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**Schneider Electric**

2 July, 2007

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**SECURITIES AND EXCHANGE COMMISSION**

Office of International Corporate Finance  
Division of Corporation Finance  
450 Fifth Street, N.W.  
Washington, D.C. 20549  
U.S.A.

**SUPPL**

RE: Schneider Electric S.A.  
Submission Pursuant to Rule 12g3-2(b)  
File No. 82-3706

Dear Sir or Madam:

On behalf of Schneider Electric S.A. (the "Company"), we hereby submit, pursuant to Rule 12g3-2(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), a brief description of the documentation which the Company has made public pursuant to French law, filed with a stock exchange (and which was made public by that stock exchange) or distributed to its securities holders:

Miscellaneous:

- Investors presentation June 2007 (Annex 1),

Press release:

- Schneider Electric receives SAMA Award (19 June 2007, Annex 2),
- Schneider Electric enters into exclusive negotiations with Eaton Corp. for the divestment of MGE UPS Systems' operations in small systems (21 June 2007, Annex 3)

Information published in the BALO:

- Auditors' report on the Annual accounts 2006, BALO n° 67 published on 4 June 2007 (no English translation available).

Pursuant to Rule 12g3-2(b)(4), these materials are not deemed "filed" with the Commission or otherwise subject to the liabilities of Section 18 of the Exchange Act. Furthermore, pursuant to Rule 12g3-2(b)(5), submission of these materials does not constitute an admission for any purpose that the Company is subject to the Exchange Act.

**PROCESSED**

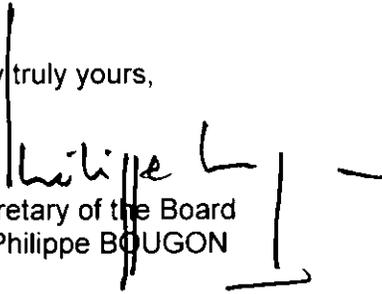
**JUL 13 2007  
THOMSON  
FINANCIAL**

**Schneider Electric SA**  
Société anonyme à directoire et conseil de  
surveillance au capital de 1 931 467 624 €  
Siège social : 43-45, boulevard Franklin Roosevelt  
F-92500 Rueil Malmaison - France  
Tél. 33 (0)1 41 29 70 00  
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<http://www.schneider-electric.com>

542 048 574 RCS Nanterre  
Siret : 542 048 574 01775  
Code APE 741 J  
N° ident TVA : FR 01 542 048 574

Please do not hesitate to contact the undersigned (collect) at 33.1.41.29.88.33 if you have any questions in respect of this matter. Finally, I would greatly appreciate your acknowledging receipt of this letter and the enclosure by stamping the enclosed copy of this letter and returning it to me in the enclosed self-addressed, stamped envelope.

Very truly yours,

  
Secretary of the Board  
Mr Philippe BOUGON

Annex 1

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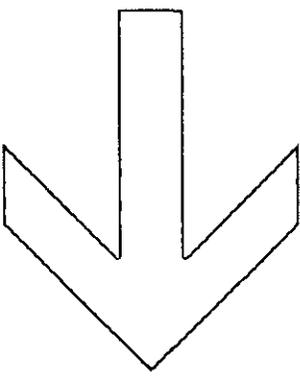
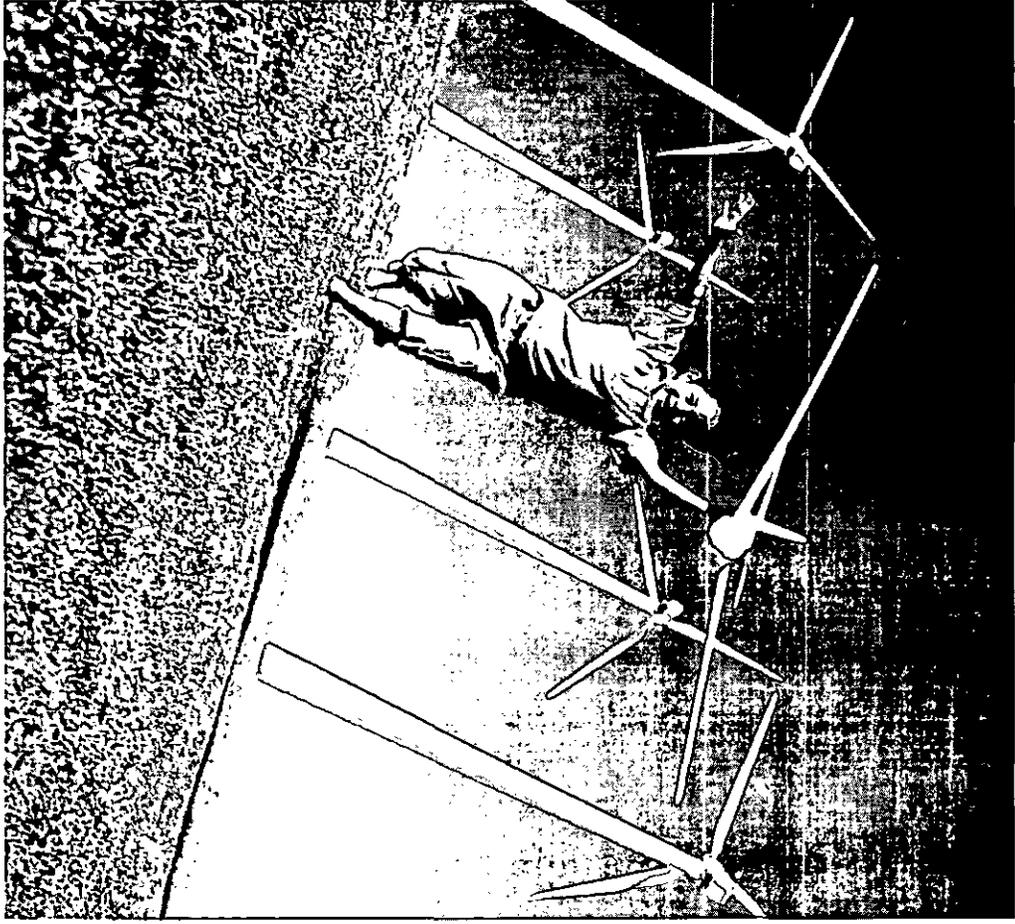
OFFICE OF INTERMEDIATE  
CORPORATE FINANCE



Investors

Presentation

June 2007

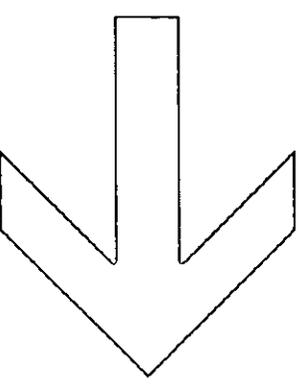


Schneider Electric  
11000 Square Drive  
Atlanta, Georgia 30342

Schneider  
Electric

## Disclaimer

All forward-looking statements are Schneider Electric management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.



04 Overview

[Redacted]

10 Review of new<sup>2</sup> priorities

[Redacted]

19 Focus on Energy Efficiency

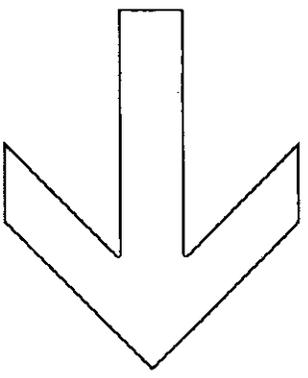
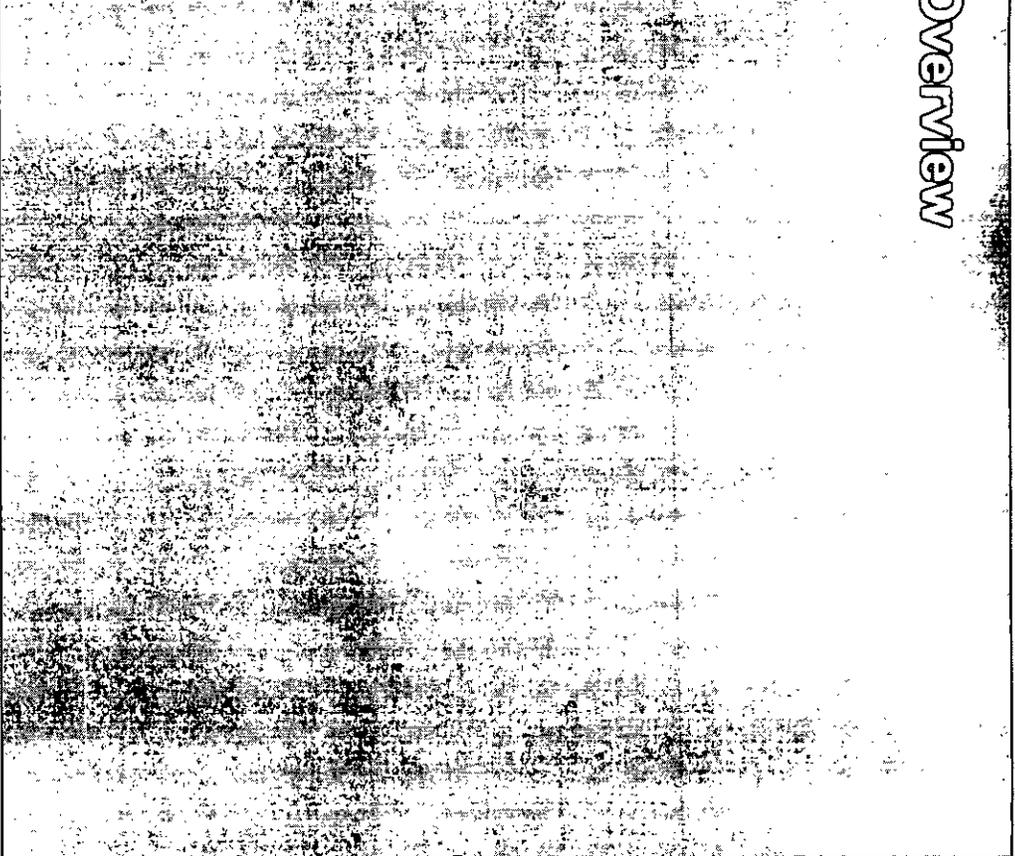
[Redacted]

23 Update on APC Acquisition

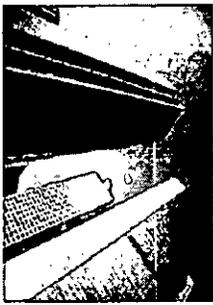
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28 Outlook

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# A world leader in Power & Control addressing 4 end markets



