of assets over their estimated useful lives using the following annual rates or useful lives:

	Estimated useful lives
Development costs	3 to 5 years
Computer software costs	3 to 7 years
Concessions, patents, licences and trademarks	Over the period of the agreement
Customer-related intangible assets	6 to 8 years

Useful lives are examined on an annual basis and adjustments, where applicable, are made on a prospective basis. No intangible assets other than goodwill are considered to have indefinite useful lives.

Expenditure incurred on development projects is capitalised as an intangible asset if it meets the recognition criteria set out in IAS 38, Intangible Assets. This standard requires that it is probable that the expenditure will generate future economic benefits and can be measured reliably. To meet these criteria, it is necessary to be able to demonstrate, among other things, the technical feasibility of completing the intangible asset so that it will be available for use or sale.

Costs incurred in the preliminary stage of a development project are considered to be research costs, and are recognised as expense in the combined statement of income as incurred. These costs are incurred to determine the product concepts and alternatives, evaluate the alternatives and related risks, assess the technical feasibility of concepts, make the final selection from the possible alternatives and prepare the high level design and project planning. The costs incurred in the following development stage for substantially new or improved products are assessed against the IAS 38 criteria and considered for recognition as an asset when they meet those criteria. These costs are generally incurred in developing the detailed product design, software configuration and software interfaces; the coding of software, building of prototypes and integration of the software with hardware; testing and releasing of the product to manufacture and pilot production.

Development expenditure directed towards incremental improvements in existing products does not qualify for recognition as an intangible asset.

Generally the costs of developing software products that are sold in packaged form and not integrated and sold with hardware are not recognised as intangible assets. The uncertainties associated with the functionality of these products mean that technical feasibility is achieved only immediately prior to or after field trial tests at customer sites.

An intangible asset acquired in a business combination is recognised separately from the goodwill arising on the business combination if the asset's fair value can be measured reliably, regardless of whether the asset had been recognised previously by the acquiree.

(i) **Impairment of non-financial assets**

At each reporting date, the Schneider Electric Software Business assesses whether there is any indication that any non-financial asset (excluding goodwill) may be impaired.

Goodwill is tested for impairment annually whether or not there is any indication of impairment. If there is an indication of impairment, the Schneider Electric Software Business makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is written down to its recoverable amount and an impairment loss is recognised in the combined statement of income.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset. If the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets the recoverable amount of the cash generating unit ("**CGU**") to which the asset belongs is determined.

The calculation of an asset's value in use uses a discount rate that reflects the asset specific risks and the time value of money.

The impairment tests of goodwill are performed at the level of the CGU / group of CGU to which the asset belongs. A cash-generating unit is the smallest group of assets that generates cash inflows that are largely independent of the cash flows from other assets or groups of assets. The Schneider Electric Software Business' CGUs are as follows:

- Design, Simulation and Optimisation;
- Trading, Planning and Scheduling;
- Operations, Information and Asset Management;
- HMI Supervisory and Controls; and
- Operations and Optimisation focusing mainly on supply chain optimisation and industrial control solutions.

Goodwill is allocated when initially recognised. The allocation to CGUs is performed on the same basis as used by the Schneider Electric Software Business' management to monitor operations and assess synergies deriving from acquisitions.

Where the tested CGU comprises goodwill, any impairment losses are deducted firstly from goodwill and subsequently from any other assets.

(j) **Revenue**

The Schneider Electric Software Business' primary sources of revenue are the supply of:

- Software products and licences;
- Support and maintenance; and
- Engineering services.

The Schneider Electric Software Business provides integrated process design and optimisation software solutions designed mainly for process industries. These process design software products are licenced to customers, together with maintenance agreements, primarily on a term basis. Extended payment options are offered for term licence agreements that generally require annual payments. Customers are provided with technical support, access to software fixes and updates, and the right to certain new unspecified future software products and updates that may be introduced.

Revenue comprises the invoiced value of goods and services supplied by Invensys Software net of sales taxes. Discounts given to customers against list prices, such as trade or volume discounts, are deducted in arriving at the value of revenue. Settlement discounts are reported as an expense in the income statement.

Recognition of revenue

(i) **Software products and licences**

Revenue from the sale of product and licences is recognised when a signed contract exists, delivery to the customer has occurred, no significant vendor obligations remain, the fee is fixed or determinable, and collection of the sales proceeds is considered probable.

Revenue is recognised on software sales made via a distributor or systems integrator when there is an agreement in place between the Schneider Electric Software Business and the distributor or systems integrator.

Income from long-term contracts is recognised using the percentage-of-completion method, based either on the percentage of costs incurred in relation to total estimated costs of the entire contract, or on the contract's technical milestones, notably proof of installation or delivery of equipment. Losses at completion for a given contract are provided for in full as soon as they become probable. The cost of work-in-process includes direct and indirect costs relating to the contracts.

(ii) **Support and maintenance**

Maintenance revenue (comprising updates, releases and versions and telephone assistance) is included at its full economic value and is recognised rateably over the duration of the contract.

(iii) **Engineering services**

Revenue is recognised on the rendering of a service when the outcome of the transaction can be estimated reliably. Revenue is recognised by reference to the stage of completion of the transaction at the balance sheet date. This is normally determined by the proportion that contract costs incurred to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. If the nature of a particular contract means that costs incurred do not accurately reflect the progress of contract activity, an alternative approach is used such as the achievement of predetermined contract milestones.

Revenue on short-term one-off contracts is recognised when the service is complete.

For service contracts covering a specific period and providing services during that period as and when required by the customer, revenue is recognised on a straight-line basis over the specified period (unless there is evidence that some other method better represents the stage of completion).

When a transaction combines a supply of goods with the provision of a significant service, revenue from the provision of the service is recognised separately from the revenue from the sale of goods by reference to the stage of completion of the service unless the service is essential to the functionality of the goods supplied, in which case the whole transaction is treated as a long-term service contract. Revenue from a service that is incidental to the supply of goods is recognised at the same time as the revenue from the supply of goods. A contract which requires significant production, modification, customisation or integration of software is accounted for as a long-term service contract.

(k) **Inventories**

Inventories are valued at the lower of cost and estimated net realisable value (defined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale). Provisions are made for obsolete and slow-moving items. Cost comprises the cost of raw materials, determined on a first-in, first-out basis, and an appropriate proportion of labour and manufacturing overheads based on normal operating capacity to reflect the costs incurred in bringing the product to its present location and condition. Inventories comprise finished goods and work in progress.

(l) **Trade and Other receivables**

Trade and other receivables are measured at amortised cost less any provision for impairment. Trade and other receivables are discounted when the time value of money is considered material. Any change in their value is recognised in the combined statement of income.

Accounts receivable are stated, net of allowances for doubtful accounts and other provisions. The Schneider Electric Software Business makes judgements as to its ability to collect outstanding receivables and establishes the allowance for doubtful accounts based upon a combination of specific customer circumstances, credit conditions and historical trends of write-offs.

(m) **Income taxes**

The current tax payable is based on taxable profit for the year and any adjustment to tax payable in respect of previous years. Taxable profit differs from profit reported in the combined statement of income as it excludes items that are never taxable or deductible, or which are taxable or deductible in other years. The Schneider Electric Software Business' current tax assets and liabilities are calculated using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax is accounted for using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used for taxation purposes. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the asset can be utilised.

