

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☒ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information										
1a Name of plan <u>ELECTRICAL SOUTH 401(K) PLAN</u> 2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>SCHNEIDER ELECTRIC USA, INC.</u> <u>1415 S. ROSELLE ROAD</u> <u>PALATINE, IL 60067</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>305</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1987</u></td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>36-2440683</u></td> </tr> <tr> <td colspan="2">2c Sponsor's telephone number <u>847-925-3227</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>335900</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>305</u>	1c Effective date of plan <u>01/01/1987</u>		2b Employer Identification Number (EIN) <u>36-2440683</u>		2c Sponsor's telephone number <u>847-925-3227</u>		2d Business code (see instructions) <u>335900</u>	
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2c Sponsor's telephone number <u>847-925-3227</u>											
2d Business code (see instructions) <u>335900</u>											

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	12/12/2011	KAREN HANSEN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	12/12/2011	KAREN HANSEN
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") SCHNEIDER ELECTRIC USA, INC. 1415 S. ROSELLE ROAD PALATINE, IL 60067	3b Administrator's EIN 36-2440683 3c Administrator's telephone number 847-925-3227
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name ELECTRICAL SOUTH, INC.	4b EIN 51-0563780 4c PN 001
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5 Total number of participants at the beginning of the plan year	5	220
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	83
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	5
d Subtotal. Add lines 6a , 6b , and 6c	6d	88
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	88
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	88
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2F 2G 2J 2K 2T 3D 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)
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SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan ELECTRICAL SOUTH 401(K) PLAN	B Three-digit plan number (PN) ▶	305
C Plan sponsor's name as shown on line 2a of Form 5500 SCHNEIDER ELECTRIC USA, INC.	D Employer Identification Number (EIN) 36-2440683	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
THE VANGUARD GROUP, INC.
23-1945930

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

THE VANGUARD GROUP, INC.

23-1945930

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 25 37 52	NONE	400	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
THE VANGUARD GROUP, INC.	60	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
THE HARTFORD MUTUAL FUNDS 200 HOPMEADOW STREET SIMSBURY, CT 06089	5 BPS - OTHER

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning **01/01/2010** and ending **12/31/2010**

A Name of plan ELECTRICAL SOUTH 401(K) PLAN	B Three-digit plan number (PN) ►	305
C Plan sponsor's name as shown on line 2a of Form 5500 SCNEIDER ELECTRIC USA, INC.	D Employer Identification Number (EIN) 36-2440683	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	3495	0
(2) Participant contributions	1b(2)	6760	0
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	458777	287170
(9) Value of interest in common/collective trusts	1c(9)	9780256	1059107
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	0	3798437
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	10249288	5144714

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	6099683	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	6099683	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	4149605	5144714
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	198666	
(B) Participants	2a(1)(B)	343829	
(C) Others (including rollovers)	2a(1)(C)	13397	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		555892

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	14772	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		14772

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	64582	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		64582

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		69906
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		344626
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		1049778

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	145706	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		145706
f Corrective distributions (see instructions)	2f		-13894
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		131812

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		917966
l Transfers of assets:			
(1) To this plan.....	2l(1)		77143
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: ERNST & YOUNG LLP

(2) EIN: 34-6565596

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☐ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
SCHNEIDER ELECTRIC 401(K) PLAN	36-4141566	301

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2010</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan ELECTRICAL SOUTH 401(K) PLAN		B Three-digit plan number (PN) ► 305
C Plan sponsor's name as shown on line 2a of Form 5500 SCHNEIDER ELECTRIC USA, INC.		D Employer Identification Number (EIN) 36-2440683
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 23-2186884		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... ☐ Yes ☐ No ☐ N/A		
If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____		
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.		
Schedule R (Form 5500) 2010 v.092308.1		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%
- b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more
- c** What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE
(MODIFIED CASH BASIS)

Electrical South 401(k) Plan
December 31, 2010 and 2009 and
Year Ended December 31, 2010
With Report of Independent Auditors

Ernst & Young LLP



Electrical South 401(k) Plan

Financial Statements and Supplemental Schedule (Modified Cash Basis)

December 31, 2010 and 2009 and Year Ended December 31, 2010

Contents

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Report of Independent Auditors

The Employee Benefits Administrative Committee
Schneider Electric USA, Inc.

We were engaged to audit the accompanying statements of net assets available for benefits (modified cash basis) of the Electrical South 401(k) Plan as of December 31, 2010, and the related statement of changes in net assets available for benefits for the year then ended, and the supplemental schedule of assets (modified cash basis) (held at end of year) as of December 31, 2010. These financial statements and supplemental schedule are the responsibility of the Plan's management. Other auditors were engaged to audit the statement of net assets available for benefits of the Electrical South 401(k) Plan as of December 31, 2009. Their report, dated October 11, 2010, disclaimed an opinion on that financial statement as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 3 as of and for the year ended December 31, 2010, which was certified by Vanguard Fiduciary Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule (modified cash basis). We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the year ended December 31, 2010, that the information provided to the plan administrator by the trustees is complete and accurate.

As described in Note 2, the financial statements and schedule referred to above were prepared using the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principle generally accepted in the United States.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule (modified cash basis) as of and for the year ended December 31, 2010, taken as a whole. The form and content of the information included in the financial statements and supplemental schedule (modified cash basis), other than that derived from the investment information certified by the trustee, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Ernst & Young LLP

October 14, 2011

Electrical South 401(k) Plan

Statements of Net Assets Available for Benefits (Modified Cash Basis)

	December 31	
	2010	2009
Assets		
Investments at fair value	\$ 4,857,544	\$ 9,780,256
Notes receivable from participants	287,170	458,777
Net assets available for benefits, at fair value	5,144,714	10,239,033
Adjustment from fair value to contract value for interest in common/collective trust related to fully benefit-responsive investment contracts	(41,706)	—
Net assets available for benefits	<u>\$ 5,103,008</u>	<u>\$10,239,033</u>

See accompanying notes.

Electrical South 401(k) Plan

Statement of Changes in Net Assets Available for Benefits (Modified Cash Basis)

Year Ended December 31, 2010

Additions

Contributions:

Participant	\$ 350,589
Employer	202,161
Rollovers	<u>13,397</u>
Total contributions	<u>566,147</u>

Investment income:

Net appreciation in fair value of investments – mutual and exchange-traded funds	344,626
Interest and dividends	92,782
Interest income on notes receivable from participants	<u>14,772</u>
Total investment income	<u>452,180</u>
Total additions	<u>1,018,327</u>

Deductions

Benefits paid to participants	<u>145,706</u>
Total deductions	<u>145,706</u>

Net increase before transfer 872,621

Transfer to other plan (6,008,646)

Net assets available for benefits at beginning of year 10,239,033

Net assets available for benefits at end of year \$ 5,103,008

See accompanying notes.

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis)

December 31, 2010

1. Description of Plan

The following description of the Electrical South 401(k) Plan (the Plan) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined-contribution plan covering union employees at the Electrical South location of Schneider Electric USA, Inc. (the Company) who have at least three months of service and are age 21. As defined by the Plan, Vanguard Fiduciary Trust Company and First Mercantile Trust Company have served as the trustees of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). Effective January 1, 2010, the account balances, totaling \$6,008,646, for the non-union participants in the Plan transferred into the Schneider Electric 401(k) Plan. Additionally, the Plan changed trustees from First Mercantile Trust Company to Vanguard Fiduciary Trust Company on January 1, 2010.