**Buildings – 37%**



**Industry – 32%**



**Residential – 15%**



**Energy &**

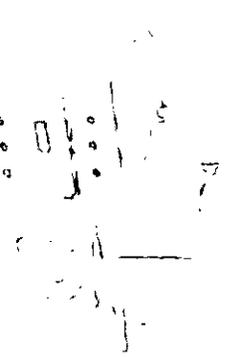
**Infrastructure – 16%**

**Electrical  
Distribution**  
No. 1 worldwide



**Make power safe,  
available  
and reliable**

**Automation  
& Control**  
No. 2 worldwide



**Control and protect  
machines and  
installations**

**Energy management**

**Ensure uninterrupted and high quality power,  
optimise energy consumption**

A worldwide coverage with  
strong local operations

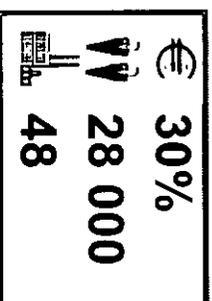
# Schneider Electric

- ⇒ €15.6 billion sales,  
190 countries
- ⇒ 113,000 employees
- ⇒ 219 factories
- ⇒ 7,300 R&D people  
in 25 countries
- ⇒ ~ 750,000 references

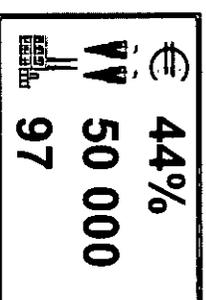
2006 figures including APC  
on a pro forma basis

## Sales, Employees, Factories by geographical region

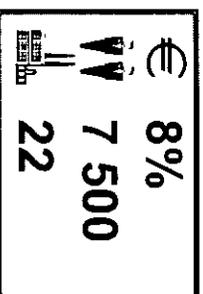
### North America



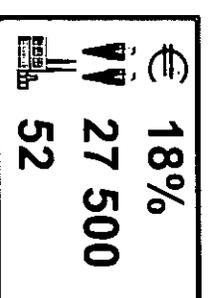
### Europe



### Rest of the World



### Asia-Pacific



## Strong increase of all indicators in 2006

### Key profitability indicators in €m

	2005	2006	% change
<b>Sales</b>	<b>11,679</b>	<b>13,730</b>	<b>+18%</b>
<b>Organic growth</b>	<b>+7.9%</b>	<b>+10.7%</b>	
Gross margin	4,755	5,679	+19%
Margin %	40.7%	41.4%	+0.7pt
EBITDA*	1,972	2,506	+27%
Margin %	16.9%	18.3%	+1.4pt
<b>Operating income**</b>	<b>1,565</b>	<b>2,001</b>	<b>+28%</b>
<b>Margin %</b>	<b>13.4%</b>	<b>14.6%</b>	<b>+1.2pt</b>
Net financial expense	(105)	(121)	-
Income tax	(428)	(535)	-
Minority interest	(38)	(36)	-
<b>Net income</b>	<b>994</b>	<b>1,309</b>	<b>+32%</b>
<b>Earnings per share</b>	<b>4.56</b>	<b>5.95</b>	<b>+31%</b>
<b>Dividend per share</b>	<b>2.25</b>	<b>3.00</b>	<b>+33%</b>

Operating income + net depreciation and amortization  
including restructuring costs & impairment of €116m in 2006 (€115m in 2005)

# Enhanced cash generation

	2005	2006	
<b>Uses and sources of cash in €m</b>			
Net debt at January 1	(667)	(1,762)	
Operating cash flow	1,548	1,921	+24%
Capital expenditure – net*	(476)	(481)	
Change in operating working capital	(104)	(413)	
Change in non-operating working capital	(119)	80	
Free cash flow	849	1,107	+30%
Dividends	(395)	(493)	
Acquisitions	(1,267)	(1,006)	
Other	(282)	319**	
Increase in net debt	(1,095)	(73)	
Net debt at December 31	(1,762)	(1,835)	

cluding R&D capitalization of €132m in 2006 (€109m in 2005)  
cluding reimbursement of Legrand vendor loan: €177m and exercise of stock options: €113m

# Solid financial structure

## Key financial structure ratios

	2005	2006
Interest coverage (EBITDA / Debt costs)	19x	24x
Funds from operations / net debt**	52%	66%

## Key profitability ratios

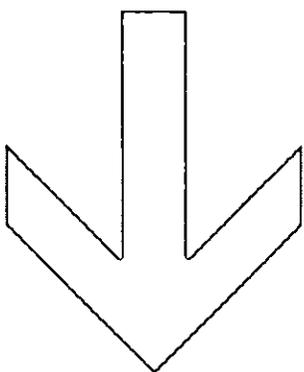
	2005	2006
Cash ROCE (After tax EBITDA/Capital Employed)	13.2%	14.6%
Cash ROE (Operating cash flow/Shareholders' equity)	18.6%	21.7%

<b>Acquisitions</b>	<b>Successful</b>	<b>2007 target</b>
(mainly APC)	capital increase	FFO / net debt > 35%
€5.1 bn (EV)	€1.0 bn	BBB+ rating

&P definition



# Review of new<sup>2</sup> priorities



## A unique positioning in a promising industry

### Long-term growth drivers in the industry

- ⇒ Massive electrification needs worldwide
- ⇒ Pervasion of automation everywhere
- ⇒ Fast rising demand for energy savings
- ⇒ Power reliability and quality increasingly critical
- ⇒ Outsourcing of non core competencies

### Key strengths of Schneider Electric

- ⇒ Leading positions in Power & Control
- ⇒ Comprehensive, integrated & innovative offering
- ⇒ Wide geographical coverage with strong local presence
- ⇒ Flexible business model based on partnerships
- ⇒ Capacity to play a consolidation role through acquisitions

## new? priorities: an offensive strategy of profitable growth

- ⇒ Expand geographic coverage
- ⇒ Increase advantage in R&D and innovation
- ⇒ Develop new businesses
- ⇒ Deploy comprehensive solutions & services for each type of customer

## Efficiency

- ⇒ Rebalance production
- ⇒ Optimise of logistics
- ⇒ Boost productivity & globalisation

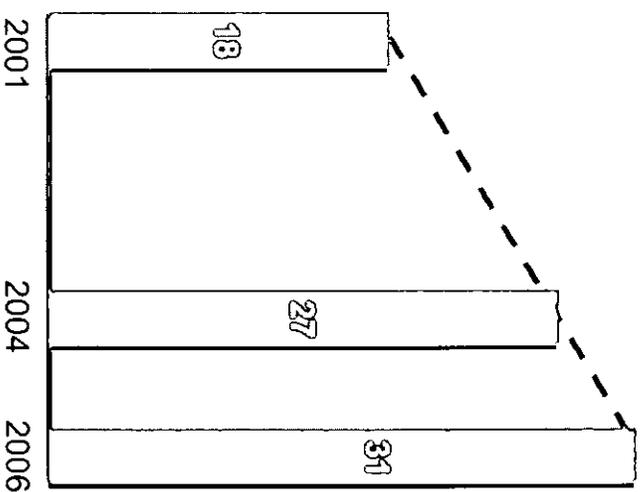
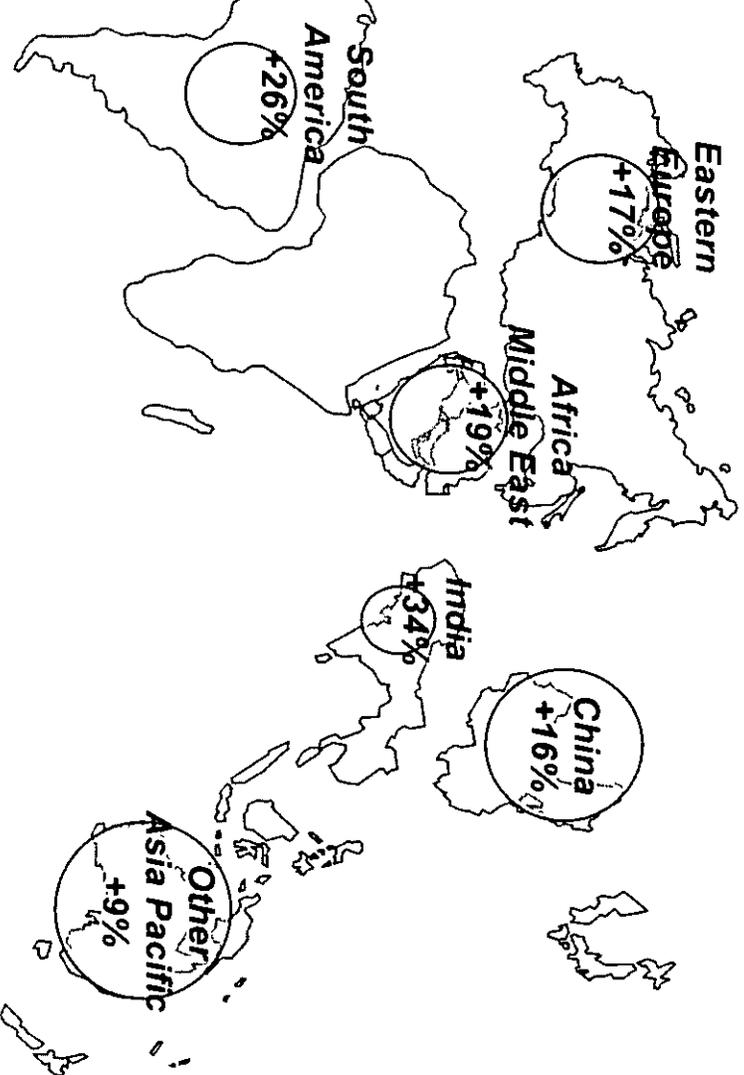
## people

- ⇒ Develop competencies & diversity

# Invest in fast growing emerging countries

Sales organic growth  
2005-2006 average: +15%

Contribution of emerging countries  
to Group sales (%)



⇒ High growth in emerging countries in 2006 combined to an exceptional performance in mature countries

# Innovation : sustain high level of R&D investment

## Innovation in figures

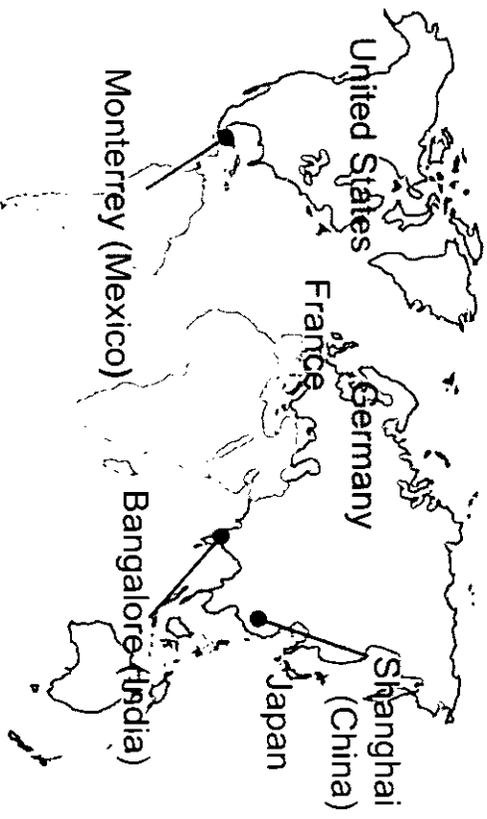
- ~ 5% of sales invested in R&D
- 6 500 R&D team members in 25 countries
- 650 Application centers in 18 countries
- Partnerships with 50 private university laboratories