No deferred income tax asset or liability is recognised in respect of temporary differences associated with investments in subsidiaries where the Schneider Electric Software Business is able to control the timing of reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Such assets and liabilities are also not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets other than goodwill or liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax is measured at the tax rates that are expected to apply in the periods in which the asset is realised or the liability is settled, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and they relate to income taxes levied by the same taxation authority and the Schneider Electric Software Business intends to settle its current tax assets and liabilities on a net basis.

(n) **Financial instruments**

Debt instruments

All loans and borrowings are initially recognised at fair value of the consideration received less directly attributable issuance costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in the combined statement of income through the amortisation process and when the liabilities are derecognised.

Derecognition of financial instruments

A financial asset or liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the combined statement of income.

Impairment of financial assets

At each reporting date, the Schneider Electric Software Business assesses whether a financial asset or group of financial assets is impaired.

Assets carried at amortised cost, such as loans and receivables, are impaired if there is objective evidence that an impairment loss has been incurred. The loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account and the amount of the loss is recognised in the combined statement of income.

The assessment considers whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is recognised are not included in a collective assessment of impairment.

If the amount of a recognised impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The reversal is recognised in the combined statement of income, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

For trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Schneider Electric Software Business will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

(o) **Share-based payments**

Prior to the acquisition of Invensys plc by Schneider Electric S.A. on January 17, 2014, Invensys plc operated various equity-settled and cash-settled share schemes. Upon the acquisition, the Schneider Electric Software Business has only cash-settled share-based payment schemes accounted for in accordance with IFRS 2 and such as described in note 20.

(p) **Pension and post-retirement benefits**

Defined benefit plans

The service cost of providing retirement benefits to employees during the year is charged to the income statement of the year. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit actuarial valuation method. The full cost of providing amendments to benefits in respect of past service that vest immediately is also charged to operating profit or loss in the year. The expected return on the assets, of the schemes during the year, based on the market value of scheme assets at the start of the financial year is included within net financial income in the combined statement of income. This also includes a charge representing the expected increase in liabilities of the schemes during the year, arising from the liabilities of the scheme being one year closer to payment. Differences between actual and expected returns on assets during the year are recognised in the statement of comprehensive income in the year, together with experience gains or losses arising on the scheme.

The value of any defined benefit asset recognised is restricted to the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plans. When the Schneider Electric Software Business is committed to making minimum funding payments to a defined benefit plan, and the present value of the agreed funding payment exceeds the liability in respect of the plan as measured under IFRSs, a provision is recognised for any part of the resulting surplus that would not be recoverable.

Defined contribution plans

For defined contribution schemes the amount charged to the combined statement of income in respect of the pension costs is the contribution charge for the year. Differences between the contribution charge for the year and contributions actually paid are shown either as accruals or prepayments in the combined statement of financial position.

(q) **Earnings per share**

The Schneider Electric Software Business' capital structure is not indicative of its prospective structure since no direct ownership relationship exists among all the various reporting units comprising the Schneider Electric Software Business. Accordingly, historical earnings per share have not been presented in the Combined Financial Statements.

(r) **New standards and interpretations applied and not applied**

As at September 30, 2017, the Schneider Electric Group decided not to early adopt those Standards, Amendments and Interpretations that the European Union has not adopted yet, or that the European Union adopted but that were not effective as of September 30, 2017, namely:

- IFRS 9 – Financial Instruments – January 1, 2018
- IFRS 15 – Revenue from Contracts with Customers – January 1, 2018
- Annual Improvements to IFRSs 2014 – 2016 – January 1, 2018 or 2017
- IAS 12 – Recognition of Deferred Tax Assets for Unrealized Losses – January 1, 2017
- IFRIC 23 – Uncertainty over Income Tax Treatments – January 1, 2019
- IFRS 16 – Leases - February 1, 2019
- Clarification to IFRS 15 - Revenue from Contracts with Customers – January 1, 2018
- IAS 7 – Disclosure initiative – January 1, 2017

The Schneider Electric Software Business is currently reviewing these Standards, Amendments, and Interpretations to assess their potential impact on the combined financial statements.

NOTE 3 – OPERATING SEGMENT INFORMATION

1. **Operating and reportable segment**

The business of the Schneider Electric Software Business reflected in the combined carved-out financial statements has not been operated as an integrated business under the responsibility of a software dedicated chief operating decision maker in charge of all software operations within SE over the periods presented nor were discrete reporting data available for this business within SE.

As a consequence, for the periods presented the Schneider Electric Software Business had no reporting segments identifiable under IFRS 8 – Operating Segments.

2. **Revenue by revenue stream**

The Schneider Electric Software Business does not have any external customer representing more than 10% of its revenue as at September 30, 2017 and September 30, 2016.

Breakdown of revenue by revenue stream is as follows:

	Half-year ended Sept. 30, 2017	**Half-year ended Sept. 30, 2016**
Support	88.6	80.0
Licence	107.3	96.4
Services	75.2	85.8
Subscription	2.4	1.8
Other - intercompany items & minor adjustments	15.0	13.5
Total revenues	**288.4**	**277.4**

3. **Revenue by geography**

Revenue from external clients (based on domicile of customers) is as follows:

	Half-year ended Sept. 30, 2017	Half-year ended Sept. 30, 2016
North America	132.2	138.6
Europe Middle East Africa	90.3	80.0
Asia Pacific	56.4	47.0
Latin America	9.5	11.5
Rest of world	0.0	0.3
Total revenues	**288.4**	**277.4**

NOTE 4 – OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses are detailed as follows:

	Half-year ended Sept. 30, 2017	Half-year ended Sept. 30, 2016
Share-based payment	(0.2)	-
Acquisition costs	(0.0)	(0.4)
Other	1.4	(0.1)
Total Other operating income and expenses	**1.2**	**(0.4)**

NOTE 5 – KEY MANAGEMENT COMPENSATION

The Schneider Electric Software Business defines its key management as the group formed by:

- Its President;
- Its Vice President in charge of finance;
- Its five Line of Business leaders (Telvent software activities are managed by the services and support leader);
- The leaders of its five global business functions (sales; marketing[1]; services and support; product development; product management and business integration); and
- The leaders of its four corporate and support functions (human resources; legal; information technology; strategic alliances and business development).

The aggregate compensation of the Schneider Electric Software Business' key management for the six months ended September 30, 2017 and September 30, 2016 (including total fixed and variable compensation, short and long term benefits, and share-based payments), was as follows:

	Half-year ended Sept. 30, 2017	Half-year ended Sept. 30, 2016
Short-term employee benefit	3.1	3.1
Share-based compensation	0.2	-
Total compensation and benefits	**3.3**	**3.1**

NOTE 6 – NET FINANCIAL INCOME

The net financial income is detailed as follows:

[1] A new marketing Vice President was hired in June 2017.