Contributions

Each year, participants may elect to contribute up to 75% of eligible compensation, as defined in the plan document, subject to limitations set by the Internal Revenue Code (the Code). The participants may also make after-tax contributions to the Plan. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified plans. The Company makes matching contributions to participants' accounts based on their pretax contributions in an amount equal to 75% of the first 6% of base compensation that a participant contributed to the Plan. Additional profit-sharing contributions may be contributed at the option of the Company's board of directors. No such contribution was made for the 2010 plan year.

Investment Options

Participants direct the investment of their contributions and the Company's matching contributions into various investment options offered by the Plan. Participants can allocate their contribution and the Company's matching contribution to any of the Plan's funds, with the option to change their allocation daily.

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

1. Description of Plan (continued)

Participant Accounts

Individual accounts are maintained for each plan participant. Each participant's account is credited with the participant's contribution and allocations of (a) plan earnings and (b) the Company's contribution and charged with an allocation of plan investment losses and any administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Effective January 1, 2010, participants are immediately vested in the Company's matching contribution and discretionary contribution. Prior to January 1, 2010, vesting in the Company's matching contribution and discretionary contribution portion of their accounts plus actual earnings thereon was based on years of continuous service. A participant became fully vested in the matching contributions after one year of credited service and was fully vested in the profit-sharing portion after five years of credited service.

Loans to Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates that range from 4.25% to 9.25%, which are commensurate with local prevailing rates. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits

Upon termination of service due to death, disability, retirement, or for other reasons, a participant may elect to receive a lump-sum distribution equal to the value of the participant's vested interest in his or her account or annual installment payments.

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

1. Description of Plan (continued)

Forfeited Accounts

At December 31, 2010 and 2009, there were no forfeitures from forfeited non-vested accounts. Forfeitures are used to reduce future employer matching contributions or reallocated as an employer discretionary contribution. During 2010, no forfeitures were used to reduce employer matching contributions.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements and supplemental schedule of the Plan are prepared using the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States. Under this basis, investment assets are reported at fair value, net realized and unrealized appreciation in fair value of investments is recognized, contributions are recognized when received rather than as earned, and benefits and expenses are recognized when paid rather than as incurred.

Notes Receivable From Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2010 or 2009. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

2. Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition

Investments held by the Plan are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). See Note 4 for further discussion and disclosures related to fair value measurements.

The Vanguard Retirement Savings Trust, a common/collective trust fund, invests in fully benefit-responsive investment contracts. These investment contracts are recorded at fair value (see Note 4); however, since these contracts are fully benefit-responsive, an adjustment is reflected in the statements of net assets available for benefits to present these investments at contract value. Contract value is the relevant measurement attributable to fully benefit-responsive investment contracts, because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The contract value represents contributions plus earnings, less participant withdrawals and administrative expenses.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

The Plan's administrative expenses are paid by either the Plan or the Company, as provided by the plan document.

Subsequent Events

Management evaluated subsequent events for the Plan through October 14, 2011, the date the financial statements were available to be issued.

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

2. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2010-06, *Improving Disclosures about Fair Value Measurements*. ASU 2010-06 amended Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, to clarify certain existing fair value disclosures and require a number of additional disclosures. The guidance in ASU 2010-06 clarifies that disclosures should be presented separately for each “class” of assets and liabilities measured at fair value and provides guidance on how to determine the appropriate classes of assets and liabilities to be presented. ASU 2010-06 also clarifies the requirement for entities to disclose information about both the valuation techniques and the inputs used in estimating Level 2 and Level 3 fair value measurements. In addition, ASU 2010-06 introduced new requirements to disclose the amounts (on a gross basis) and reasons for any significant transfers between Levels 1, 2, and 3 of the fair value hierarchy and present information regarding the purchases, sales, issuances, and settlements of Level 3 assets and liabilities on a gross basis. With the exception of the requirement to present changes in Level 3 measurements on a gross basis, which is delayed until 2011, the guidance in ASU 2010-06 is effective for reporting periods beginning after December 15, 2009. Since ASU 2010-06 only affects fair value measurement disclosures, adoption of ASU 2010-06 did not affect the Plan’s net assets available for benefits or its changes in net assets available for benefits.

In September 2010, the FASB issued ASU 2010-25, *Reporting Loans to Participants by Defined Contribution Pension Plans*. ASU 2010-25 requires participant loans to be measured at their unpaid principal balance plus any accrued but unpaid interest and classified as notes receivable from participants. Previously, loans were measured at fair value and classified as investments. ASU 2010-25 is effective for fiscal years ending after December 15, 2010, and is required to be applied retrospectively. Adoption of ASU 2010-25 did not change the value of participant loans from the amount previously reported as of December 31, 2009. Participant loans have been reclassified to notes receivable from participants as of December 31, 2009.

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

3. Investments

Other than the fair value of the Vanguard Retirement Savings Trust and the adjustment from fair value to contract value for fully benefit-responsive investment contracts, all investment information disclosed in the accompanying financial statements and supplemental schedule, including investments held and notes receivable from participants at December 31, 2010, and net appreciation in fair value of investments, interest, dividends, and interest income on notes receivable from participants for the year ended December 31, 2010, was obtained or derived from information provided to the plan administrator and certified as complete and accurate by Vanguard Fiduciary Trust Company, the trustee of the Plan. The contract value of the Vanguard Retirement Savings Trust was certified as complete and accurate by the trustee.

	December 31, 2010
Vanguard Retirement Savings Trust Fund, at fair value	\$ 1,059,107
Vanguard Retirement Savings Trust Fund, at contract value	1,017,401

The following table presents investments that represent more than 5% of the Plan's net assets at December 31:

	2010	2009
Vanguard Retirement Savings Trust	\$ 1,059,107	\$ —
Eaton Vance Small Cap Fund; I Shares	586,334	—
Vanguard Institutional Index Fund	381,162	—
Vanguard Total Bond Market Index Fund	374,985	—
Oppenheimer Global Opportunities	353,849	600,012
ABN-AMRO	—	1,869,570
Dodge and Cox Balanced	—	1,071,273
Dodge and Cox International	—	812,651
Metropolitan West Capital Management, LLC Large Cap Value	—	616,808
Metropolitan West Capital Management, LLC Small Cap Value	—	616,880
Vanguard GNMA	—	928,666
Vanguard 500 Index Fund	—	939,170

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

4. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.

Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- Quoted prices for similar assets and liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in markets that are not active
- Observable inputs other than quoted prices that are used in the valuation of the asset or liabilities (e.g., interest rate and yield curve quotes at commonly quoted intervals)
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 – Unobservable inputs for the asset or liability (i.e., supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety.

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

4. Fair Value Measurements (continued)

Following is a description of the valuation techniques and inputs used for each major class of assets measured at fair value by the Plan.

Mutual funds and exchange-traded funds: Valued at quoted market prices, which represent the net asset value (NAV) of shares held by the Plan at year-end.