⇒ Consolidation of presence in high tech countries

⇒ Deployment of resources in emerging countries

⇒ 2006 sales of the 40 major programs increased by more than 50% over 2005

⇒ Most products “future ready”, embarking intelligence



Powerpack



Motor drive ATV31



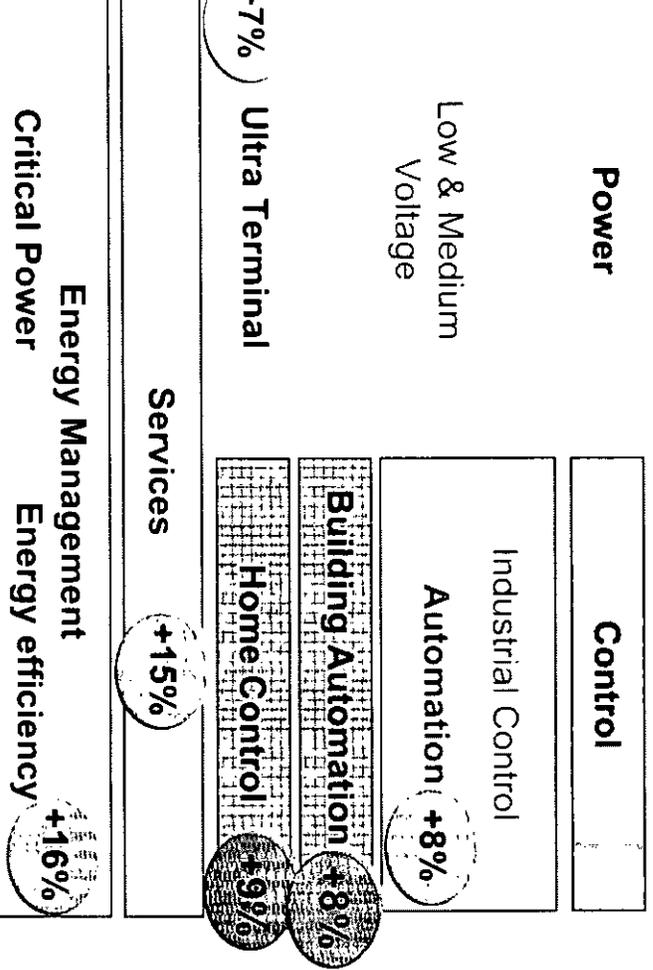
Display & touch-screens

⇒ Schneider Electric is leader of “HOMES” project, supported by the French Industrial Innovation Agency: building active control for energy efficiency

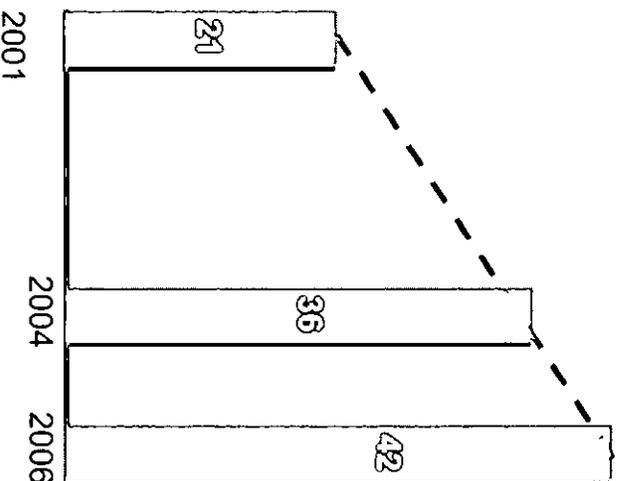


increase growth potential and reduce cycle  
sensitivity through new businesses

Orders organic growth  
average 2005-2006



Contribution of new businesses  
to Group sales (%)



⇒ Contribution of new businesses  
x2 over 2001-2006

# Rebalance production costs with sales

## 2005-2006 results

### ⇒ Stepped-up transfer of sourcing

- +70% in volume over 2 years

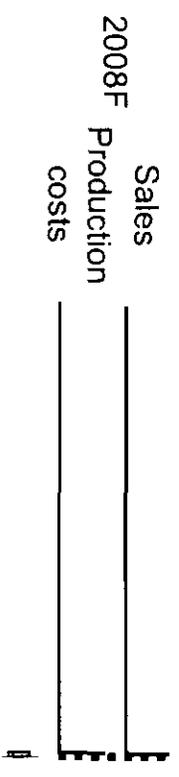
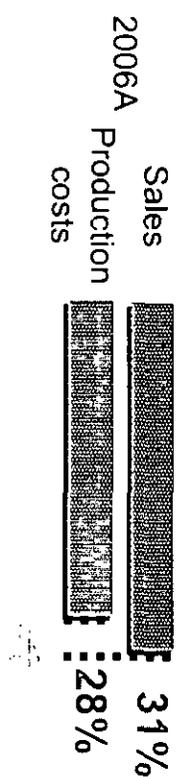
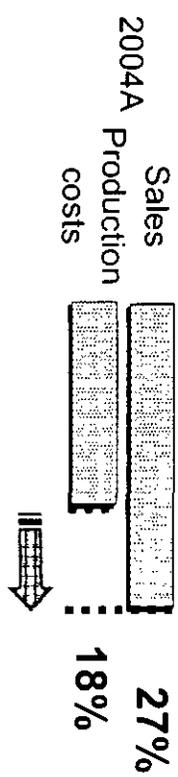
### ⇒ Optimisation of manufacturing base

### ⇒ Rebalanced production costs

- € 529m to low-cost countries
- of which € 250m to non-euro zone

## Rebalancing from high-cost to low-cost countries

% in low-cost countries



**Produce closer to the customer  
to improve customer service & reduce logistics costs**

## Optimise logistics organisation Pursue other efficiency plans



- ⇒ **Reduction in logistics costs: - 0.8pt of sales**
  - Closure of 28 logistics centers mainly in Europe and Asia
  - Creation of regional centers (Europe, Hong Kong)
  - Launching of savings plans on transportation
- ⇒ **IT System**
  - Outsourcing of IT infrastructure in Europe completed in 2005
  - Implementation of a global core system (first pilot already launched)
- ⇒ **Lean Manufacturing for 140 sites at the end of 2006**
- ⇒ **Quality improvement through 3,600 Six Sigma projects launched**
- ⇒ **Base Costs monitoring while investing in growth**
  - 7.6%\* increase in R&D and SG&A vs 10.7%\* sales growth in 2006

*excluding currency and perimeter effects*

## Develop competencies and diversity of people

ble

### ⇒ **Develop competencies**

- Three-year competencies plans
- Schneider Electric University: creation of two new training institutes
- Apprenticeship programs

### ⇒ **Strengthen through diversity**

- 105,000 employees in 106 countries, of which 80% outside France
- China, with ~9,000 employees, ranks n°3 behind France and USA
- 800 top international jobs assumed by 59 different nationalities

### ⇒ **Improve safety**

- Creation of corporate and local committees
- - 32% reduction in lost days due to work place injuries

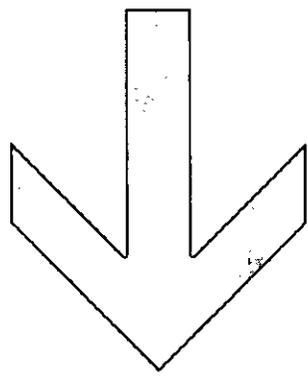
### ⇒ **Measure employees satisfaction through surveys**

- 78% answer rate
- Strong commitment from all employees

Focus on  
Energy Efficiency



Schneider  
Electric



**Energy efficiency:  
A strong portfolio**

**Customers demand**

⇒ **World energy consumption to rise 70% by 2030**, with 75% of new demand driven by emerging markets

⇒ **Increasing needs for reduction of:**

- **energy costs**
- **CO<sub>2</sub> emissions**

**= 10% to = 30%  
of energy savings  
for customers**

**Schneider Electric's  
unique offer**

⇒ **Enabling products:**  
variable speed drive,  
motor control, sensors...

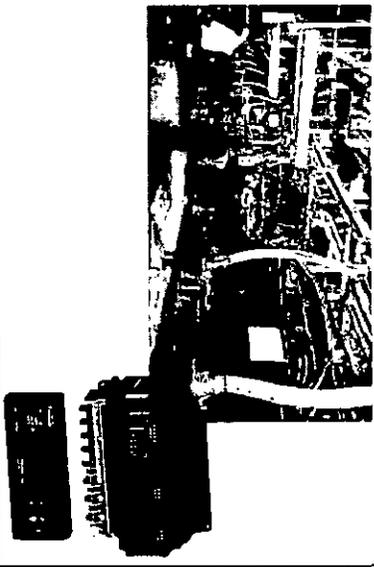
⇒ **Monitoring & control:**  
supervisory software,  
metering, remote services...

⇒ **High value services:**  
audits and assessments,  
performance based services,  
energy management tools...

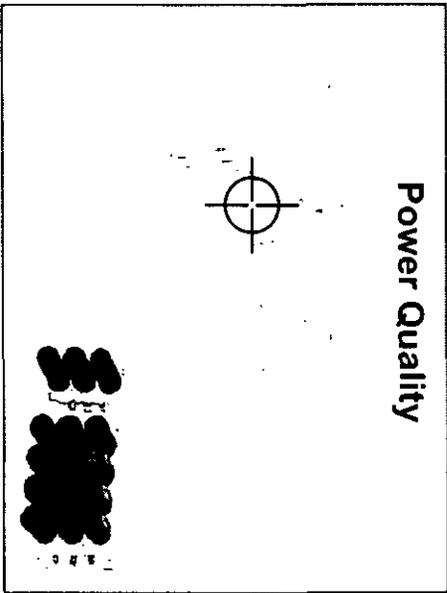
**Potential annual market growth of +15% to +20%**