	Half-year ended Sept. 30, 2017	Half-year ended Sept. 30, 2016
Foreign exchange gains & losses*	(1.4)	0.5
Finance income	1.6	0.9
Finance expense	(1.7)	(0.1)
Total Net financial income/(expense)	**(1.5)**	**1.3**

**Including hedging instruments*

NOTE 7 – TAXATION

The income tax recognised within the combined statement of income is analysed as follows:

	Half-year ended Sept. 30, 2017	Half-year ended Sept. 30, 2016
Profit before tax	19.9	17.3
Current income tax charge	(7.5)	(13.5)
Deferred tax credit	3.1	10.6
Total Income charge	**(4.4)**	**(2.8)**

Tax proof:

	Half-year ended Sept. 30, 2017	Half-year ended Sept. 30, 2016
Profit before tax	19.9	17.3
Theoretical tax rate	35.0 %	35.0 %
Theoretical income tax	(7.0)	(6.1)
Other permanent differences not recognised and tax rate differences between countries	2.6	3.2
Total Income charge	**(4.4)**	**(2.8)**

NOTE 8 – INTANGIBLE ASSETS – GOODWILL

	September 30, 2017	March 31, 2017
Goodwill, at opening	53.0	43.9
Acquisitions through business combinations	-	9.1
Currency translation adjustments	-	-
Goodwill, at closing	**53.0**	**53.0**

The Schneider Electric Software Business' goodwill as at September 30, 2017 is related to the acquisitions of:

- Instep (US$43.9m), acquired on November 14, 2014;
- MWPowerlab s.r.l., acquired on February 2, 2017. The total acquisition price amounts to US$9.1m.

Goodwill is tested annually for impairment, by comparing the recoverable amounts of the CGUs with their carrying values. These recoverable amounts are determined from "value in use" calculations using cash flow projects over a five-year period.

The key assumptions for the "value in use" calculations are:

- revenue volumes;
- revenue prices;

- operating costs;
- perpetual growth rate; and
- discount rate.

Expected revenue volumes, revenue prices and operating costs are those in the most recent financial operating plans approved by Schneider Electric management. The key assumptions underlying the forecasts for the CGUs over the period of the operating plans are order growth, taking account of the level of historic growth and expected future developments in markets and operations, and macroeconomic forecasts for the territories and industries in which they operate.

Perpetual growth rates are applied to calculate the terminal values of the CGUs. These rates do not exceed the average long-term growth rate for the relevant markets. A long-term discount rate is derived for the CGUs by adjusting Schneider Electric's weighted average cost of capital to reflect the relative level of risk associated with the cash flow projections. The perpetual growth rate and long-term pre-tax discount rate used for the year ended March 31, 2017 are 2.5% and 10.6% respectively.

As of March 31, 2017, impairment test performed has not led to impairment loss being recognised as the recoverable amount, remained in excess of the carrying value. With respect to the assessment of "value in use" of all CGUs, management believes that no reasonable possible change in any of the above key assumptions would cause the carrying value of those CGUs to exceed its recoverable amounts.

The sensitivity analysis shows that no impairment losses would be recognised in the following scenarios:

- a 1.0 point decrease of growth rate;
- a -0.5 point decrease of the gross margin rate;
- a 0.5 point increase of discount rate;
- a 0.5 point decrease of discount rate.

As of September 30, 2017, there has not been any triggering event identified by the management that would require to perform an impairment test.

NOTE 9 – INTANGIBLE ASSETS – OTHER

	Development costs	Computer software	Customer relationships	Other	Total
Intangible assets, net, as at April 1, 2016	**163.9**	**11.6**	**76.8**	**36.3**	**288.7**
Additions	7.7	2.0	-	2.4	12.1
Acquisition of subsidiaries	-	-	-	-	-
Amortisation expense	(31.7)	(3.0)	(12.7)	(4.7)	(52.0)
Currency translation adjustments	(0.1)	0.0	0.0	0.0	(0.1)
Intangible assets, net, as at March 31, 2017	**139.8**	**10.7**	**64.2**	**34.1**	**248.7**
Consisting of:					
Gross balance	264.0	15.5	115.3	47.1	441.9
Accumulated amortisation	(124.2)	(4.9)	(51.2)	(13.0)	(193.3)
Intangible assets, net, as at April 1, 2017	**139.8**	**10.7**	**64.2**	**34.1**	**248.7**
Additions	5.3	0.9	-	-	6.2
Acquisition of subsidiaries	-	-	-	-	-
Amortisation expense	(18.1)	(1.2)	(6.7)	(2.3)	(28.2)
Currency translation adjustments	1.8	(0.0)	(0.1)	0.8	2.4
Intangible assets, net, as at Sept. 30, 2017	**128.8**	**10.3**	**57.4**	**32.5**	**229.1**
Consisting of:					
Gross balance	271.1	16.4	115.2	47.9	450.6
Accumulated amortisation	(142.3)	(6.0)	(57.8)	(15.4)	(221.5)

The Development costs correspond mainly to Invensys Software technologies, Telvent and Citect capitalised development costs, for US$95.9m, US$26.1m and US$6.8m respectively as at September 30, 2017.

For further information on "acquisitions through business combination", please refer to note 22 - Business Combination and Assets Acquisitions.

NOTE 10 – PROPERTY, PLANT AND EQUIPMENT

The evolution of the Schneider Electric Software Business' property, plant and equipment is as follow:

	Land and building	Plant and machinery	Computer hardware	Total
Net balance as of April 1, 2016	**4.3**	**1.6**	**4.7**	**10.6**
Additions (net of disposals)	0.7	0.7	2.1	3.4
Disposals	-	-	-	-
Depreciation expense	(0.8)	(0.1)	(2.2)	(3.2)
Transfers	(0.1)	(0.0)	(0.0)	(0.2)
Currency translation adjustments	0.0	0.0	0.0	0.0
Net balance as of March 31, 2017	**4.0**	**2.1**	**4.6**	**10.7**
Consisting of:				
Gross balance	8.8	7.2	21.3	37.3
Accumulated depreciation	(4.8)	(5.1)	(16.6)	(26.5)
Net balance as of April 1, 2017	**4.1**	**2.0**	**4.7**	**10.8**
Additions (*)	0.3	0.3	1.4	2.0
Disposals	(1.2)	-	-	(1.2)
Depreciation expense	(0.5)	(0.2)	(2.0)	(2.7)
Transfers	-	-	-	-
Currency translation adjustments	0.5	0.1	0.5	1.1
Net balance as of Sept. 30, 2017	**3.2**	**2.3**	**4.5**	**10.0**
Consisting of:				
Gross balance	8.4	7.6	23.2	39.2
Accumulated depreciation	(5.2)	(5.3)	(18.6)	(29.2)

(*) Net of disposals on Invensys and Citect

NOTE 11 – TRADE AND OTHER RECEIVABLES

	September 30, 2017	March 31, 2017
Trade receivables – gross	140.5	132.3
Provision for bad debt	(3.4)	(2.6)
Shipped not billed revenue	2.4	3.8
Total Trade receivables	**139.4**	**133.5**
Other receivables	41.9	41.6
Total Trade, other receivables and current assets	**181.4**	**175.1**

Trade receivables are recorded net of bad debt provision.

The analysis of the ageing of trade receivables is as follows:

	September 30, 2017	March 31, 2017
121 days and over	8.8	9.2
91-120 days	1.6	2.3
61-90 days	2.5	1.4
31-60 days	1.9	4.8
Total over 31 days overdue	14.8	17.7
1-30 days	15.6	32.3
Total overdue	30.4	50.0
Current	110.0	82.3
Gross trade receivable	140.5	132.3
Bad debt provision	(3.4)	(2.6)
Total Account receivables	137.0	129.7
Shipped not billed revenue	2.4	3.8
Total Trade receivables	**139.4**	**133.5**

The evolution of bad debt provision is as follows:

	September 30, 2017	March 31, 2017
Provision, at opening	(2.6)	(3.0)
Additions	(1.2)	(1.3)
Reversals	0.1	0.3
Utilisations	0.3	1.5
Currency translation adjustments	(0.1)	(0.0)
Provision, at closing	**(3.4)**	**(2.6)**

NOTE 12 – DEFERRED INCOME TAX ASSETS AND LIABILITIES

	September 30, 2017	March 31, 2017
Other	3.2	2.6
Total Deferred tax assets	**3.2**	**2.6**

	September 30, 2017	March 31, 2017
Intangible assets	(73.2)	(76.3)
Other	0.1	0.4
Total Deferred tax liabilities	**(73.2)**	**(75.9)**

Deferred tax liabilities mainly relate to identifiable intangible assets of Invensys Software.