Common/collective trust fund: Valued at the NAV provided by the administrator of the fund. The NAV is based on underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. This common/collective trust fund is designed to deliver safety and stability by preserving principal and accumulated earnings. This fund is primarily invested in guaranteed investment contracts and synthetic investment contracts. Redemptions are permitted by participants on any business day and by the Plan within 12 months of written notice.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets carried at fair value:

	December 31, 2010			
	Level 1	Level 2	Level 3	Fair Value
Common/collective trust fund	\$ —	\$ 1,059,107	\$ —	\$ 1,059,107
Mutual funds and exchange-traded funds:				
Fixed income	465,851	—	—	465,851
U.S. equity	1,589,606	—	—	1,589,606
International equity	644,614	—	—	644,614
Balanced	1,098,366	—	—	1,098,366
Total assets	<u>\$ 3,798,437</u>	<u>\$ 1,059,107</u>	<u>\$ —</u>	<u>\$ 4,857,544</u>

	December 31, 2009			
	Level 1	Level 2	Level 3	Fair Value
Common/collective trust funds:				
Stable value	\$ —	\$ 2,940,843	\$ —	\$ 2,940,843
Government bond	—	1,185,414	—	1,185,414
Equity	—	5,653,999	—	5,653,999
Total assets	<u>\$ —</u>	<u>\$ 9,780,256</u>	<u>\$ —</u>	<u>\$ 9,780,256</u>

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

5. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 at December 31:

	<u>2010</u>	<u>2009</u>
Net assets available for benefits per the financial statements	\$ 5,103,008	\$ 10,239,033
Adjustment from contract value to fair value		
for fully benefit-responsive contracts	41,706	–
Other liabilities (transfer of assets)	–	(6,085,789)
Contributions receivable	–	10,255
Excess contributions refundable	–	(13,894)
Net assets available for benefits per the Form 5500	<u>\$ 5,144,714</u>	<u>\$ 4,149,605</u>

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements to the Form 5500:

	<u>Year Ended December 31, 2010</u>
Net increase in assets available for benefits per the financial statements	\$ 872,621
Adjustment from contract value to fair value at December 31, 2010	41,706
Contributions receivable – December 31, 2009	(10,255)
Excess contributions refundable – December 31, 2009	13,894
Net increase in net assets available for benefits per the Form 5500	<u>\$ 917,966</u>

6. Related-Party Transactions

Certain Plan investments are shares of mutual funds and units of a common/collective trust fund managed by Vanguard Fiduciary Trust Company, the trustee of the Plan. These transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transactions rules under ERISA.

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

7. Plan Termination

Although the Company has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their total account balance.

8. Tax Status

The underlying non-standardized prototype plan has received an opinion letter from the Internal Revenue Service (the IRS) dated March 31, 2008, stating that the form of the Plan is qualified under Section 401(a) of the Code and, therefore, the related trust is tax-exempt. In accordance with Revenue Procedures 2010-6 and 2005-16, the plan sponsor has determined that it is eligible to and has chosen to rely on the current IRS prototype plan opinion letter. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Company has indicated that it will take the necessary steps, if any, to bring the Plan's operations into compliance with the Code.

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

9. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Supplemental Schedule

Electrical South 401(k) Plan

EIN #51-0563780 Plan #001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) (Modified Cash Basis)

December 31, 2010

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment	Current Value
Aberdeen Emerging Markets Institutional	Registered investment company	\$ 89,890
American Funds EuroPacific Growth Class R-5	Registered investment company	194,549
Black Rock Inflation Protected Bond Fund	Registered investment company	1,266
EB Diversified Stock 70	Registered investment company	4,337
Eaton Vance Large Cap Value Fund; I Shares	Exchange-traded funds	181,360
Eaton Vance Small Cap Fund; I Shares	Exchange-traded funds	586,334
Fidelity Contrafund	Registered investment company	231,521
Hartford MidCap Fund Y	Registered investment company	195,701
Loomis Sayles Global Bond Fund Institutional	Registered investment company	15,478
Oppenheimer Global Opportunities	Registered investment company	353,849
PIMCO Total Return Fund, Institutional	Registered investment company	74,122
Vanguard Extended Market Index Fund Institutional Shares*	Registered investment company	9,189
Vanguard Institutional Index Fund*	Registered investment company	381,162
Vanguard Target Retirement 2005*	Registered investment company	5,286
Vanguard Target Retirement 2010*	Registered investment company	82,150
Vanguard Target Retirement 2015*	Registered investment company	127,496
Vanguard Target Retirement 2020*	Registered investment company	221,469
Vanguard Target Retirement 2025*	Registered investment company	161,295
Vanguard Target Retirement 2030*	Registered investment company	218,500
Vanguard Target Retirement 2035*	Registered investment company	84,851
Vanguard Target Retirement 2040*	Registered investment company	76,024
Vanguard Target Retirement 2045*	Registered investment company	5,501
Vanguard Target Retirement 2050*	Registered investment company	109,540
Vanguard Target Retirement 2055*	Registered investment company	6,255
Vanguard Total Bond Market Index Fund*	Registered investment company	374,985
Vanguard Total International Stock Index*	Registered investment company	6,327
Vanguard Retirement Savings Trust*	Common/collective trust	1,059,107
		4,857,544
Participant loans*	Varying maturities with interest rates from 4.25% – 9.25%	287,170
		<u>\$ 5,144,714</u>

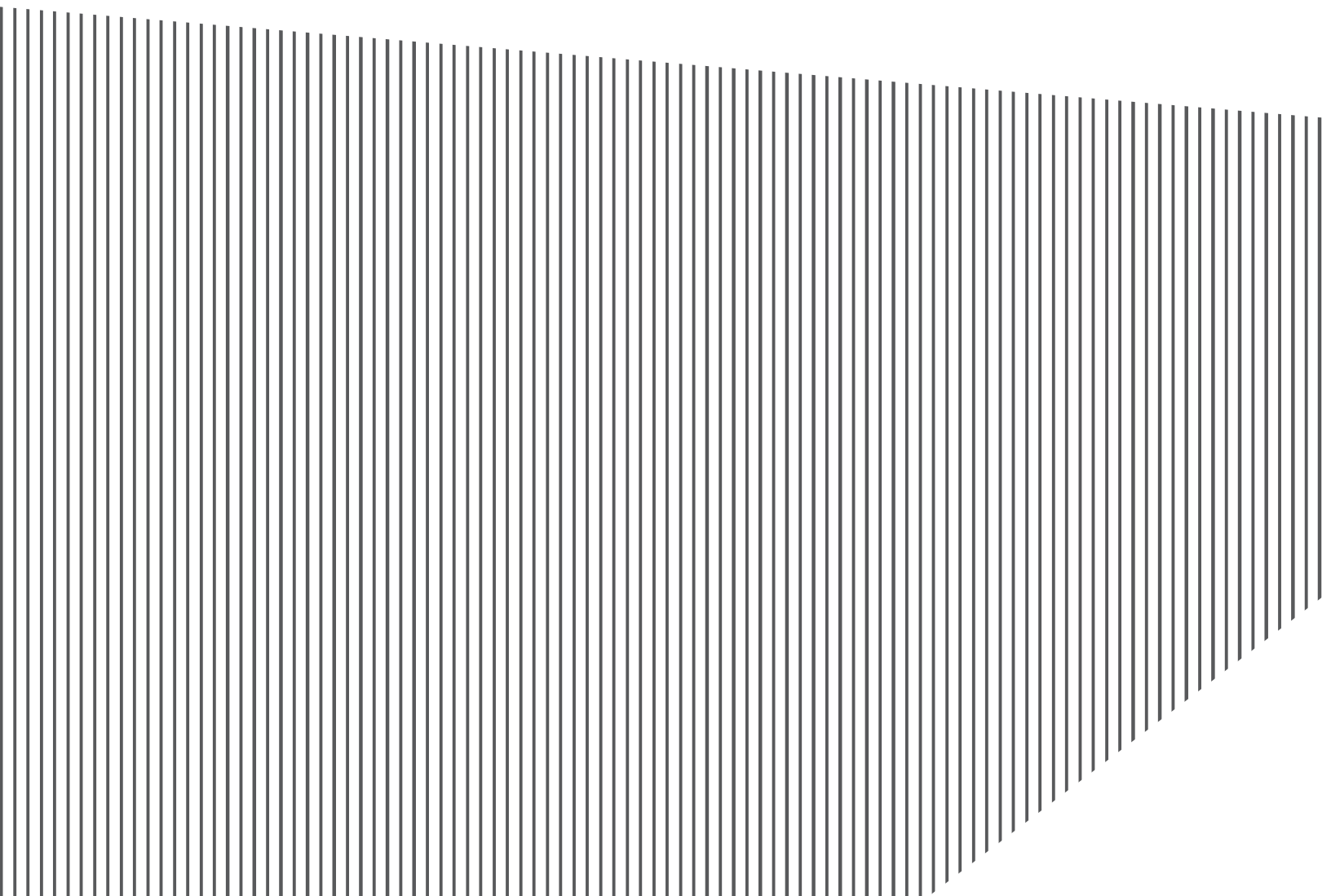
*Represents a party in interest to the Plan.