# Energy efficiency: Examples of products for applications

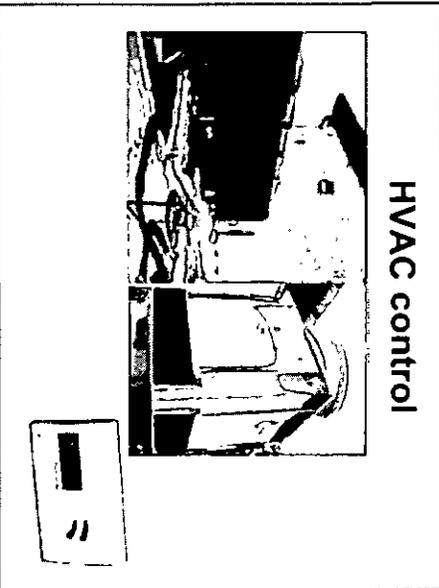
Peak demand avoidance



Power Quality



HVAC control



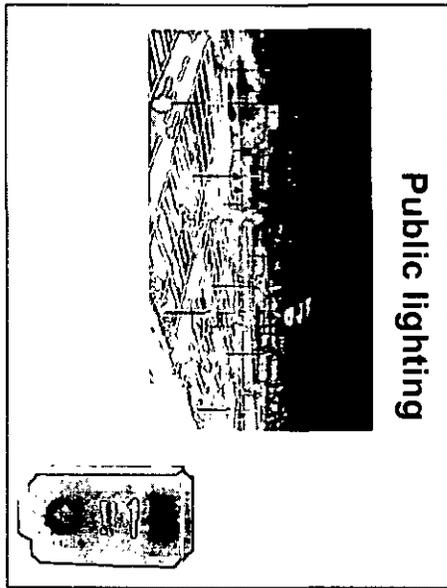
Pumping control system



Lighting control system



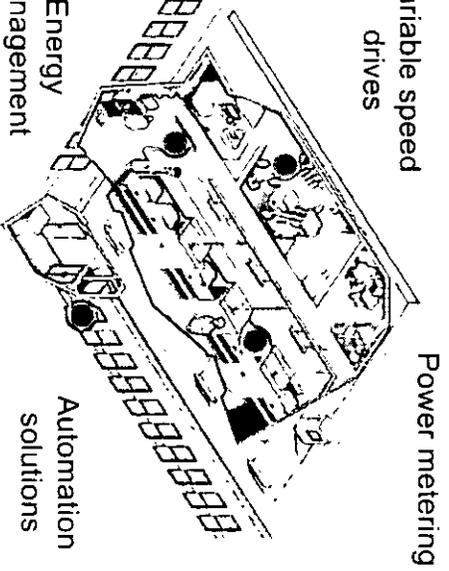
Public lighting



# Energy efficiency: Enhancing performance on every market

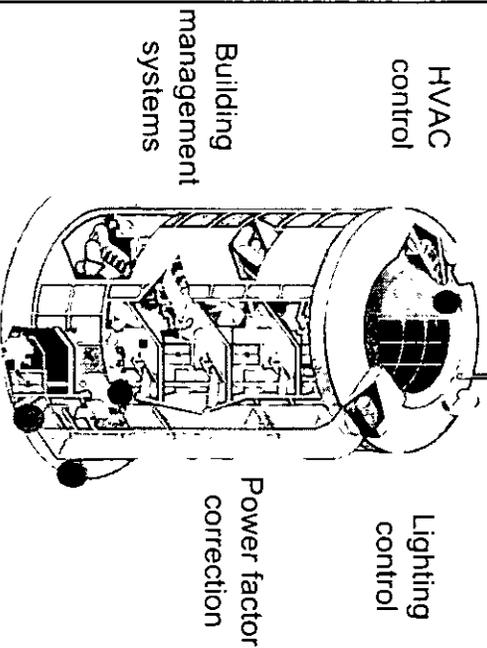
Deliver a bundle offer

**Industry & Infrastructure  
a key target, especially  
around motors**



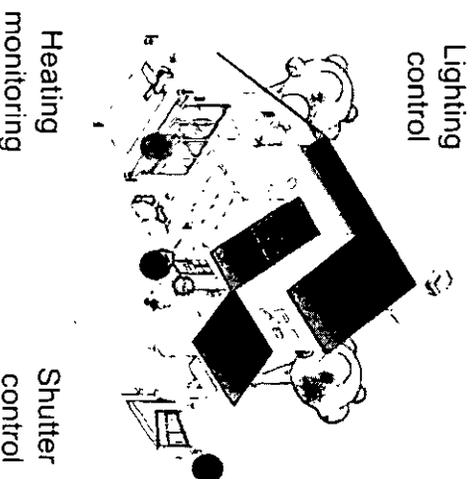
Over 30% of the consumed energy  
Motors account for 60% of the  
electricity usage  
Average facility can reduce energy  
consumption by 10 to 20%

**Buildings  
the biggest consumer,  
hence a priority**

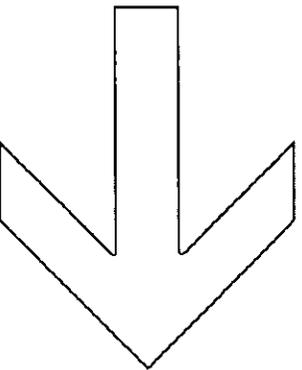


→ Over 20% of the consumed energy  
→ Renovation can yield up to 30%  
of energy savings

**Residential  
fragmented but high  
potential!**



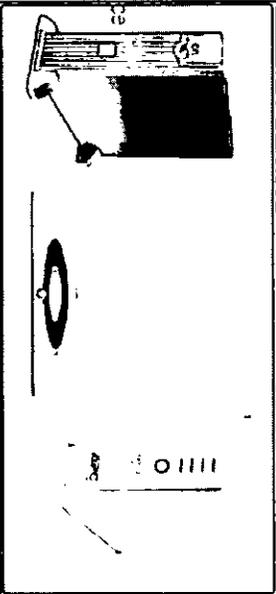
→ 20% of the consumed energy  
→ 10 to 40% electricity savings using  
energy efficient products



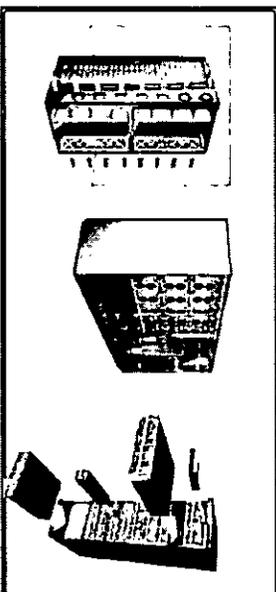
# APC, a strategic acquisition in Critical Power & Cooling Services

**APC is the worldwide brand of reference in small systems  
and the fastest growing player in large systems**

**Small Systems (73%)**



**Large Systems (24%)**



**2006**

**\$2.4 billion**

**8,300**

**~5% of sales**

⇒ **Sales**

⇒ **Employees**

⇒ **Research & Development**

**Schneider**  
Electric

## High value creation potential

- ⇒ **Critical Power & Cooling Services: a fast growing segment, +8% per year**
- ⇒ **APC – MGE : an uncontested global leader with market share above 30%**
- ⇒ **A turnaround opportunity in large systems**
- ⇒ **Sizeable synergies of \$220m between APC and MGE (research & development, SG&A, sales, services, purchasing, routes to market...)**
- ⇒ **Strengthen leadership in electrical distribution through a widened offer and gain a new stature**



Value creation of \$3.3 bn

## Progress of acquisition in line with plan

- ⇒ Closing completed on February 14, 2007 – divestment of MGE operations in small systems on track (sales: ~€150m)
- ⇒ Confirmation of the business plan and synergies presented at the acquisition date
- ⇒ Creation of a Critical Power & Cooling Services business unit
  - Combination of APC and MGE resources
  - Appointment of all executives
- ⇒ Launch of first integration plans
  - Brand and commercial policy defined – customers information
  - Offer optimisation and costs controlling



# Strategic and integration roadmap

Action plans by line of business

Leverage Home & Distributed

Turnaround Enterprise & Systems

Deploy Projects & Services

Boost Management Software

Ensure high customer satisfaction

Deliver full data center solution

Improve supply chain performance

Capture synergies

Leverage central functions

Transversal initiatives

## Key challenges for 2007

### ⇒ Leverage Small Systems

- Upgrade the APC portfolio
- Accelerate new product development

### ⇒ Turnaround Large Systems

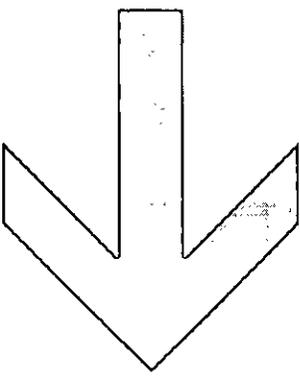
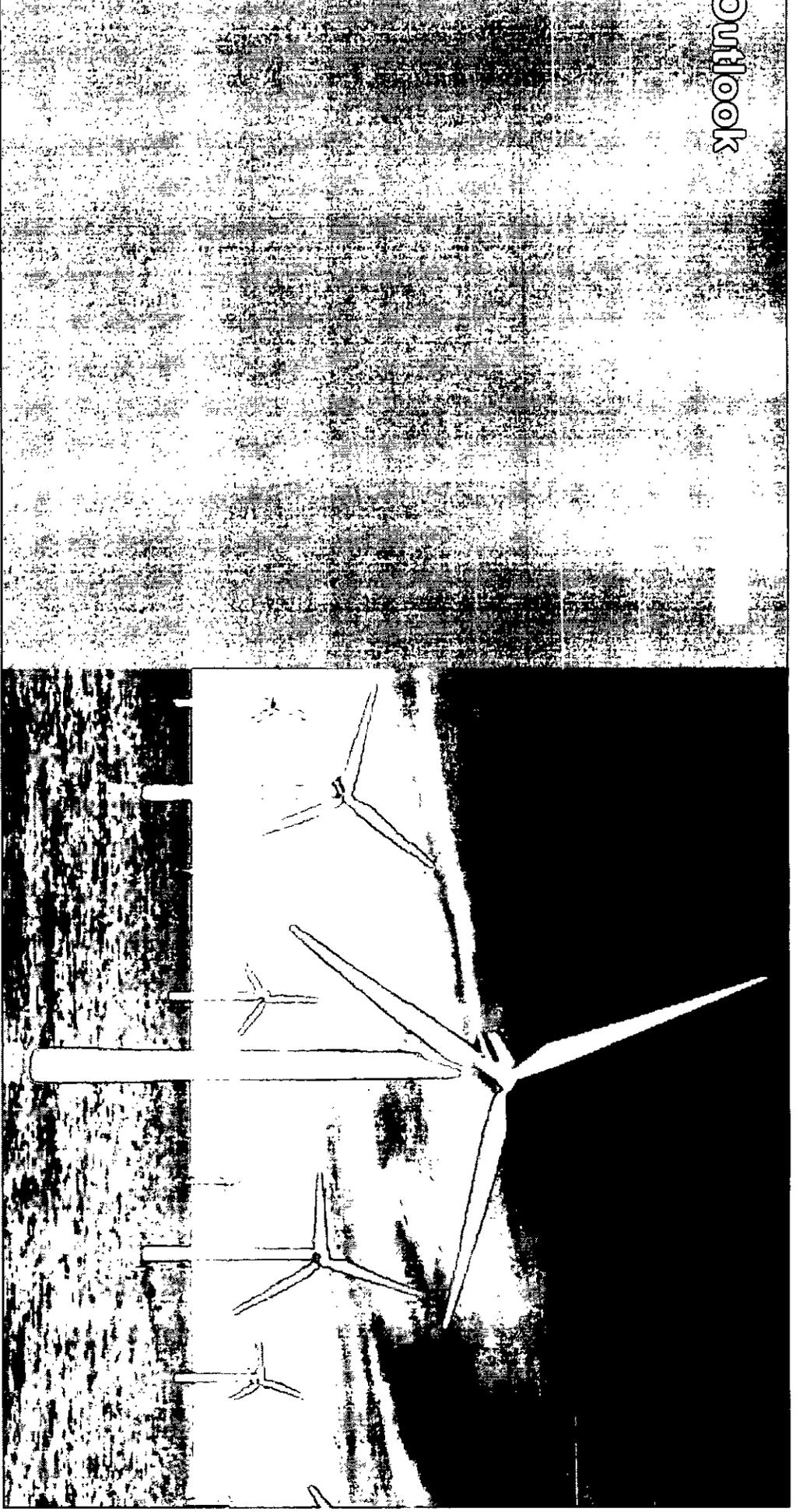
- Review the offering: product selection, termination of unprofitable product lines
- Deploy the Services business model
- Start restructuring actions