The movements in the deferred tax liabilities are as follows:

	September 30, 2017	March 31, 2017
Deferred tax liabilities, beginning of period	(75.9)	(97.6)
Acquisitions (note 22)	-	-
Credit to combined statement of income (note 7)	3.1	21.5
Currency translation adjustments	(0.3)	0.1
Deferred tax liabilities, end of period	**(73.2)**	**(75.9)**

NOTE 13 – INVENTORY

	September 30, 2017	March 31, 2017
Gross value		
Materials	0.0	-
Work in Progress	14.3	10.1
Finished goods	1.0	1.2
Other	-	-
Total Inventory	**15.4**	**11.3**

	September 30, 2017	March 31, 2017
Cost of inventories recognised as an expense	(7.5)	(14.2)
Including:		
Reversals of impairments in inventories		

NOTE 14 – FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Overview of treasury policy

The Schneider Electric Software Business manages its exposure to risks arising from its use of financial instruments by the application of its treasury policy. This treasury policy seeks to ensure that:

- Appropriate financial resources are available for the maintenance and development of the business;
- The financial risk of currency, interest rate and counterparty credit exposure is understood, measured and managed appropriately; and
- The treasury department operates as a cost centre and that no speculative transactions are undertaken.

Currency risk

Transaction exposure

Currency transaction exposure arises when businesses face revenue or costs in a currency other than their own. The incidence of this risk varies across the Schneider Electric Software Business and is subject to change. However, the majority of revenue and costs will usually be in the functional currency of the business undertaking the transaction. As the majority of the Schneider Electric Software Business' revenue and costs are in US dollars, it does not hedge this transaction exposure.

For each of the six months ended September 30, 2017 and September 30, 2016, foreign currency derivatives were used in respect of Telvent to hedge the currency risk associated with foreign currency transactions. Such instruments hedge operating receivables and payables carried in the balance sheet. Telvent does not apply hedge accounting. At year-end, the hedging derivatives are marked to market and gains or losses are recognised in the income statement as net financial income/(loss), offsetting the gains or losses resulting from the translation at end-of-year rates of foreign currency payables and receivables, in accordance with IAS 21 – The Effects of Changes in Foreign Exchange Rates.

Future cash flows hedge was in place for Telvent during the financial years ended March 31, 2016 and March 31, 2015, including recurring future transactions, intra-group foreign currency loans or planned acquisitions or disposals of investments. In accordance with IAS 39, these are treated as cash flow hedges. These hedging instruments are recognised in the balance sheet and are measured at fair value at the end of the year. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is accumulated in invested equity, under "Other comprehensive income", and then recognised in the income statement when the hedged item affects profit or loss. The ineffective portion of the gain or loss on the hedging instrument is recognised in the income statement as Net financial income/(loss).

Translation exposure

The majority of the Schneider Electric Software Business' operating capital is denominated in US dollars. As a consequence, changes in exchange rates do not significantly affect net asset values and reported results.

Liquidity risk

Liquidity risk is the risk that the Schneider Electric Software Business will encounter difficulty in meeting its financial obligations as they fall due.

Operating within the strict controls of Schneider Electric's treasury policy, the treasury department manages this risk, ensuring that sufficient funding and liquidity is available to meet the expected needs of the Schneider Electric Software Business together with a prudent level of headroom to allow for cash flow and bank guarantee variability.

Liquidity management is centralised through cash pooling arrangements and inter-company funding structures, under the control of the treasury department. Standard business practices include the strict application of credit control procedures to ensure the collection of cash from customers in accordance with agreed credit periods and terms that result in positive cash flows over the life of a construction or long-term service provision contract whenever possible.

The following table summarises the maturity profile of the Schneider Electric Software Business financial liabilities based on contractual undiscounted payments:

March 31, 2017	**up to 1 year**	**between 1 and 5 years**	**> 5 years**	**Total**
Non-derivative financial liabilities				
Provisions	(4.4)	-	-	(4.4)
Trade and other payables	(141.7)	-	-	(141.7)
Total Financial Liabilities	**(146.1)**	**-**	**-**	**(146.1)**
Derivative financial liabilities				
Derivative financial liabilities	(2.3)	(0.1)	-	(2.4)
Total Financial Liabilities	**(2.3)**	**(0.1)**	**-**	**(2.4)**

September 30, 2017	**up to 1 year**	**between 1 and 5 Years**	**> 5 years**	**Total**
Non-derivative financial liabilities				
Provisions	(3.3)	-	-	(3.3)
Trade and other payables	(132.9)	-	-	(132.9)
Total Financial Liabilities	(136.2)	-	-	(136.2)
Derivative financial liabilities				
Derivative financial liabilities	(0.7)	-	-	(0.7)
Total Financial Liabilities	(0.7)	-	-	(0.7)

Accounts payables with related parties are not presented in the tables above. They all have a maturity profile below 1 year as they are intended to be refunded by SE prior to the closing of the proposed combination between the Schneider Electric Software Business and AVEVA Group plc.

The combined financial statements for the six months ended September 30, 2017 do not reflect the full completion of the pre-closing reorganisation some of which resulted in a decrease of combined equity and an increase in accounts payable to related parties (see Note 19) nor the intended recapitalisation funded by SE prior to the closing of the proposed combination between the Schneider Electric Software

Business and AVEVA Group plc pursuant to the provisions of the Merger Agreement entered into on September 5, 2017.

Credit risk

The Schneider Electric Software Business is exposed to risk if a counterparty to a financial instrument fails to meet its contractual obligations. Such a risk arises principally in relation to receivables due from customers and cash deposited with banks or other financial institutions.

The Schneider Electric Software Business monitors the identity of the external counterparties with whom it deposits cash and transacts other financial instruments so as to control exposure to any territory or institution. Risk is assessed using ratings from major credit rating agencies.

Based on past experience, management believes that there is no significant credit risk associated with receivables that are neither past due nor impaired. The Schneider Electric Software Business trades only with recognised, creditworthy third parties, and performs credit verification procedures on all major customers. Receivable balances, including unbilled receivables reported as amounts due from contract customers, are monitored on an ongoing basis.

Capital management

The Schneider Electric Software Business capital management strategy is driven by the SE policy (as set out in its December 31, 2016 annual report). SE policy is designed to:

- Ensure liquidity of the Schneider Electric Group;
- Optimise its financial structure; and
- Optimise the weighted average cost of capital.

Classification and fair values of financial assets and liabilities

The following table sets out the classification, carrying amounts and fair values of the Schneider Electric Software Business' financial assets and liabilities. The fair value is defined as the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties. Where market values are not available, fair values have been calculated by discounting cash flows at prevailing interest rates translated at year-end exchange rates. Provisions have been included where there is a contractual obligation to settle in cash.