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FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE
(MODIFIED CASH BASIS)

Electrical South 401(k) Plan
December 31, 2010 and 2009 and
Year Ended December 31, 2010
With Report of Independent Auditors

Ernst & Young LLP



Electrical South 401(k) Plan

Financial Statements and Supplemental Schedule (Modified Cash Basis)

December 31, 2010 and 2009 and Year Ended December 31, 2010

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Report of Independent Auditors

The Employee Benefits Administrative Committee
Schneider Electric USA, Inc.

We were engaged to audit the accompanying statements of net assets available for benefits (modified cash basis) of the Electrical South 401(k) Plan as of December 31, 2010, and the related statement of changes in net assets available for benefits for the year then ended, and the supplemental schedule of assets (modified cash basis) (held at end of year) as of December 31, 2010. These financial statements and supplemental schedule are the responsibility of the Plan's management. Other auditors were engaged to audit the statement of net assets available for benefits of the Electrical South 401(k) Plan as of December 31, 2009. Their report, dated October 11, 2010, disclaimed an opinion on that financial statement as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 3 as of and for the year ended December 31, 2010, which was certified by Vanguard Fiduciary Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule (modified cash basis). We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the year ended December 31, 2010, that the information provided to the plan administrator by the trustees is complete and accurate.

As described in Note 2, the financial statements and schedule referred to above were prepared using the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principle generally accepted in the United States.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule (modified cash basis) as of and for the year ended December 31, 2010, taken as a whole. The form and content of the information included in the financial statements and supplemental schedule (modified cash basis), other than that derived from the investment information certified by the trustee, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Ernst & Young LLP

October 14, 2011

Electrical South 401(k) Plan

Statements of Net Assets Available for Benefits (Modified Cash Basis)

	December 31	
	2010	2009
Assets		
Investments at fair value	\$ 4,857,544	\$ 9,780,256
Notes receivable from participants	287,170	458,777
Net assets available for benefits, at fair value	5,144,714	10,239,033
Adjustment from fair value to contract value for interest in common/collective trust related to fully benefit-responsive investment contracts	(41,706)	—
Net assets available for benefits	<u>\$ 5,103,008</u>	<u>\$10,239,033</u>

See accompanying notes.

Electrical South 401(k) Plan

Statement of Changes in Net Assets Available for Benefits (Modified Cash Basis)

Year Ended December 31, 2010

Additions

Contributions:

Participant	\$ 350,589
Employer	202,161
Rollovers	<u>13,397</u>
Total contributions	<u>566,147</u>

Investment income:

Net appreciation in fair value of investments – mutual and exchange-traded funds	344,626
Interest and dividends	92,782
Interest income on notes receivable from participants	<u>14,772</u>
Total investment income	<u>452,180</u>
Total additions	<u>1,018,327</u>

Deductions

Benefits paid to participants	<u>145,706</u>
Total deductions	<u>145,706</u>

Net increase before transfer 872,621

Transfer to other plan (6,008,646)

Net assets available for benefits at beginning of year 10,239,033

Net assets available for benefits at end of year \$ 5,103,008

See accompanying notes.

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis)

December 31, 2010

1. Description of Plan

The following description of the Electrical South 401(k) Plan (the Plan) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined-contribution plan covering union employees at the Electrical South location of Schneider Electric USA, Inc. (the Company) who have at least three months of service and are age 21. As defined by the Plan, Vanguard Fiduciary Trust Company and First Mercantile Trust Company have served as the trustees of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). Effective January 1, 2010, the account balances, totaling \$6,008,646, for the non-union participants in the Plan transferred into the Schneider Electric 401(k) Plan. Additionally, the Plan changed trustees from First Mercantile Trust Company to Vanguard Fiduciary Trust Company on January 1, 2010.

Contributions

Each year, participants may elect to contribute up to 75% of eligible compensation, as defined in the plan document, subject to limitations set by the Internal Revenue Code (the Code). The participants may also make after-tax contributions to the Plan. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified plans. The Company makes matching contributions to participants' accounts based on their pretax contributions in an amount equal to 75% of the first 6% of base compensation that a participant contributed to the Plan. Additional profit-sharing contributions may be contributed at the option of the Company's board of directors. No such contribution was made for the 2010 plan year.

Investment Options

Participants direct the investment of their contributions and the Company's matching contributions into various investment options offered by the Plan. Participants can allocate their contribution and the Company's matching contribution to any of the Plan's funds, with the option to change their allocation daily.

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

1. Description of Plan (continued)

Participant Accounts

Individual accounts are maintained for each plan participant. Each participant's account is credited with the participant's contribution and allocations of (a) plan earnings and (b) the Company's contribution and charged with an allocation of plan investment losses and any administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Effective January 1, 2010, participants are immediately vested in the Company's matching contribution and discretionary contribution. Prior to January 1, 2010, vesting in the Company's matching contribution and discretionary contribution portion of their accounts plus actual earnings thereon was based on years of continuous service. A participant became fully vested in the matching contributions after one year of credited service and was fully vested in the profit-sharing portion after five years of credited service.

Loans to Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates that range from 4.25% to 9.25%, which are commensurate with local prevailing rates. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits

Upon termination of service due to death, disability, retirement, or for other reasons, a participant may elect to receive a lump-sum distribution equal to the value of the participant's vested interest in his or her account or annual installment payments.