### ⇒ Improve Supply Chain performance

- Ensure quality and customer satisfaction
- Reduce complexity and number of SKUs
- Control inventories and capital employed

### ⇒ Capture Synergies

- 23 action plans defined
- 87% in detailed roadmap



new<sup>2</sup> second phase targets  
 potential for further performance

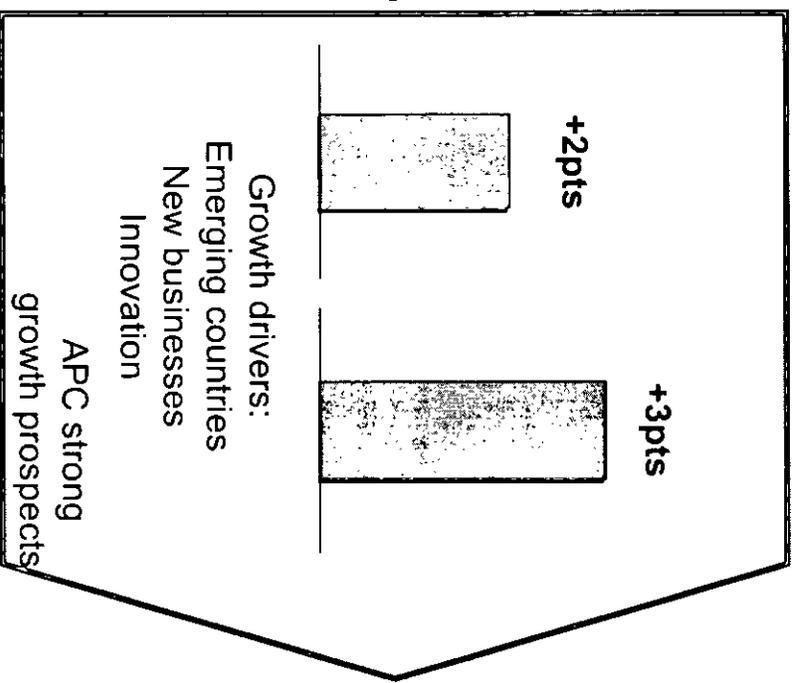
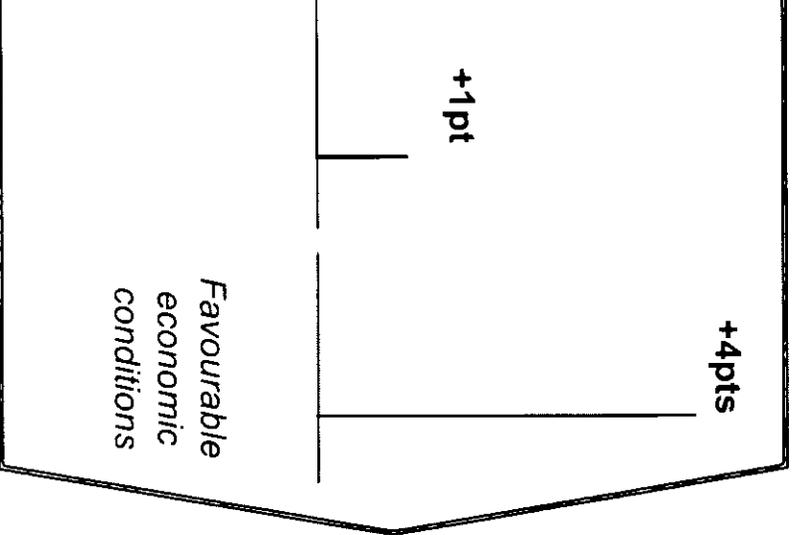
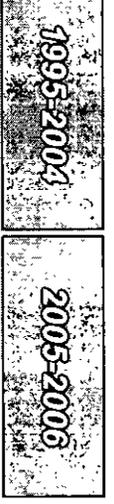
“Stimulate sales growth, achieve higher profitability”

	Initial new <sup>2</sup> targets	Actual 2005-2006	new <sup>2</sup> second phase targets
<b>Sales Organic Growth</b> Mid-term, assuming 3% world GDP growth	>5%	9.3%	≥6%
<b>EBITA* Margin</b> Over the business cycle	12.5%-14.5%	+2.2pts (2006: 14.7%)	13.0%-15.0%
<b>ROCE** Improvement</b> Assuming organic growth in line with target	+2-4pts	+2.0pts	+2pts

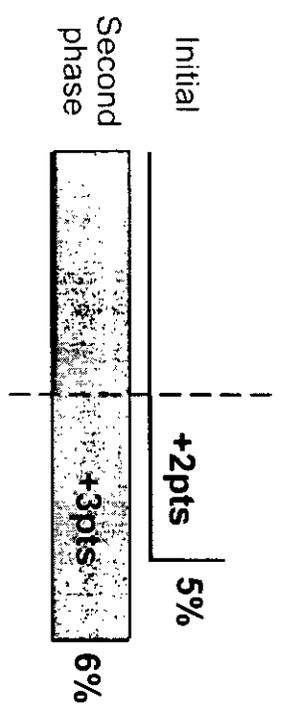
EBIT before amortisation of purchase accounting intangibles  
 After tax EBITA / Capital Employed = Shareholders' equity + Net debt + Provisions

Sales organic growth target lifted to +6%

**Organic growth relative to World GDP**

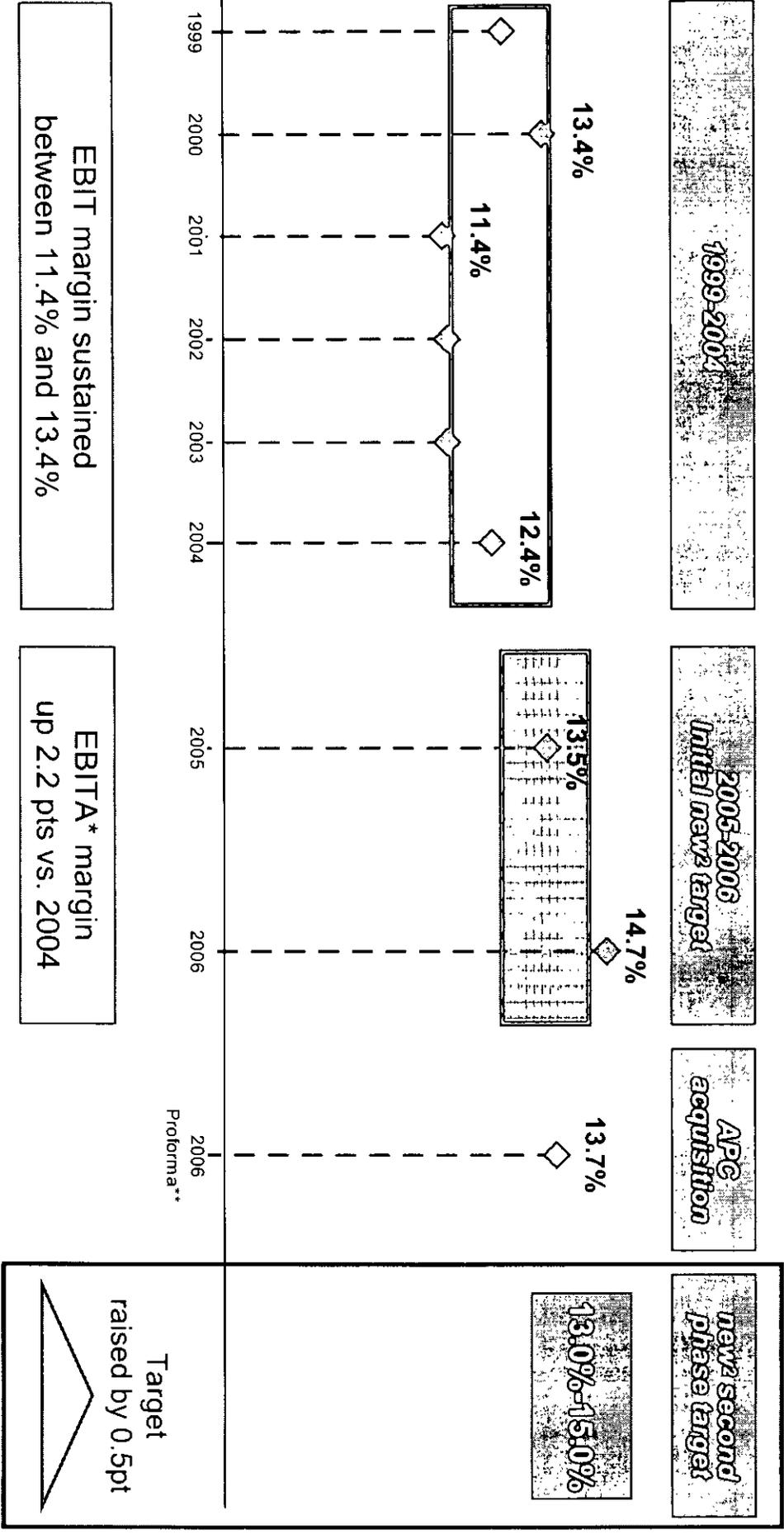


**Mid-term organic growth target**



EBITDA margin target lifted to 13.0%-15.0%

### EBITDA margin analysis



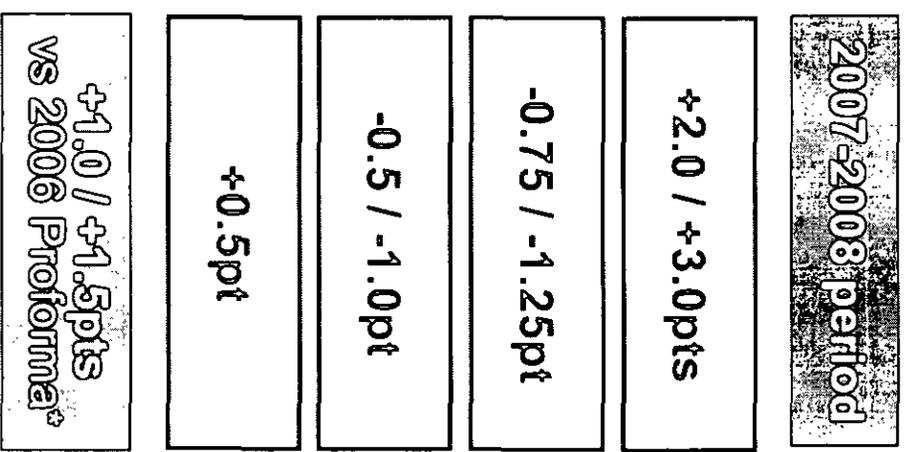
EBIT before amortisation of purchase accounting intangibles (€12m in 2005 and €18m in 2006) including APC consolidation on a full year basis