	Book value Sept. 2017	Fair value Sept. 2017	Book value March 2017	Fair value March 2017
Accounts receivable (payable) - Related parties	**(240.5)**	**(240.5)**	**37.9**	**37.9**
Financial assets				
Loans and receivables: trade and other receivables	181.4	181.4	175.1	175.1
Cash and cash equivalents	28.5	28.5	28.0	28.0
Unbilled revenue	52.1	52.1	52.0	52.0
Derivative financial assets	0.6	0.6	1.9	1.9
Financial assets	**262.5**	**262.5**	**257.1**	**257.1**
Financial liabilities				
Provisions	3.3	3.3	4.4	4.4
Trade and other payables	132.9	132.9	141.7	141.7
Derivative financial liabilities	0.7	0.7	2.4	2.4
Financial liabilities	**136.9**	**136.9**	**148.5**	**148.5**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of all financial assets and liabilities are estimated to approximate to their carrying values.

NOTE 15 – CASH AND CASH EQUIVALENTS

	September 30, 2017	March 31, 2017
Cash on hand	28.5	28.0
Cash equivalent	-	-
Total cash and cash equivalent	**28.5**	**28.0**

As of September 30, 2017 and March 31, 2017, the Schneider Electric Software Business holds no restricted cash.

NOTE 16 – TRADE AND OTHER PAYABLES

	September 30, 2017	March 31, 2017
Trade payables	(58.5)	(46.8)
Other payables*	(66.4)	(84.5)
Income tax payables	(8.0)	(10.5)
Trade and other payables	**(132.9)**	**(141.7)**

**Other payables excluding income tax payables are mainly comprised of customer advance*

NOTE 17 – PROVISIONS

	Restructuring	Warranty	Legal	Other	Total
Provisions, as at April 1, 2016	**(1.0)**	**(0.7)**	**(1.8)**	**(0.5)**	**(4.0)**
Charged in year	(1.4)	(0.8)	(0.2)	(0.3)	(2.7)
Released in year	-	0.3	-	-	0.3
Utilised in year	1.6	0.6	0.0	0.0	2.3
New subsidiaries	-	-	-	0.0	0.0
Exchange adjustments	(0.1)	0.0	(0.2)	0.1	(0.2)
Provisions, as at March 31, 2017	**(0.9)**	**(0.7)**	**(2.2)**	**(0.7)**	**(4.4)**
Charged in year	(0.4)	(0.6)	(0.0)	(0.3)	(1.4)
Released in year	-	0.2	1.8	-	1.9
Utilised in year	0.6	0.2	-	0.0	0.8
Exchange adjustments	0.0	(0.0)	(0.2)	(0.1)	(0.3)
Provisions, as at Sept. 30, 2017	**(0.6)**	**(0.9)**	**(0.6)**	**(1.1)**	**(3.3)**

NOTE 18 – PENSIONS AND POST-RETIREMENT BENEFITS

Post-employment benefits are primarily composed of unfunded, defined benefits plans in Italy, Germany, Japan and Australia.

US and UK defined benefit pension schemes and US retiree medical liabilities provided to employees in the United States will remain with Schneider Electric Group and are therefore not being reflected into the combined accounts.

Other plans are all defined contribution schemes. Contributions to the defined benefit schemes are made in accordance with the recommendations of the independent actuary of the scheme.

SE Software Italy

SE Software Italy plan is a Trattamento di Fine Rapporto ("**TFR**") plan, which provides all employees with a benefit on retirement or termination, payable by the Schneider Electric Software Business. The defined benefit obligation has been valued on an accrued benefits basis, which approximates to an IAS 19 basis.

SE Software Germany plan

In Germany, there are two unfunded defined benefit pension plans. One of these plans pays retirement benefits based on employees' salaries close to their retirement, with the other paying a lump sum benefit based on employees' average career salaries. The defined benefit pension obligations have been determined in accordance with IAS 19.

SE Software Japan plan

Employees in Japan are provided with a lump sum retirement benefit, payable either on retirement or if employees leave the company prior to retirement. The defined benefit pension obligations have been determined in accordance with IAS 19.

SE Software Australia

Employees of SE Software Australia are provided with long term benefit plans. The defined benefit pension obligations have been determined in accordance with IAS 19.

The following table provides an analysis of net change in the projected benefit obligations:

	SE Software Italy	SE Software Germany	SE Software Japan	SE Software Australia	Other	Total
Balance as at April 1, 2016	**(1.9)**	**(1.4)**	**(1.5)**	**-**	**(0.7)**	**(5.6)**
Service cost - benefits earned during the period	(0.3)	(0.1)	(0.2)	-	(0.1)	(0.7)
Interest cost on benefit obligations	-	(0.0)	(0.0)	-	-	(0.0)
Benefits paid	0.0	-	-	-	0.0	0.0
Actuarial (gains) losses - financial assumptions	-	(0.2)	0.0	-	-	(0.1)
Currency translation adjustments	0.0	0.0	(0.0)	-	(0.0)	0.0
Balance as at March 31, 2017	**(2.2)**	**(1.7)**	**(1.7)**	**-**	**(0.8)**	**(6.5)**
Service cost - benefits earned during the period	(0.2)	(0.1)	(0.1)	-	(0.2)	(0.5)
Interest cost on benefit obligations	-	(0.0)	(0.0)	-	-	(0.0)
Benefits paid	0.2	-	0.3	0.3	0.1	0.9
Actuarial (gains) losses - financial assumptions	-	0.0	(0.0)	0.1	-	0.1
Actuarial (gains) losses - demographic and others	-	-	-	(0.4)	-	(0.4)
Restructuring events	-	-	-	(2.2)	-	(2.2)
Currency translation adjustments	(0.2)	(0.2)	0.0	-	(0.1)	(0.4)
Balance as at Sept. 30, 2017*	**(2.4)**	**(1.9)**	**(1.5)**	**(2.2)**	**(1.0)**	**(9.1)**

* *Pensions related to other countries have been estimated to US$(1.0)m at end of September 2017.*

The following table provides an analysis of net change in the fair value of the assets:

	SE Software Italy	SE Software Germany	SE Software Japan	SE Software Australia	Other	Total
Balance as at April 1, 2016	-	-	-	-	-	-
Contribution by employer	0.0	-	-	-	-	0.0
Benefits payments	(0.0)	-	-	-	-	(0.0)
Balance as at March 31, 2017	-	-	-	-	-	-
Contribution by employer	0.2	-	0.3	0.3	0.1	0.9
Benefits payments	(0.2)	-	(0.3)	(0.3)	(0.1)	(0.9)
Balance as at Sept. 30, 2017	-	-	-	-	-	-

Actuarial assumptions used at March 31, 2017 and September 30, 2017 for the main schemes are set out below. There are no assumptions for SE Software Italy TFR.

March 31, 2017

	SE Software Italy	SE Software Germany	SE Software Japan	SE Software Australia
Rate of increase in salaries	n.a.	2.30 %	2.00%	n.a.
Rate of increase to pensions in payment	n.a.	n.a.	n.a.	n.a.
Discount rate for scheme liabilities	n.a.	1.80 %	0.50 %	n.a.
Inflation rate	n.a.	1.80 %	n.a.	n.a.