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

1. Description of Plan (continued)

Forfeited Accounts

At December 31, 2010 and 2009, there were no forfeitures from forfeited non-vested accounts. Forfeitures are used to reduce future employer matching contributions or reallocated as an employer discretionary contribution. During 2010, no forfeitures were used to reduce employer matching contributions.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements and supplemental schedule of the Plan are prepared using the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States. Under this basis, investment assets are reported at fair value, net realized and unrealized appreciation in fair value of investments is recognized, contributions are recognized when received rather than as earned, and benefits and expenses are recognized when paid rather than as incurred.

Notes Receivable From Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2010 or 2009. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

2. Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition

Investments held by the Plan are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). See Note 4 for further discussion and disclosures related to fair value measurements.

The Vanguard Retirement Savings Trust, a common/collective trust fund, invests in fully benefit-responsive investment contracts. These investment contracts are recorded at fair value (see Note 4); however, since these contracts are fully benefit-responsive, an adjustment is reflected in the statements of net assets available for benefits to present these investments at contract value. Contract value is the relevant measurement attributable to fully benefit-responsive investment contracts, because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The contract value represents contributions plus earnings, less participant withdrawals and administrative expenses.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

The Plan's administrative expenses are paid by either the Plan or the Company, as provided by the plan document.

Subsequent Events

Management evaluated subsequent events for the Plan through October 14, 2011, the date the financial statements were available to be issued.

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

2. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2010-06, *Improving Disclosures about Fair Value Measurements*. ASU 2010-06 amended Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, to clarify certain existing fair value disclosures and require a number of additional disclosures. The guidance in ASU 2010-06 clarifies that disclosures should be presented separately for each “class” of assets and liabilities measured at fair value and provides guidance on how to determine the appropriate classes of assets and liabilities to be presented. ASU 2010-06 also clarifies the requirement for entities to disclose information about both the valuation techniques and the inputs used in estimating Level 2 and Level 3 fair value measurements. In addition, ASU 2010-06 introduced new requirements to disclose the amounts (on a gross basis) and reasons for any significant transfers between Levels 1, 2, and 3 of the fair value hierarchy and present information regarding the purchases, sales, issuances, and settlements of Level 3 assets and liabilities on a gross basis. With the exception of the requirement to present changes in Level 3 measurements on a gross basis, which is delayed until 2011, the guidance in ASU 2010-06 is effective for reporting periods beginning after December 15, 2009. Since ASU 2010-06 only affects fair value measurement disclosures, adoption of ASU 2010-06 did not affect the Plan’s net assets available for benefits or its changes in net assets available for benefits.

In September 2010, the FASB issued ASU 2010-25, *Reporting Loans to Participants by Defined Contribution Pension Plans*. ASU 2010-25 requires participant loans to be measured at their unpaid principal balance plus any accrued but unpaid interest and classified as notes receivable from participants. Previously, loans were measured at fair value and classified as investments. ASU 2010-25 is effective for fiscal years ending after December 15, 2010, and is required to be applied retrospectively. Adoption of ASU 2010-25 did not change the value of participant loans from the amount previously reported as of December 31, 2009. Participant loans have been reclassified to notes receivable from participants as of December 31, 2009.

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

3. Investments

Other than the fair value of the Vanguard Retirement Savings Trust and the adjustment from fair value to contract value for fully benefit-responsive investment contracts, all investment information disclosed in the accompanying financial statements and supplemental schedule, including investments held and notes receivable from participants at December 31, 2010, and net appreciation in fair value of investments, interest, dividends, and interest income on notes receivable from participants for the year ended December 31, 2010, was obtained or derived from information provided to the plan administrator and certified as complete and accurate by Vanguard Fiduciary Trust Company, the trustee of the Plan. The contract value of the Vanguard Retirement Savings Trust was certified as complete and accurate by the trustee.

	December 31, 2010
Vanguard Retirement Savings Trust Fund, at fair value	\$ 1,059,107
Vanguard Retirement Savings Trust Fund, at contract value	1,017,401

The following table presents investments that represent more than 5% of the Plan's net assets at December 31:

	2010	2009
Vanguard Retirement Savings Trust	\$ 1,059,107	\$ —
Eaton Vance Small Cap Fund; I Shares	586,334	—
Vanguard Institutional Index Fund	381,162	—
Vanguard Total Bond Market Index Fund	374,985	—
Oppenheimer Global Opportunities	353,849	600,012
ABN-AMRO	—	1,869,570
Dodge and Cox Balanced	—	1,071,273
Dodge and Cox International	—	812,651
Metropolitan West Capital Management, LLC Large Cap Value	—	616,808
Metropolitan West Capital Management, LLC Small Cap Value	—	616,880
Vanguard GNMA	—	928,666
Vanguard 500 Index Fund	—	939,170

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

4. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.

Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- Quoted prices for similar assets and liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in markets that are not active
- Observable inputs other than quoted prices that are used in the valuation of the asset or liabilities (e.g., interest rate and yield curve quotes at commonly quoted intervals)
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 – Unobservable inputs for the asset or liability (i.e., supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety.

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

4. Fair Value Measurements (continued)

Following is a description of the valuation techniques and inputs used for each major class of assets measured at fair value by the Plan.

Mutual funds and exchange-traded funds: Valued at quoted market prices, which represent the net asset value (NAV) of shares held by the Plan at year-end.

Common/collective trust fund: Valued at the NAV provided by the administrator of the fund. The NAV is based on underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. This common/collective trust fund is designed to deliver safety and stability by preserving principal and accumulated earnings. This fund is primarily invested in guaranteed investment contracts and synthetic investment contracts. Redemptions are permitted by participants on any business day and by the Plan within 12 months of written notice.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets carried at fair value:

	December 31, 2010			
	Level 1	Level 2	Level 3	Fair Value
Common/collective trust fund	\$ —	\$ 1,059,107	\$ —	\$ 1,059,107
Mutual funds and exchange-traded funds:				
Fixed income	465,851	—	—	465,851
U.S. equity	1,589,606	—	—	1,589,606
International equity	644,614	—	—	644,614
Balanced	1,098,366	—	—	1,098,366
Total assets	<u>\$ 3,798,437</u>	<u>\$ 1,059,107</u>	<u>\$ —</u>	<u>\$ 4,857,544</u>

	December 31, 2009			
	Level 1	Level 2	Level 3	Fair Value
Common/collective trust funds:				
Stable value	\$ —	\$ 2,940,843	\$ —	\$ 2,940,843
Government bond	—	1,185,414	—	1,185,414
Equity	—	5,653,999	—	5,653,999
Total assets	<u>\$ —</u>	<u>\$ 9,780,256</u>	<u>\$ —</u>	<u>\$ 9,780,256</u>

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

5. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 at December 31:

	<u>2010</u>	<u>2009</u>
Net assets available for benefits per the financial statements	\$ 5,103,008	\$ 10,239,033
Adjustment from contract value to fair value		
for fully benefit-responsive contracts	41,706	–
Other liabilities (transfer of assets)	–	(6,085,789)
Contributions receivable	–	10,255
Excess contributions refundable	–	(13,894)
Net assets available for benefits per the Form 5500	<u>\$ 5,144,714</u>	<u>\$ 4,149,605</u>

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements to the Form 5500:

	<u>Year Ended December 31, 2010</u>
Net increase in assets available for benefits per the financial statements	\$ 872,621
Adjustment from contract value to fair value at December 31, 2010	41,706
Contributions receivable – December 31, 2009	(10,255)
Excess contributions refundable – December 31, 2009	13,894
Net increase in net assets available for benefits per the Form 5500	<u>\$ 917,966</u>

6. Related-Party Transactions

Certain Plan investments are shares of mutual funds and units of a common/collective trust fund managed by Vanguard Fiduciary Trust Company, the trustee of the Plan. These transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transactions rules under ERISA.