# Potential EBITA margin improvement → +1pt over 2007-2008

## Earnings drivers in pts of margin

- ⇒ Potential productivity savings  
(Rebalancing, Logistics & other)
- ⇒ Investments in organic growth  
(New businesses and geographies)
- ⇒ Business mix  
(Services, Packages & Solutions, ...)
- ⇒ Turnaround of APC and synergies
- ⇒ Potential EBITA margin improvement  
(in the same economic environment)

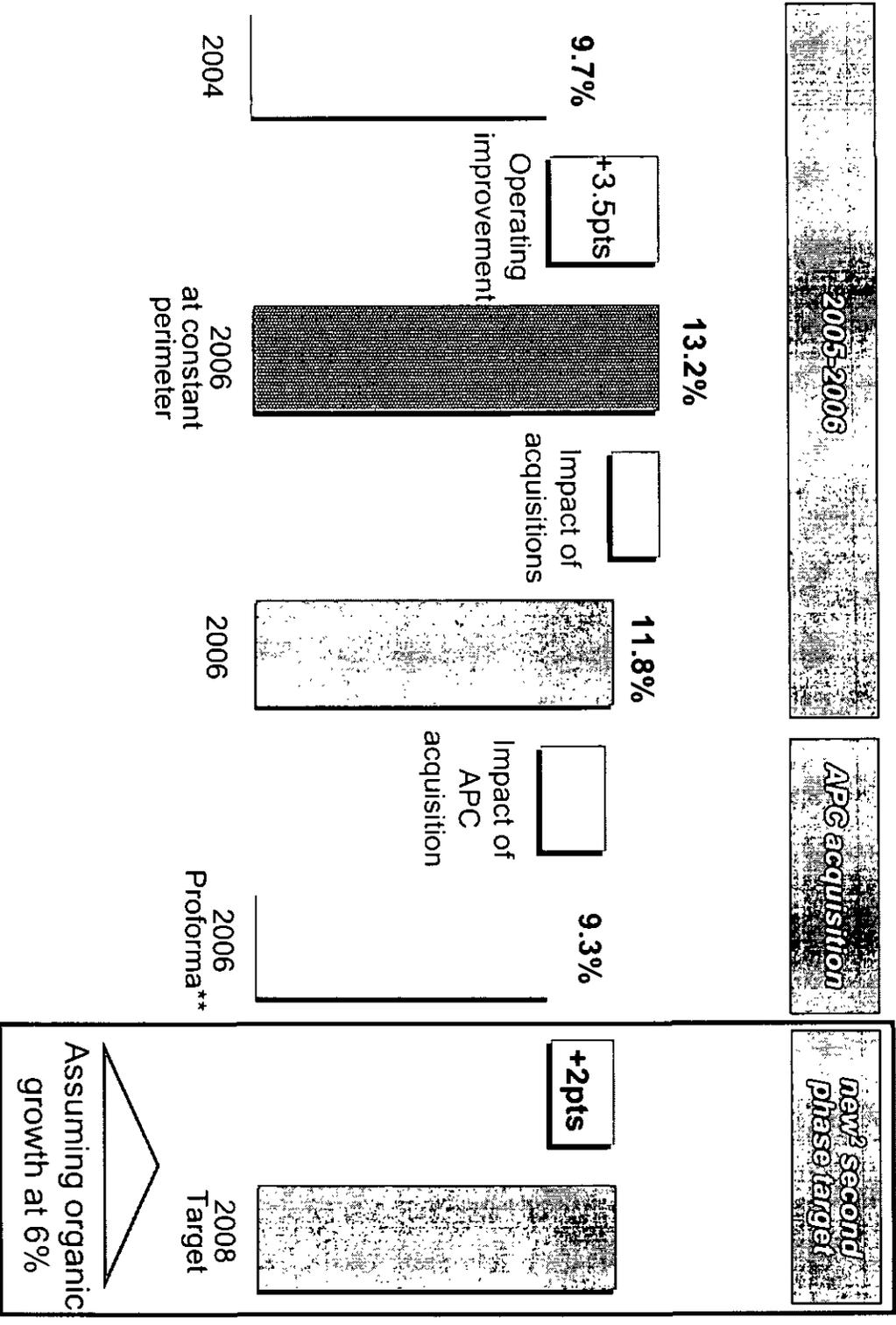


including APC consolidation on a full year basis



# ROCE Improvement target set at 2pts over 2007-2008

## ROCE analysis (EBITA / Capital employed\*)



Capital Employed = Shareholders' equity + Net debt + Provisions,  
including APC consolidation on a full year basis



# New sales organic growth record in first quarter 2007

## Sales organic growth by region

	Q1 2007
Europe	+14,6%
North America	+9,3%
Asia-Pacific	+16,2%
Rest of the World	+17,6%
<b>Group</b>	<b>+13,7%</b>
<b>Inc. Emerging countries*</b>	<b>+19,4%</b>

\* Emerging countries: Eastern Europe + Asia-Pacific  
+ Rest of the World

## Breakdown of sales current growth

	Q1 2007
Organic growth	+13.7%
Perimeter effect	+12.9%
Currency effect	- 4.2%
<b>Current growth</b>	<b>+22.4%</b>
<b>APC-MGE organic growth*</b>	<b>+18%</b>

\* This figure indicates the underlying performance of the Critical power « business unit » in the first quarter and not the Group consolidated organic growth, as APC acquisition is fully integrated in the perimeter until February 14, 2008.

**Assuming current economic conditions,  
Schneider Electric anticipates  
exceeding its revised new<sup>2</sup> company program target with  
organic sales growth for full-year 2007 of 8%**

**Key value creation drivers**

<b>GROWTH POTENTIAL</b>	<b>BUSINESS MODEL</b>	<b>OPERATING MARGIN</b>	<b>FINANCIAL STRUCTURE</b>
Electrification needs worldwide	Leadership positions	High level of profitability	Strong & steady cash flow
Emerging countries	Innovation	Productivity plans	Low capital intensity
New businesses	Geographical organization	Rebalancing	Dividend pay out
Energy savings solutions	Partners	Resilience across the cycle	Financial leverage opportunity
Services opportunities	Premium brands		

**Schneider Electric has the ability to deliver attractive returns to its shareholders**



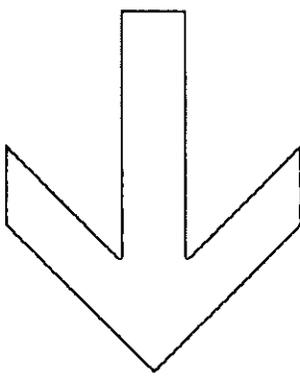
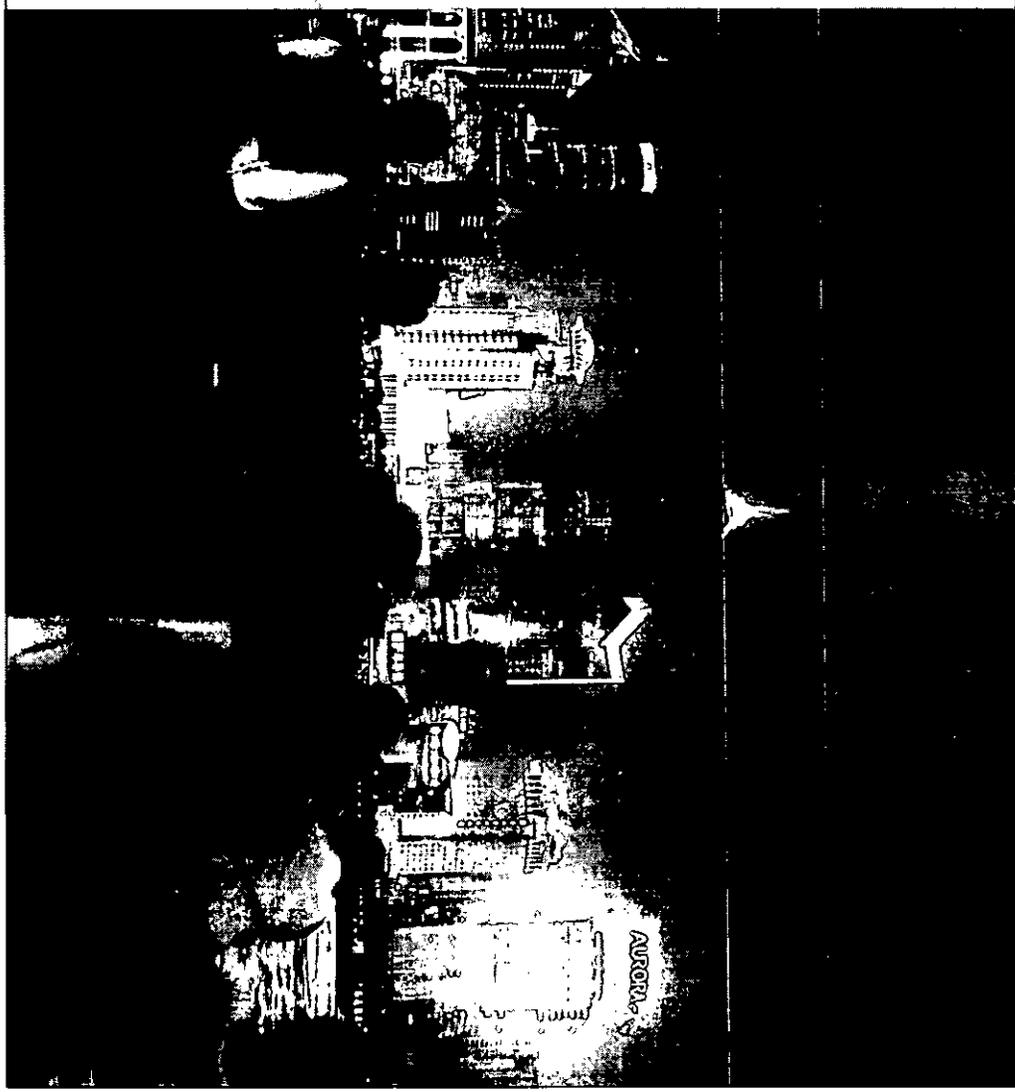
# Contacts and Calendar

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August 1	Interim results	9:30 Conference Call
October 23	3rd Quarter 2007 Sales	9:30 Conference Call



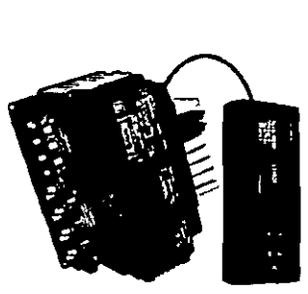
# Example of dedicated solutions for our customers: Cairo International Airport, Egypt