September 30, 2017

	SE Software Italy	SE Software Germany	SE Software Japan	SE Software Australia
Rate of increase in salaries	n.a.	2.30 %	2.00%	n.a.
Rate of increase to pensions in payment	n.a.	n.a.	n.a.	n.a.
Discount rate for scheme liabilities	n.a.	1.90 %	0.40 %	3.80 %
Inflation rate	n.a.	1.80 %	n.a.	3.00 %

Any reasonably possible changes in actuarial assumptions would not have a material effect on the Combined Financial Statements.

The following tables show the amounts included in the combined statement of income at March 31, 2017 and September 30, 2017:

March 31, 2017	**SE Software Italy**	**SE Software Germany**	**SE Software Japan**	**SE Software Australia**	**Other**	**Total**
Service costs	(0.3)	(0.1)	(0.2)	-	(0.1)	(0.7)
Financing costs	-	-	-	-	-	-
Year to March 31, 2017	**(0.3)**	**(0.1)**	**(0.2)**	**-**	**(0.1)**	**(0.7)**

Sept. 30, 2017	**SE Software Italy**	**SE Software Germany**	**SE Software Japan**	**SE Software Australia**	**Other**	**Total**
Service costs	(0.2)	(0.1)	(0.1)	-	(0.2)	(0.5)
Financing costs	n.a.	0.0	(0.0)	(0.3)	-	(0.3)
Half-year to Sept. 30, 2017	**(0.2)**	**(0.0)**	**(0.1)**	**(0.3)**	**(0.2)**	**(0.9)**

The following tables show the amounts included in the combined statement of comprehensive income at March 31, 2017 and September 30, 2017:

March 31, 2017	**SE Software Italy**	**SE Software Germany**	**SE Software Japan**	**SE Software Australia**	**Total**
Actuarial (gains) - financial assumptions	n.a.	(0.1)	0.1	n.a.	(0.0)
Actuarial (gains) losses - demographic assumptions	n.a.	-	-	n.a.	-
Actuarial losses - other	n.a.	-	-	n.a.	-
Year to March 31, 2017	**-**	**(0.2)**	**0.0**	**n.a.**	**(0.0)**

Sept. 30, 2017	**SE Software Italy**	**SE Software Germany**	**SE Software Japan**	**SE Software Australia**	**Total**
Actuarial (gains) - financial assumptions	n.a.	0.0	(0.0)	0.1	0.1
Actuarial (gains) losses - demographic assumptions	n.a.	-	-	(0.0)	(0.0)
Actuarial losses - other	n.a.	-	-	(0.4)	(0.4)
Year to Sept. 30, 2017	**-**	**(0.1)**	**0.0**	**(0.3)**	**(0.3)**

NOTE 19 – INVESTED EQUITY

The Schneider Electric Software Business has not in the past formed a separate legal group. It is therefore not meaningful to reflect any share capital for the group. The Schneider Electric Software Business' invested equity represents the sum of cumulative net capital invested by the Schneider Electric Group, accumulated earnings of the Schneider Electric Software Business and other elements of comprehensive income.

It is intended that the equity and debt of the Schneider Electric Software Business will be adjusted by recapitalisation funded by SE prior to the closing of the proposed combination between the Schneider Electric Software Business and AVEVA Group plc and pursuant to the provisions of the Merger Agreement.

NOTE 20 – SHARE-BASED PAYMENT PLANS

As a consequence of the acquisition of Invensys plc by Schneider Electric, all options and awards granted under the various share schemes operated by Invensys plc became exercisable or vested. All outstanding awards granted under the Invensys 2007 Long Term Incentive Plan, Invensys plc Restricted Share Plan and Invensys plc Deferred Share plan became exercisable or vested on January 14, 2014 (the date the Court approved the acquisition), subject to the application of performance conditions and time prorating. All outstanding options granted under the Invensys Savings Related Share Option Scheme and the Invensys Overseas Savings Related Option Scheme became exercisable for a period of six months from January 14, 2014 and January 17, 2014 respectively (subject to the number of Invensys Share that a participant's accrued savings (plus any applicable interest) would purchase).

1. **Schneider Electric Welcome LTIP**

Per the scheme of arrangement, certain senior executives were granted an award under the Schneider Electric LTIP arrangements on March 31, 2014. There has been no charge in the statement of income for the six months ended September 30, 2017 and September 30, 2016 in respect of these awards.

2. **Share based payment expenses**

The Schneider Electric Software Business recognised total expenses of US$0.2m for the six months ended September 30, 2017 related to share-based payment transactions accounted for as cash settled share based payments during the period.

Past commitments

The Invensys Long Term Incentive deferred cash plan corresponded to the unvested Invensys performance shares at January 17, 2014 that were transformed into cash incentives. It was fully paid in 2016. These awards were tied to the Invensys share price at January 17, 2014 of US$8.37 per share:

Date of payment	Shares granted	Total amount to be paid (US$)	Number of participants
June 2016	184,227	1,454,569	17
September 2016	8,835	69,757	2

These awards do not include social security contributions, which are estimated to be at an average rate of 12%.

Present commitments

Concerning the SE Long Term Incentive plan (through the grant of SE performance shares), the following table presents the details of shares granted under Plan 18, Plan 22, Plan 26 and Plan 29:

Plan number	Grant Date	Date of Vesting	Shares granted	Fair value/ share on grant date (€)	Fair value/ share on grant date (US$)	Number of participants
18	March 31, 2014	March 31, 2018	48,980	52	71	69

22	March 27, 2015	March 27, 2019	33,000	59	64	69
26	March 23, 2016	March 23, 2020	36,600	48	53	62
29	March 24, 2017	March 24, 2020	27,950	67	73	40

Additionally, there are some cash retention measures for 14 key executives and position holders of the Schneider Electric Software Business. The following table presents the cash plan payment schedule:

Date of payment	Total amount to be paid (€)	Total amount to be paid (US$)	Number of participants
March 2016	791,864	886,017	14
March 2017	3,654,085	4,088,555	14

NOTE 21 – COMMITMENTS AND CONTINGENCIES

Operating leases

The Schneider Electric Software Business rents office and plant facilities in several locations under lease arrangements classified as operating leases. Rental expense totalled US$11.0m and US$11.0m in the six months ended September 30, 2017 and 2016.

Future minimum lease payments under all non-cancellable operating leases with an initial term in excess of one year are as follows:

Term	Amounts to be paid as at Sept. 30, 2017	Amounts to be paid as at March, 31 2017
No later than one year	7.0	7.2
After one year but not more than five years	9.0	12.4
Later five years	-	-
Total	**15.9**	**19.6**

Note: excluding Telvent

NOTE 22 – BUSINESS COMBINATIONS AND ASSETS ACQUISITIONS

The different entities of the Schneider Electric Software Business have been included in the combined financial statements as of the date of their acquisition by the Company:

- From November 14, 2014 for Instep (US$53.4m);
- From October 28, 2016 for MAXEAM Inc. in Canada (US$3.0m);
- From March 8, 2017 for MWPowerlab in Italy (US$9.1m).

Acquisition of Instep

The Schneider Electric Software Business completed the acquisition of Instep on November 14, 2014 for a total consideration of US$53.4m.

Assets and liabilities of Instep have been reflected as a transfer of business under control from SE recorded through equity at their carrying values (including goodwill) resulting from the purchase accounting of Instep by SE. As a consequence, this acquisition is a non-cash transaction for the Schneider Electric Software Business and its impact on Schneider Electric Software Business combined cash flow is limited to the net cash of Instep at the time of the acquisition for US$1.2m.