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

7. Plan Termination

Although the Company has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their total account balance.

8. Tax Status

The underlying non-standardized prototype plan has received an opinion letter from the Internal Revenue Service (the IRS) dated March 31, 2008, stating that the form of the Plan is qualified under Section 401(a) of the Code and, therefore, the related trust is tax-exempt. In accordance with Revenue Procedures 2010-6 and 2005-16, the plan sponsor has determined that it is eligible to and has chosen to rely on the current IRS prototype plan opinion letter. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Company has indicated that it will take the necessary steps, if any, to bring the Plan's operations into compliance with the Code.

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

9. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Supplemental Schedule

Electrical South 401(k) Plan

EIN #51-0563780 Plan #001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) (Modified Cash Basis)

December 31, 2010

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment	Current Value
Aberdeen Emerging Markets Institutional	Registered investment company	\$ 89,890
American Funds EuroPacific Growth Class R-5	Registered investment company	194,549
Black Rock Inflation Protected Bond Fund	Registered investment company	1,266
EB Diversified Stock 70	Registered investment company	4,337
Eaton Vance Large Cap Value Fund; I Shares	Exchange-traded funds	181,360
Eaton Vance Small Cap Fund; I Shares	Exchange-traded funds	586,334
Fidelity Contrafund	Registered investment company	231,521
Hartford MidCap Fund Y	Registered investment company	195,701
Loomis Sayles Global Bond Fund Institutional	Registered investment company	15,478
Oppenheimer Global Opportunities	Registered investment company	353,849
PIMCO Total Return Fund, Institutional	Registered investment company	74,122
Vanguard Extended Market Index Fund Institutional Shares*	Registered investment company	9,189
Vanguard Institutional Index Fund*	Registered investment company	381,162
Vanguard Target Retirement 2005*	Registered investment company	5,286
Vanguard Target Retirement 2010*	Registered investment company	82,150
Vanguard Target Retirement 2015*	Registered investment company	127,496
Vanguard Target Retirement 2020*	Registered investment company	221,469
Vanguard Target Retirement 2025*	Registered investment company	161,295
Vanguard Target Retirement 2030*	Registered investment company	218,500
Vanguard Target Retirement 2035*	Registered investment company	84,851
Vanguard Target Retirement 2040*	Registered investment company	76,024
Vanguard Target Retirement 2045*	Registered investment company	5,501
Vanguard Target Retirement 2050*	Registered investment company	109,540
Vanguard Target Retirement 2055*	Registered investment company	6,255
Vanguard Total Bond Market Index Fund*	Registered investment company	374,985
Vanguard Total International Stock Index*	Registered investment company	6,327
Vanguard Retirement Savings Trust*	Common/collective trust	1,059,107
		4,857,544
Participant loans*	Varying maturities with interest rates from 4.25% – 9.25%	287,170
		<u>\$ 5,144,714</u>

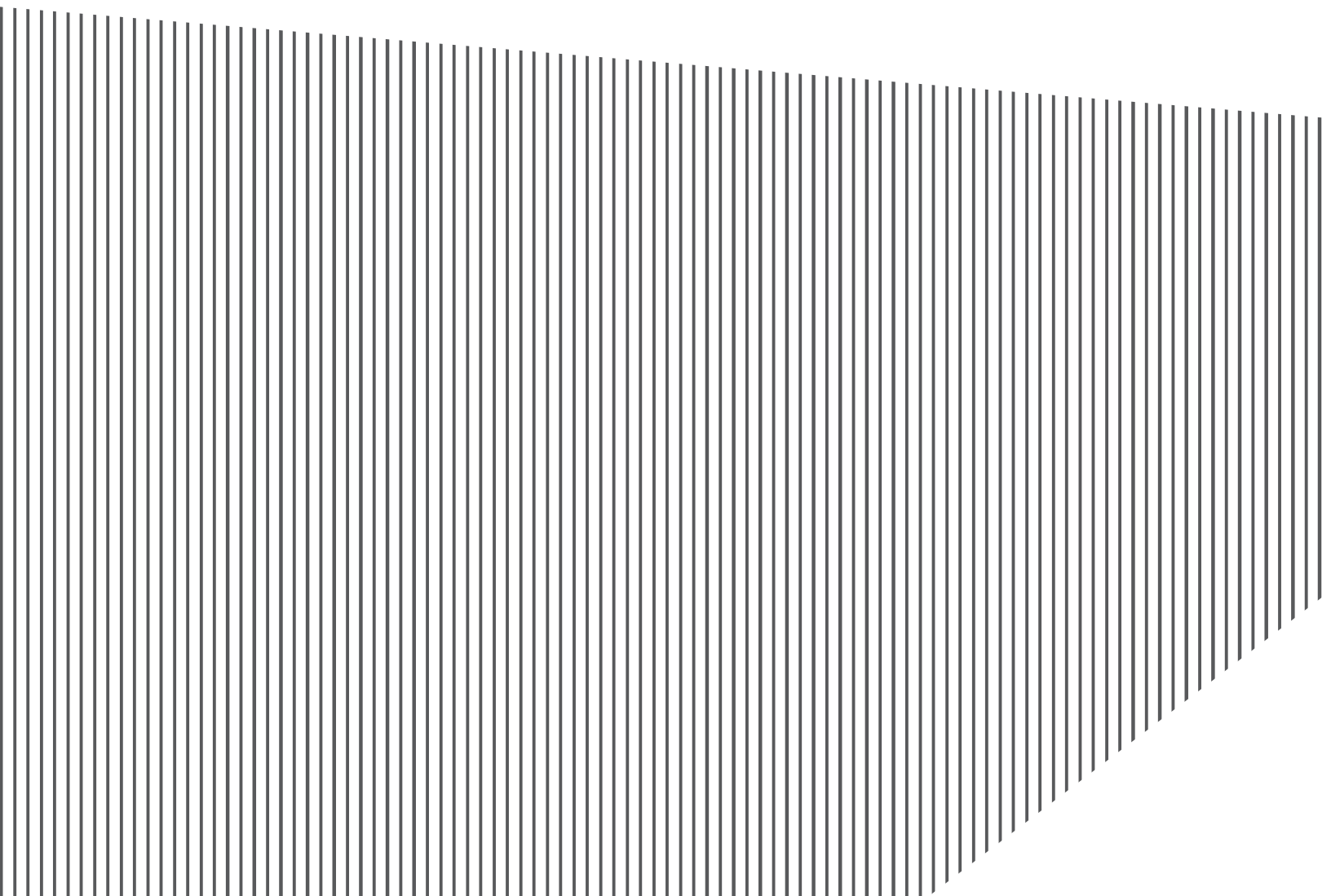
*Represents a party in interest to the Plan.