## Energy management systems

Energy management – Power Control  
& Monitoring System PCMS

Monitor Pro  
Workstation

Power Logic – Energy Saving

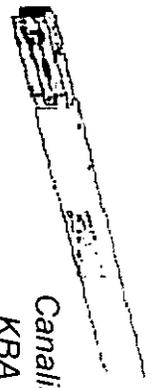


## Electrical distribution

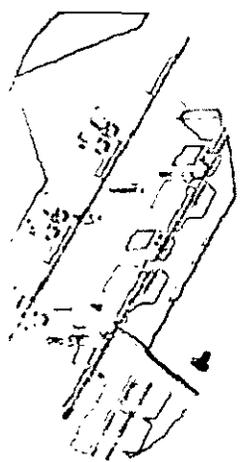
Bus Duct



Canalis  
KBA



Switchboards & Transformers



Critical Power  
& Cooling Services

**Schneider**  
Electric

# Promote sustainable development through strong commitments

## 2005-2008 Targets

2006 Results
--------------

### ⇒ People

- Reduce the number of lost days from work injuries by -20% per year  😊
- Guarantee 100% of employees have basic health insurance  😊
- Ensure 20% of people under international mobility program are women  😊

### ⇒ Community

- Donate € 1m worth of Schneider Electric equipment per year  😊
- Ensure 90% of sites have a commitment in the area of youth opportunities  😊

### ⇒ Environment

- Guarantee 100% of manufacturing and logistic sites are certified ISO 14001  😊
- Provide an environmental profile for 120 products  😊
- Reduce energy consumption per production site by - 10%  😊

### ⇒ Corporate responsibility

- Make 60% of total purchases from suppliers who support the global compact  😊
- Be included in the 4 major socially responsible investment index families  😊

## Record organic sales growth

### Organic sales growth by geographical region in %

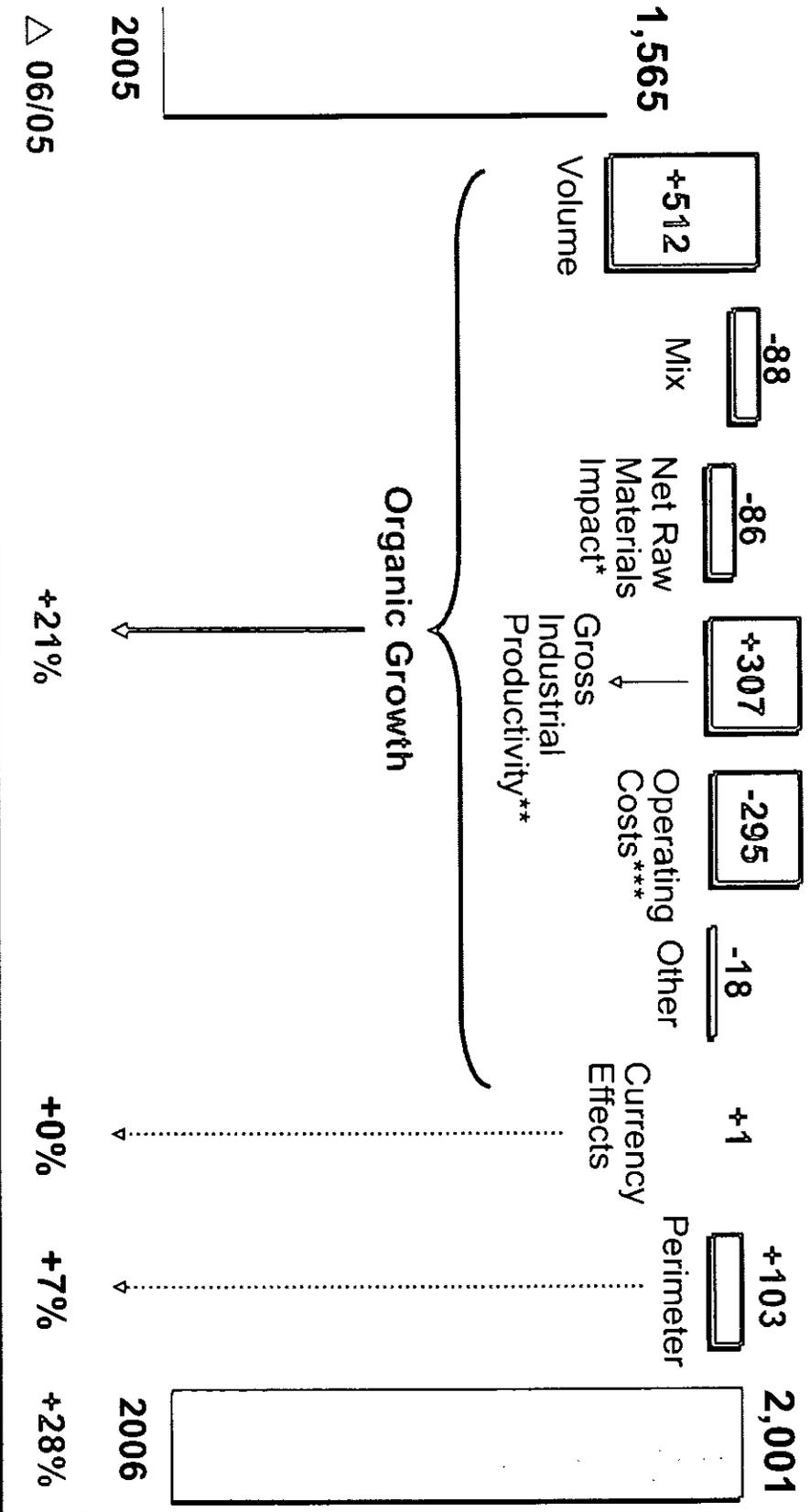
	2006
Europe	+9.6%
North America	+7.5%
Asia Pacific	+15.7%
Rest of World	+17.6%
<b>Group</b>	<b>+10.7%</b>
<b><i>o/w Emerging Countries*</i></b>	<b>+17.1%</b>

*merging countries: Eastern Europe + Asia Pacific + Rest of World*



# Strong organic growth in operating income

## Analysis of change in operating income (in €m)



Of which Sales Price: +141 and Raw Materials impact: -227

Of which Purchasing: +97, Lean Manufacturing: +50, Rebalancing: +84, Other plans: +76

Of which Production Labour & Other Costs: -64, SG&A/R&D costs: -231



**Sustained industrial  
productivity gains**

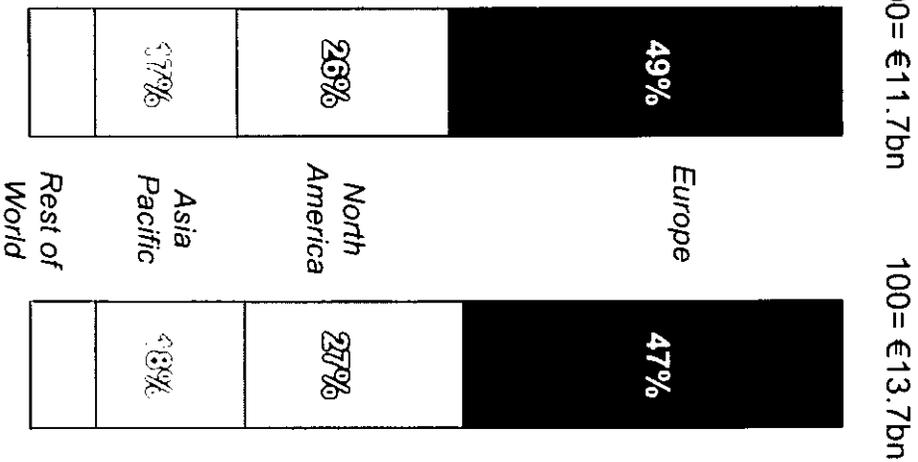
**Breakdown of productivity gains (in €m)**

	2005	2006
Purchasing	130	97
Lean Manufacturing	61	50
Rebalancing	66	84
Other plans	47	76
<b>Gross industrial productivity</b>	<b>304</b>	<b>307</b>
<b>as % of products' cost of sales*</b>	<b>5.1%</b>	<b>4.5%</b>

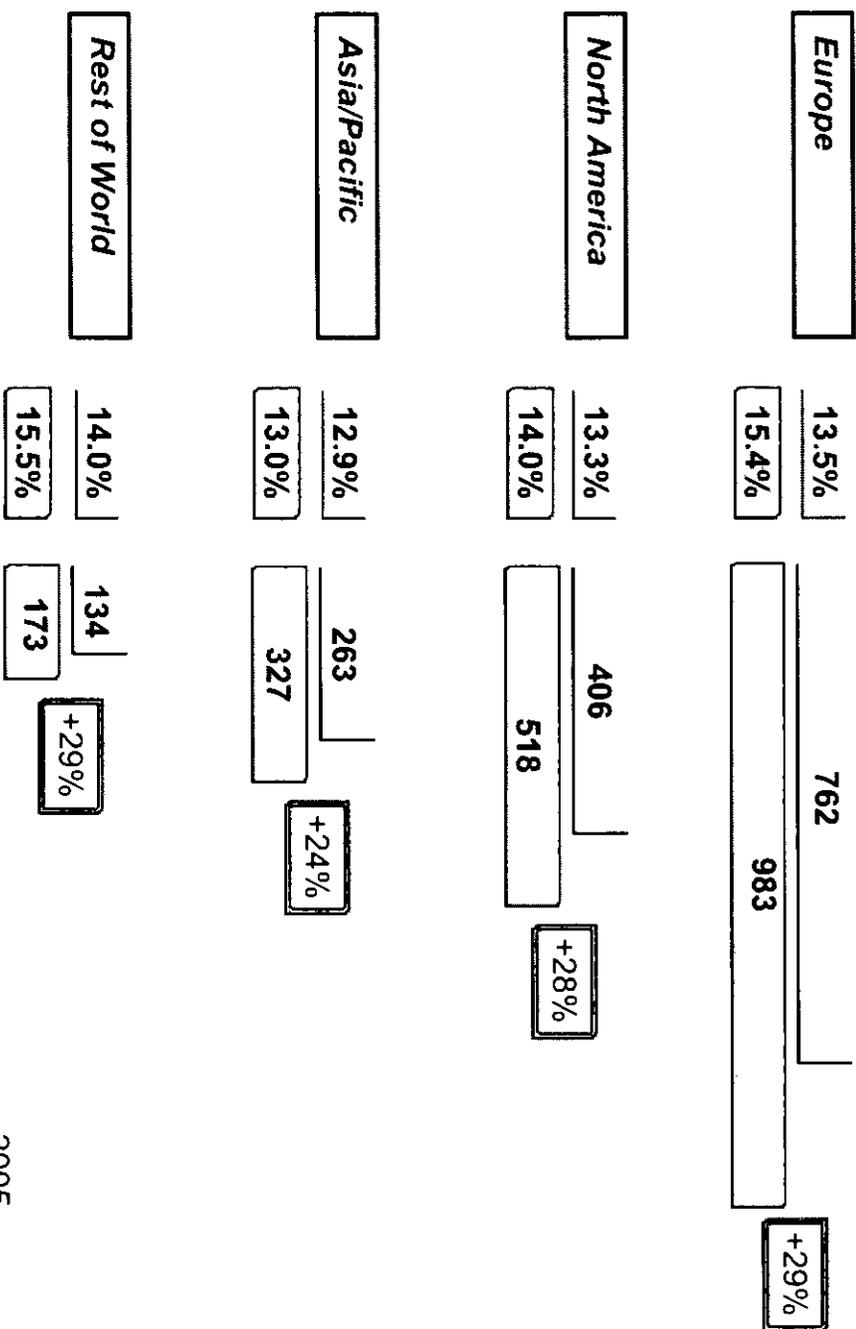
*including cost of sales for services and related businesses*