The purchase accounting on Instep acquisition led principally to the recognition of intangible assets at their fair value for a total amount of US$12.0m before deferred tax liabilities (technologies, customer relationships and trademarks).

The summary of the purchase accounting is as follows as of March 31, 2015:

Acquisition of Instep	**Fair value recognised on acquisition (US$m)**
Property, plant and equipment	0.1
Intangible assets – Other	12.0
Working capital	0.8
Cash and cash equivalents	1.2
Total assets	**14.2**
Deferred tax liabilities	(4.7)
Total identifiable net assets at fair value	**9.5**
Goodwill arising on acquisition	43.9
Consideration recorded through equity	**53.4**

This goodwill has been fully allocated to the group of CGUs consisting of the five CGUs of the Schneider Electric Software Business.

No acquisitions occurred during the six months ended September 30, 2017.

NOTE 23 – RELATED PARTY DISCLOSURES

These Combined Financial Statements include transactions with Schneider Electric's non-Software subsidiaries.

	Half-year ended Sept. 30, 2017	**Half-year ended Sept. 30, 2016**	**Year ended March 31, 2017**
Income:			
Revenue	39.2	27.0	52.7
Balance sheet items:			
Accounts receivable - Related parties	-	51.7	37.9
Accounts payable - Related parties	(240.5)	-	-
Trade receivables with related parties *	69.4	21.3	49.2
Trade payables with related parties **	(37.5)	(6.4)	(17.2)

(*) Included in "Trade and other receivables"

(**) Included in "Trade and other payables"

As at March 31, 2017 accounts receivable / payable with related parties reflect:

- Cash which is centralised at SE level according to the cash pooling scheme for US$46m
- SE funding for the entities not yet carved-out as at March 31st 2017 for US$88m
- Overdraft which is centralised at SE level according to the cash pooling scheme US$96m.

As at September 30, 2017 accounts receivable / payable with related parties reflect:

- Cash which is centralised at SE level according to the cash pooling scheme for US$103m
- SE funding for the entities not yet carved-out as at September 30th 2017 for US$17m
- Overdraft which is centralised at SE level according to the cash pooling scheme for US$360m.

NOTE 24 – DIVIDENDS PAID

During the six months ended September 30, 2016, dividends were paid mainly by Schneider Electric Software LLC.

	Half-year ended Sept. 30, 2017	Half-year ended Sept. 30, 2016
Dividends paid	**-**	**(40.0)**

NOTE 25 – EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to September 30, 2017, legal reorganisations and transfers of investments in newly incorporated carved-out entities have continued to the date these Combined Financial Statements are authorised for issue, resulting in the impacts described in the explanatory note of "Impact of legal reorganisations of carved-out entities" to the Statements of Change in Equity.

It is intended that the resulting equity and debt be adjusted by recapitalisation funded by SE prior to the closing of the proposed combination between the Schneider Electric Software Business and AVEVA Group plc and pursuant to the provisions of the Merger Agreement.

No other significant event occurred after September 30, 2017.

NOTE 26 – EXCHANGE RATES

	Half-year ended Sept. 30, 2017 average	Half-year ended Sept. 30, 2016 average
US$ to 1£	0.77	0.73
€ to 1$	1.14	1.12
AU$ to 1$	0.77	0.75
DKK to 1$	0.15	0.15
CA$ to 1$	0.77	0.77
	Sept. 30, 2017 closing	**March 31, 2017 closing**
US$ to 1£	0.74	0.79
€ to 1$	1.19	1.09
AU$ to 1$	0.80	0.76
DKK to 1$	0.16	0.15
CA$ to 1$	0.81	0.75

NOTE 27 – CONTRACT PAYMENTS ON ACCOUNT & OTHER CONTRACT LIABILITIES

	September 30, 2017	March 31, 2017
Wonderware	44.0	47.9
SimSci – License	12.8	16.4
SimSci – Maintenance	1.9	2.5
Other	43.3	37.3
Total	**102.0**	**104.1**

APPENDIX – LIST OF REPORTING ENTITIES AND THEIR ASSOCIATED LEGAL ENTITIES

# Reporting Entity	Reporting entity name	Legal entity
USDD00	C-SE Software USA	Schneider Electric Software, LLC
USBB00	Telvent USA, LLC	Schneider Electric Software, LLC
AE1500	C-SE Software UAE	Schneider Electric Systems Middle East FZE
AR0800	C-SE Software Argentina	Schneider Electric Software Argentina S.A.
AU5200	N-SE Software Holdings Australia	Schneider Electric Software Holdings Australia Pty Ltd
AU4700	C-SE Software Australia	Schneider Electric Software Australia Pty Ltd
BR2900	C-SE Software Brazil	Schneider Electric Software Brasil Ltda
CA1700	C-SE Software Canada	Schneider Electric Software Canada Inc.
CL0800	C-SE Software Chile	Schneider Electric Software Chile SpA
CN7100	0235 - Foxboro-Shanghai Co Ltd	Shanghai Foxboro Co., Ltd
CN7200	1595 - Shanghai IPS Co Ltd	Shanghai Invensys Process System Co., Ltd
CN5300	C-SE Software China	Telvent Control Systems (China) Co, Ltd.
CO0500	2751 - IPS Colombia	Schneider Electric Systems Colombia Ltda
DE7500	C-SE Software Germany	Schneider Electric Software Germany GmbH
DK0308	C-SE Denmark Global HSO	Schneider Electric Danmark A/S
ES3800	C-SE Software Spain	Schneider Electric Systems Iberica S.L.
FR9300	C-SE Software France	Schneider Electric Software France SAS
GBBI00	C-SE Software GB	Schneider Electric Software GB Limited
IN2200	C-SE Software Development Centre India	Invensys Development Centre India Private Limited
IN2500	C-SE Software India	Schneider Electric Software India Private Limited
IN2302	2368 - Reliance Jamnagar Phase III	Schneider Electric Systems India Private Limited
IT3300	C-Wonderware Italia SpA	Schneider Electric Systems Italia S.p.A.
IT3600	C-SE Software Italy	Schneider Electric Software Italia S.p.A.
IT3600	MWPowerLab SrL	MWPowerLab SrL
JP2800	C-SE Software Japan	Schneider Electric Software Japan Inc.
KR1000	C-Wonderware Korea Co Ltd	Schneider Electric Software Korea Ltd
KR1100	C-SE Software Korea	Schneider Electric Software Korea Ltd
MX3400	C-SE Software Mexico	Schneider Electric Software Mexico S.A. de C.V.
MX3001	1632 - IPS Mexico Branch	Schneider Electric Systems Mexico S.A. de C.V.
NL4600	C-SE Software Netherlands	Schneider Electric Software Netherlands B.V.
NL4500	N-SE Software Holdings Netherlands	Schneider Electric Software Holdings Netherlands B.V.
RU2600	1642 - IPS Russia RUR	Schneider Electric Systems Llc
SA0600	1717 - IPS Saudi Arabia USD	Schneider Electric Systems Saudi Arabia Ltd
SE4700	2720 - Wonderware Scandinavia AB	Wonderware Scandinavia AB
SG3600	C-SE Software Singapore	Schneider Electric Software Holdings Singapore Pte Ltd
TH1200	2241 - IPS Thailand Co Ltd	Schneider Electric Systems (Thailand) Co., Ltd
USCY00	C-Wonderware of Venezuela Inc	Wonderware Of Venezuela Inc.
USCV00	C-Wonderware of Japan Inc	Wonderware Of Japan Inc
USCT00	Wonderware de Mexico Inc.	Wonderware De Mexico Inc.