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FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE
(MODIFIED CASH BASIS)

Electrical South 401(k) Plan
December 31, 2010 and 2009 and
Year Ended December 31, 2010
With Report of Independent Auditors

Ernst & Young LLP



Electrical South 401(k) Plan

Financial Statements and Supplemental Schedule (Modified Cash Basis)

December 31, 2010 and 2009 and Year Ended December 31, 2010

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Report of Independent Auditors

The Employee Benefits Administrative Committee
Schneider Electric USA, Inc.

We were engaged to audit the accompanying statements of net assets available for benefits (modified cash basis) of the Electrical South 401(k) Plan as of December 31, 2010, and the related statement of changes in net assets available for benefits for the year then ended, and the supplemental schedule of assets (modified cash basis) (held at end of year) as of December 31, 2010. These financial statements and supplemental schedule are the responsibility of the Plan's management. Other auditors were engaged to audit the statement of net assets available for benefits of the Electrical South 401(k) Plan as of December 31, 2009. Their report, dated October 11, 2010, disclaimed an opinion on that financial statement as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 3 as of and for the year ended December 31, 2010, which was certified by Vanguard Fiduciary Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule (modified cash basis). We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the year ended December 31, 2010, that the information provided to the plan administrator by the trustees is complete and accurate.

As described in Note 2, the financial statements and schedule referred to above were prepared using the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principle generally accepted in the United States.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule (modified cash basis) as of and for the year ended December 31, 2010, taken as a whole. The form and content of the information included in the financial statements and supplemental schedule (modified cash basis), other than that derived from the investment information certified by the trustee, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Ernst & Young LLP

October 14, 2011

Electrical South 401(k) Plan

Statements of Net Assets Available for Benefits (Modified Cash Basis)

	December 31	
	2010	2009
Assets		
Investments at fair value	\$ 4,857,544	\$ 9,780,256
Notes receivable from participants	287,170	458,777
Net assets available for benefits, at fair value	5,144,714	10,239,033
Adjustment from fair value to contract value for interest in common/collective trust related to fully benefit-responsive investment contracts	(41,706)	—
Net assets available for benefits	<u>\$ 5,103,008</u>	<u>\$10,239,033</u>

See accompanying notes.

Electrical South 401(k) Plan

Statement of Changes in Net Assets Available for Benefits (Modified Cash Basis)

Year Ended December 31, 2010

Additions

Contributions:

Participant	\$ 350,589
Employer	202,161
Rollovers	<u>13,397</u>
Total contributions	<u>566,147</u>

Investment income:

Net appreciation in fair value of investments – mutual and exchange-traded funds	344,626
Interest and dividends	92,782
Interest income on notes receivable from participants	<u>14,772</u>
Total investment income	<u>452,180</u>
Total additions	<u>1,018,327</u>

Deductions

Benefits paid to participants	<u>145,706</u>
Total deductions	<u>145,706</u>

Net increase before transfer 872,621

Transfer to other plan (6,008,646)

Net assets available for benefits at beginning of year 10,239,033

Net assets available for benefits at end of year \$ 5,103,008

See accompanying notes.

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis)

December 31, 2010

1. Description of Plan

The following description of the Electrical South 401(k) Plan (the Plan) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined-contribution plan covering union employees at the Electrical South location of Schneider Electric USA, Inc. (the Company) who have at least three months of service and are age 21. As defined by the Plan, Vanguard Fiduciary Trust Company and First Mercantile Trust Company have served as the trustees of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). Effective January 1, 2010, the account balances, totaling \$6,008,646, for the non-union participants in the Plan transferred into the Schneider Electric 401(k) Plan. Additionally, the Plan changed trustees from First Mercantile Trust Company to Vanguard Fiduciary Trust Company on January 1, 2010.

Contributions

Each year, participants may elect to contribute up to 75% of eligible compensation, as defined in the plan document, subject to limitations set by the Internal Revenue Code (the Code). The participants may also make after-tax contributions to the Plan. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified plans. The Company makes matching contributions to participants' accounts based on their pretax contributions in an amount equal to 75% of the first 6% of base compensation that a participant contributed to the Plan. Additional profit-sharing contributions may be contributed at the option of the Company's board of directors. No such contribution was made for the 2010 plan year.

Investment Options

Participants direct the investment of their contributions and the Company's matching contributions into various investment options offered by the Plan. Participants can allocate their contribution and the Company's matching contribution to any of the Plan's funds, with the option to change their allocation daily.

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

1. Description of Plan (continued)

Participant Accounts

Individual accounts are maintained for each plan participant. Each participant's account is credited with the participant's contribution and allocations of (a) plan earnings and (b) the Company's contribution and charged with an allocation of plan investment losses and any administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Effective January 1, 2010, participants are immediately vested in the Company's matching contribution and discretionary contribution. Prior to January 1, 2010, vesting in the Company's matching contribution and discretionary contribution portion of their accounts plus actual earnings thereon was based on years of continuous service. A participant became fully vested in the matching contributions after one year of credited service and was fully vested in the profit-sharing portion after five years of credited service.

Loans to Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates that range from 4.25% to 9.25%, which are commensurate with local prevailing rates. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits

Upon termination of service due to death, disability, retirement, or for other reasons, a participant may elect to receive a lump-sum distribution equal to the value of the participant's vested interest in his or her account or annual installment payments.

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

1. Description of Plan (continued)

Forfeited Accounts

At December 31, 2010 and 2009, there were no forfeitures from forfeited non-vested accounts. Forfeitures are used to reduce future employer matching contributions or reallocated as an employer discretionary contribution. During 2010, no forfeitures were used to reduce employer matching contributions.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements and supplemental schedule of the Plan are prepared using the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States. Under this basis, investment assets are reported at fair value, net realized and unrealized appreciation in fair value of investments is recognized, contributions are recognized when received rather than as earned, and benefits and expenses are recognized when paid rather than as incurred.

Notes Receivable From Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2010 or 2009. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

2. Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition

Investments held by the Plan are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). See Note 4 for further discussion and disclosures related to fair value measurements.

The Vanguard Retirement Savings Trust, a common/collective trust fund, invests in fully benefit-responsive investment contracts. These investment contracts are recorded at fair value (see Note 4); however, since these contracts are fully benefit-responsive, an adjustment is reflected in the statements of net assets available for benefits to present these investments at contract value. Contract value is the relevant measurement attributable to fully benefit-responsive investment contracts, because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The contract value represents contributions plus earnings, less participant withdrawals and administrative expenses.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

The Plan's administrative expenses are paid by either the Plan or the Company, as provided by the plan document.

Subsequent Events

Management evaluated subsequent events for the Plan through October 14, 2011, the date the financial statements were available to be issued.