# Strongly rise in operating income in all regions

## Sales breakdown by region

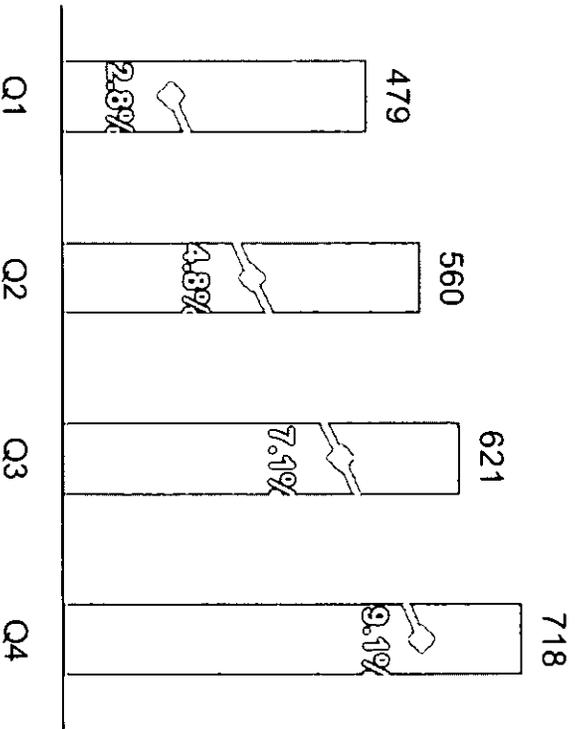


## Operating margin and income by region



**FY2006: Sustained growth and strong profitability improvement in Q4 06**

**APC 2006 quarterly performance (in m\$)**



- ⇒ Continued sales growth through the year
- ⇒ Steady recovery in operating margin

Excluding non-recurring charges of \$56m

**APC key 2006 figures**

(in \$m)	FY 2006
<b>Sales</b>	<b>2,378</b>
<b>Growth %</b>	<b>+20%</b>
<b>Gross Profit</b>	<b>804</b>
<b>Gross Margin %</b>	<b>33.8%</b>
<b>Operating profit</b>	<b>150*</b>
<b>Operating Margin %</b>	<b>6.3%</b>

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## Impact of APC consolidation

⇒ APC to be consolidated from February 15, 2007

⇒ Balance sheet impact

- Goodwill before purchase accounting: \$4.5bn
- Purchase accounting to be finalised within 12 months

⇒ P&L impact

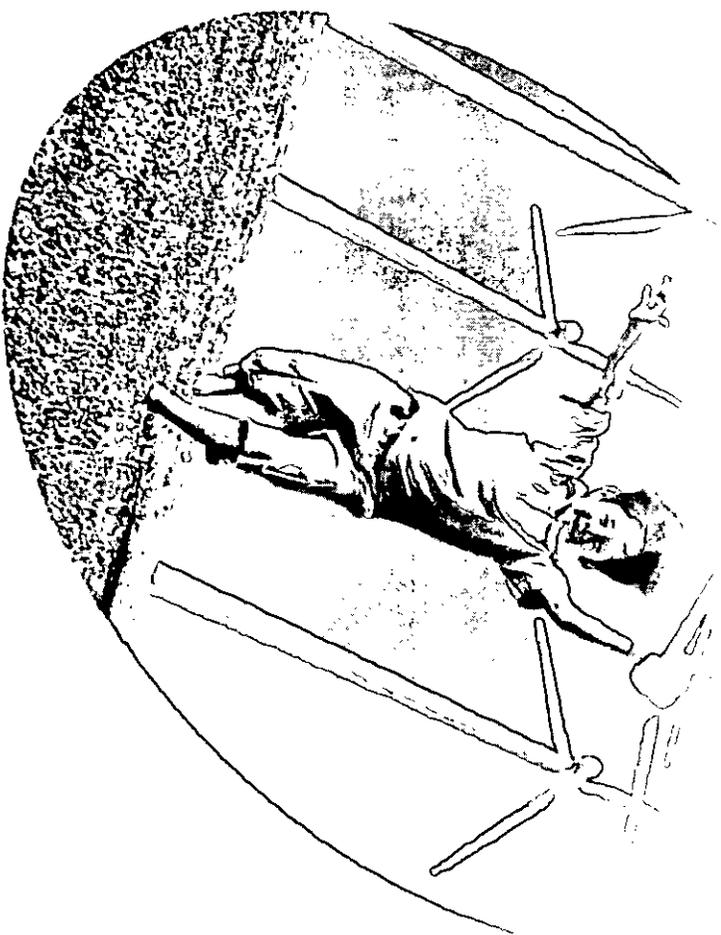
- Annual amortisation charge of intangibles estimate: €60-80m
- APC's organic growth included in perimeter effect for the first 12 months

### 2006 key proforma\* figures

(In €m)	FY 2006
Sales	15,627
Gross profit	6,320
Gross Margin %	40.4%
EBITA**	2,138
EBITA Margin %	13.7%

*Including APC consolidation on a full year basis  
EBIT before amortisation of purchase accounting intangibles*

*Building  
a New Electric World*



**Schneider**  
 **Electric**

## Press Release

### **Schneider Electric Receives SAMA Award for Outstanding Corporate Performance in Strategic Customer Management**

(Rueil-Malmaison – June 19, 2007) – Schneider Electric has been honored by the Strategic Account Management Association (SAMA) with an award for its outstanding corporate performance in strategic customer management. The annual award was presented this year to Schneider Electric's Global Business Development (SGBD) program and its leader, Senior Vice President Jean-Marc Debeaux, for their work in delivering value added services to a select group of worldwide strategic accounts.

Schneider Electric stood out from the other nominees for its effective management of its Strategic Accounts, the value added of the services offered to its leading global customers, the SGBD program's sales strategy and its operational deployment in the global marketplace.

*"This award is a real encouragement for the entire SGBD team," said Jean-Marc Debeaux, SGBD Senior Vice President. "Our commitment to making our businesses customer-centric is paying off around the world. The SGBD program has been highly successful in a short period of time. Initially planned to manage 50 large customers, it is now leveraging 70 Global Strategic Accounts. SGBD defines and implements Schneider Electric's strategic account strategy and in every host country, our customers appreciate the personalized support they get from Schneider Electric."*

*"Schneider Electric and SAMA share a similar commitment and vision to create greater customer value," said Bernard Quancard, President of the Strategic Account Management Association. "The success of the SGBD stems from Schneider Electric's commitment to be totally customer-centric to serve customers globally."*

#### **SGBD: a dedicated organization**

Led by Jean-Marc Debeaux, SGBD delivers dedicated solutions worldwide to 70 multinational companies with business-critical power and automation needs. *"Today, 70 world-class organizations appreciate our innovative, differentiating solutions, custom-designed for their business,"* added Mr. Debeaux, *"because they enable them to reduce capital expenditure and optimize operating costs. These 70 customers have pushed energy efficiency and reliability to the forefront of their strategic priorities. More than ever, power, automation and safety management are priority issues for our customers. Increasingly, they prefer to sign confidential agreements that enable them to acquire a differentiating competitive advantage in their business."*

Schneider Electric's SGBD program is a dedicated organization for global enterprises interested in developing special relationships with their key suppliers. To serve them, the Group offers preferred supplier contracts to ensure that they enjoy high-level contacts.

Thanks to shorter communication and decision-making circuits, SGBD can leverage resources across the Group and around the world very quickly to provide the right solutions and services at each stage of a company's international expansion and achieve the highest level of customer satisfaction. The 70 Strategic Accounts served by SGBD can tap into Schneider Electric's deep knowledge of process automation (automobile manufacturing, cement production, etc.), energy management in large industrial and commercial buildings (pharmaceuticals, mass retailing, etc.), IT center protection and electrical distribution and monitoring for water treatment.



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## Press Release

### About Schneider Electric

Schneider Electric is the world's power and control specialist. Through its world-class brands, Merlin Gerin, Square D and Telemecanique, Schneider Electric anticipates and satisfies its customers' requirements in the residential, building, industry and energy and infrastructure markets. Schneider Electric's 112,000 employees generated sales of €13.7 billion in 2006 through 15,000 distributor outlets in 190 countries.

### Schneider Electric

Giving the best of the New Electric World to everyone, everywhere, at any time



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## Press Release

### **Schneider Electric enters into exclusive negotiations with Eaton Corp. for the divestment of MGE UPS Systems' operations in small systems**

Rueil Malmaison, June 21, 2007 – Schneider Electric announced today it has entered into exclusive negotiations with Eaton Corp. ("Eaton") for the divestment of MGE UPS Systems operations in small systems (the "Business"), as per its prior commitment to the European Commission following the acquisition of American Power Conversion.

Eaton is offering €425m (on a debt free cash free basis) for the Business, which generated revenues of €156m in 2006 and an EBIT margin of 20.5%.

Eaton intends to pursue the Business' current development strategy, which has been very successful in recent years, relying on the existing management team and the expertise and know-how of its employees.

The parties believe that they could be in a position to reach a mutually satisfactory agreement in July, following the completion of all prior legal requirements, and in this case to close the transaction during the third quarter.

#### **About Eaton Corp.**

*Eaton Corporation is a diversified industrial manufacturer with 2006 sales of \$12.4 billion. Eaton is a global leader in electrical systems and components for power quality, distribution and control; fluid power systems and services for industrial, mobile and aircraft equipment; intelligent truck drivetrain systems for safety and fuel economy; and automotive engine air management systems, powertrain solutions and specialty controls for performance, fuel economy and safety. Eaton has 61,000 employees and sells products to customers in more than 125 countries. For more information, visit [www.eaton.com](http://www.eaton.com)*

#### **About MGE UPS Systems**

*MGE UPS Systems, a subsidiary of Schneider Electric, is a world leader for intelligent power protection solutions for business continuity. MGE's offer is designed to provide its customers with total protection throughout the lifetime of their mission-critical installations. It includes the MGE PowerServices™ program, the largest factory-direct service organization in the world, a full range of equipment: uninterruptible power supplies, static transfer switches, harmonic filters, and advanced power management solutions. MGE's 3500 experts and their partners guarantee the excellence of MGE UPS SYSTEMS products and services in more than 100 countries.*

*MGE UPS SYSTEMS has received the Frost & Sullivan "UPS Company of the year" in 2005 & 2006.*

[www.mgeups.com](http://www.mgeups.com)

#### **About Schneider Electric**

*Schneider Electric is the world's power and control specialist. Through its world-class brands, Merlin Gerin, Square D and Telemecanique, Schneider Electric anticipates and satisfies its customers' requirements in the residential, building, industry and energy and infrastructure markets. With 112,000 employees and operations in 190 countries, Schneider Electric generated sales of €13.7 billion in 2006 through 13,000 distributor outlets.*

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