PART III - ADDITIONAL INFORMATION

1. **Responsibility**

1.1 The Company and each of the Directors and the Proposed Directors accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge and belief of the Company, each of the Directors and the Proposed Directors (having taken all reasonable care to ensure that such is the case), the information contained in this Supplementary Prospectus is in accordance with the facts and this Supplementary Prospectus does not omit anything likely to affect the import of such information.

1.2 The Schneider Electric board of directors accepts responsibility for the information contained in this Supplementary Prospectus relating to the Schneider Electric Software Business including, in particular, Part I (*Supplementary Information*) of this Supplementary Prospectus and Part II (*Historical Combined Financial Information of the Schneider Electric Software Business for the six months ended 30 September 2017 and 2016*) of this Supplementary Prospectus. To the best of the knowledge and belief of the Schneider Electric board of directors (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. **Board Changes**

2.1 **Appointment of New Chief Executive Officer**

As announced by the Company on 1 February 2018, Craig Hayman will be appointed to the Board as Chief Executive Officer of the Company with effect from 19 February 2018. Further information relating to Craig Hayman is set out below in this paragraph 2.

As previously announced, upon Mr Hayman's appointment to the Board becoming effective, James Kidd will be appointed to the role of Deputy Chief Executive Officer and Chief Financial Officer in order to drive forward the strategy, implementation and integration of the Enlarged Group, and David Ward will step down from the Board and be appointed to the role of Deputy Chief Financial Officer and Company Secretary.

2.2 **Profile of Craig Hayman**

Craig Hayman is joining from Parametric Technology Corporation ("**PTC**"), where he has most recently been chief operating officer with responsibility for engineering, marketing and sales of the ThingWorx® platform, as well as computer aided design, and product and service lifecycle management solutions.

Previously Mr Hayman served as president of the Solutions Group at PTC, where he led a resurgence in core solutions businesses, while driving sales of the company's IoT technology platform. He also led the successful introduction of a new generation of connected applications for the factory and product development, including Navigate™, the fastest growing new product line in the company's history.

Prior to joining PTC, Mr Hayman was president of eBay's enterprise business, where he led the transformation of its retail-optimised omni-channel commerce business prior to its sale.

Mr Hayman also served more than 15 years in senior leadership positions at IBM, including as worldwide general manager of the SaaS portfolio. He holds a BSc. in Computer Science and Electronics from the University of London.

2.3 **Information Relating to Craig Hayman**

As at 15 February 2018 (being the latest practicable date prior to the date of this Supplementary Document), Craig Hayman held no Ordinary Shares and, other than as described below in this paragraph 2.3, did not have any interests (beneficial or non-beneficial) in the share capital of the Company or any of its subsidiaries.

As announced by the Company on 1 February 2018, Craig Hayman will lose significant equity awards on leaving PTC and he will, therefore, upon his appointment receive by way of "buy-out" a one-off grant of nil-cost options over Ordinary Shares, subject to a vesting schedule and other conditions. In structuring these buy-out awards, the Company has followed the best practice principles of offering a total potential buy-out of less value than the current expected value of the awards lost, ensuring that those elements subject to pre-vesting performance conditions remain subject to conditions which are intended to be no less challenging and that no element of the buy-out is realised early. In addition, the awards will be subject to an additional requirement that Mr Hayman will normally be required to pay back any amounts vesting (net of tax) should he resign within 2.5 years of joining (or be dismissed for gross misconduct or under one of the summary termination provisions in his service agreement within 3 years of joining).

There are no directorships or partnerships held by Craig Hayman in the five years prior to the date of this Supplementary Prospectus.

Within the period of five years preceding the date of this Supplementary Prospectus, Craig Hayman:

- has not had any convictions in relation to fraudulent offences;
- has not been a member of the administrative, management or supervisory bodies or director or senior manager (who is relevant in establishing that a company has the appropriate expertise and experience for management of that company) of any company at the time of any bankruptcy, receivership or liquidation of such company;
- has not received any official public incrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of affairs of a company.

There are no family relationships between Craig Hayman and any of the other Directors, the Proposed Directors or members of Senior Management.

In respect of Craig Hayman, there are no actual or potential conflicts of interests between any duties he has to the Company, either in respect of the Combination or otherwise, and the private interests and/or other duties he may also have.

Craig Hayman was not selected to be a director of the Company pursuant to any arrangement or understanding with any major shareholder, customer, supplier or other person having a business connection with the Enlarged Group.

Craig Hayman can be contacted at the Company's head office address at High Cross, Madingley Road, Cambridge CB3 0HB.

3. **Update on clearances and timetable to Completion**

As announced by the Company on 12 February 2018, the review by the Committee on Foreign Investments in the United States (CFIUS) has now concluded and clearance has now been received for the proposed Combination of AVEVA and the Schneider Electric Software Business.

As a result, all conditions for Completion of the Combination have been fulfilled, save for Admission, which is expected on 1 March 2018.

4. **No significant change**

There has been no significant change in the trading or financial position of the Schneider Electric Software Business since 30 September 2017 (the date to which the last audited financial information of the Schneider Electric Software Business was prepared).

5. **Consent**

5.1 Lazard, acting as lead financial adviser to AVEVA, has given and has not withdrawn its written consent to the issue of this Supplementary Prospectus with the inclusion herein of the references to its name in the form and context in which they appear.

5.2 Numis, acting as sponsor, broker and financial adviser to AVEVA, has given and has not withdrawn its written consent to the issue of this Supplementary Prospectus with the inclusion herein of the references to its name in the form and context in which they appear.

5.3 Ernst & Young Audit has given and not withdrawn its written consent to the inclusion in this Supplementary Prospectus of its report on the historical combined financial information of the Schneider Electric Software Business set out in Section A of Part II (*Historical Combined Financial Information of the Schneider Electric Software Business for the six months ended 30 September 2017 and 2016*) of this Supplementary Prospectus, in the form and context in which it is included, and has authorised the contents of that part of this Supplementary Prospectus which comprises its report for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.

6. **Documents on display**

In addition to those documents set out in paragraph 22 of Part XIII (*Additional Information*) of the Original Prospectus, copies of the following documents will be published on the Company's website at http://www.aveva.com and will be available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this Supplementary Prospectus until Admission at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA:

6.1 the consent letters referred to in paragraph 5 above;

6.2 the historical combined financial information of the Schneider Electric Software Business for the six months ended 30 September 2017 and 2016, together with the related accountant's report from Ernst & Young Audit, which are set out in Part II (*Historical Combined Financial Information of the Schneider Electric Software Business for the six months ended 30 September 2017 and 2016*) of this Supplementary Prospectus; and

6.3 this Supplementary Prospectus.

7. **Definitions**

Certain terms used and not otherwise defined in this Supplementary Prospectus, including capitalised terms, are defined in Part XIV (*Definitions*) of the Original Prospectus.

In this Supplementary Prospectus, the following definitions apply unless the context otherwise requires:

"**Directors**"	Philip Aiken, James Kidd, David Ward, Jennifer Allerton, Christopher Humphrey and Ron Mobed and "**Director**" means any one of them.
"**Proposed Directors**"	Craig Hayman, Emmanuel Babeau and Peter Herweck and "**Proposed Director**" means any one of them.