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

2. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2010-06, *Improving Disclosures about Fair Value Measurements*. ASU 2010-06 amended Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, to clarify certain existing fair value disclosures and require a number of additional disclosures. The guidance in ASU 2010-06 clarifies that disclosures should be presented separately for each “class” of assets and liabilities measured at fair value and provides guidance on how to determine the appropriate classes of assets and liabilities to be presented. ASU 2010-06 also clarifies the requirement for entities to disclose information about both the valuation techniques and the inputs used in estimating Level 2 and Level 3 fair value measurements. In addition, ASU 2010-06 introduced new requirements to disclose the amounts (on a gross basis) and reasons for any significant transfers between Levels 1, 2, and 3 of the fair value hierarchy and present information regarding the purchases, sales, issuances, and settlements of Level 3 assets and liabilities on a gross basis. With the exception of the requirement to present changes in Level 3 measurements on a gross basis, which is delayed until 2011, the guidance in ASU 2010-06 is effective for reporting periods beginning after December 15, 2009. Since ASU 2010-06 only affects fair value measurement disclosures, adoption of ASU 2010-06 did not affect the Plan’s net assets available for benefits or its changes in net assets available for benefits.

In September 2010, the FASB issued ASU 2010-25, *Reporting Loans to Participants by Defined Contribution Pension Plans*. ASU 2010-25 requires participant loans to be measured at their unpaid principal balance plus any accrued but unpaid interest and classified as notes receivable from participants. Previously, loans were measured at fair value and classified as investments. ASU 2010-25 is effective for fiscal years ending after December 15, 2010, and is required to be applied retrospectively. Adoption of ASU 2010-25 did not change the value of participant loans from the amount previously reported as of December 31, 2009. Participant loans have been reclassified to notes receivable from participants as of December 31, 2009.

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

3. Investments

Other than the fair value of the Vanguard Retirement Savings Trust and the adjustment from fair value to contract value for fully benefit-responsive investment contracts, all investment information disclosed in the accompanying financial statements and supplemental schedule, including investments held and notes receivable from participants at December 31, 2010, and net appreciation in fair value of investments, interest, dividends, and interest income on notes receivable from participants for the year ended December 31, 2010, was obtained or derived from information provided to the plan administrator and certified as complete and accurate by Vanguard Fiduciary Trust Company, the trustee of the Plan. The contract value of the Vanguard Retirement Savings Trust was certified as complete and accurate by the trustee.

	December 31, 2010
Vanguard Retirement Savings Trust Fund, at fair value	\$ 1,059,107
Vanguard Retirement Savings Trust Fund, at contract value	1,017,401

The following table presents investments that represent more than 5% of the Plan's net assets at December 31:

	2010	2009
Vanguard Retirement Savings Trust	\$ 1,059,107	\$ —
Eaton Vance Small Cap Fund; I Shares	586,334	—
Vanguard Institutional Index Fund	381,162	—
Vanguard Total Bond Market Index Fund	374,985	—
Oppenheimer Global Opportunities	353,849	600,012
ABN-AMRO	—	1,869,570
Dodge and Cox Balanced	—	1,071,273
Dodge and Cox International	—	812,651
Metropolitan West Capital Management, LLC Large Cap Value	—	616,808
Metropolitan West Capital Management, LLC Small Cap Value	—	616,880
Vanguard GNMA	—	928,666
Vanguard 500 Index Fund	—	939,170

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

4. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.

Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- Quoted prices for similar assets and liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in markets that are not active
- Observable inputs other than quoted prices that are used in the valuation of the asset or liabilities (e.g., interest rate and yield curve quotes at commonly quoted intervals)
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 – Unobservable inputs for the asset or liability (i.e., supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety.

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

4. Fair Value Measurements (continued)

Following is a description of the valuation techniques and inputs used for each major class of assets measured at fair value by the Plan.

Mutual funds and exchange-traded funds: Valued at quoted market prices, which represent the net asset value (NAV) of shares held by the Plan at year-end.

Common/collective trust fund: Valued at the NAV provided by the administrator of the fund. The NAV is based on underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. This common/collective trust fund is designed to deliver safety and stability by preserving principal and accumulated earnings. This fund is primarily invested in guaranteed investment contracts and synthetic investment contracts. Redemptions are permitted by participants on any business day and by the Plan within 12 months of written notice.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets carried at fair value:

	December 31, 2010			
	Level 1	Level 2	Level 3	Fair Value
Common/collective trust fund	\$ —	\$ 1,059,107	\$ —	\$ 1,059,107
Mutual funds and exchange-traded funds:				
Fixed income	465,851	—	—	465,851
U.S. equity	1,589,606	—	—	1,589,606
International equity	644,614	—	—	644,614
Balanced	1,098,366	—	—	1,098,366
Total assets	<u>\$ 3,798,437</u>	<u>\$ 1,059,107</u>	<u>\$ —</u>	<u>\$ 4,857,544</u>

	December 31, 2009			
	Level 1	Level 2	Level 3	Fair Value
Common/collective trust funds:				
Stable value	\$ —	\$ 2,940,843	\$ —	\$ 2,940,843
Government bond	—	1,185,414	—	1,185,414
Equity	—	5,653,999	—	5,653,999
Total assets	<u>\$ —</u>	<u>\$ 9,780,256</u>	<u>\$ —</u>	<u>\$ 9,780,256</u>

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

5. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 at December 31:

	<u>2010</u>	<u>2009</u>
Net assets available for benefits per the financial statements	\$ 5,103,008	\$ 10,239,033
Adjustment from contract value to fair value		
for fully benefit-responsive contracts	41,706	–
Other liabilities (transfer of assets)	–	(6,085,789)
Contributions receivable	–	10,255
Excess contributions refundable	–	(13,894)
Net assets available for benefits per the Form 5500	<u>\$ 5,144,714</u>	<u>\$ 4,149,605</u>

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements to the Form 5500:

	<u>Year Ended December 31, 2010</u>
Net increase in assets available for benefits per the financial statements	\$ 872,621
Adjustment from contract value to fair value at December 31, 2010	41,706
Contributions receivable – December 31, 2009	(10,255)
Excess contributions refundable – December 31, 2009	13,894
Net increase in net assets available for benefits per the Form 5500	<u>\$ 917,966</u>

6. Related-Party Transactions

Certain Plan investments are shares of mutual funds and units of a common/collective trust fund managed by Vanguard Fiduciary Trust Company, the trustee of the Plan. These transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transactions rules under ERISA.

Electrical South 401(k) Plan

Notes to Financial Statements (Modified Cash Basis) (continued)

7. Plan Termination

Although the Company has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their total account balance.

8. Tax Status

The underlying non-standardized prototype plan has received an opinion letter from the Internal Revenue Service (the IRS) dated March 31, 2008, stating that the form of the Plan is qualified under Section 401(a) of the Code and, therefore, the related trust is tax-exempt. In accordance with Revenue Procedures 2010-6 and 2005-16, the plan sponsor has determined that it is eligible to and has chosen to rely on the current IRS prototype plan opinion letter. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Company has indicated that it will take the necessary steps, if any, to bring the Plan's operations into compliance with the Code.

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

9. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Supplemental Schedule

Electrical South 401(k) Plan

EIN #51-0563780 Plan #001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) (Modified Cash Basis)

December 31, 2010

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment	Current Value
Aberdeen Emerging Markets Institutional	Registered investment company	\$ 89,890
American Funds EuroPacific Growth Class R-5	Registered investment company	194,549
Black Rock Inflation Protected Bond Fund	Registered investment company	1,266
EB Diversified Stock 70	Registered investment company	4,337
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		4,857,544
Participant loans*	Varying maturities with interest rates from 4.25% – 9.25%	287,170
		<u>\$ 5,144,714</u>

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