



**Euro 4,700,000,000**  
**Euro Medium Term Note Programme**  
**Due from seven days from the date of original issue**

This supplement ("**Supplement**") is supplemental to, and should be read in conjunction with, the Base Prospectus dated 27 January 2006 (the "**Base Prospectus**") prepared in relation to the Euro 3,500,000,000 Euro Medium Term Note programme of Schneider Electric SA, *Société Anonyme à Directoire et Conseil de Surveillance* (the "**Issuer**"). On 27 January 2006, the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") approved the Base Prospectus as a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**") and Article 8.4 of the Luxembourg Law on prospectuses for securities dated 10 July 2005 (the "**Luxembourg Law**").

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this Supplement.

#### **1. INCREASE OF THE PROGRAMME SIZE**

The Issuer has decided to increase the Programme Size (being the aggregate nominal amount of Notes issued under the Programme outstanding at any time) from Euro 3,500,000,000 (or the equivalent in other currencies) to Euro 4,700,000,000 (or the equivalent in other currencies), and, accordingly, all references in the Base Prospectus shall be deemed to be amended accordingly.

#### **2. 2005 CONSOLIDATED FINANCIAL STATEMENTS**

On 16 February 2006, the Issuer published its audited consolidated financial statements for the financial year ended 31 December 2005, including the notes related thereto and the auditors' report thereon (the "**2005 Consolidated Financial Statements**"). The 2005 Consolidated Financial Statements appear in the Issuer's annual report for 2005 (the "**2005 Annual Report**"), which has been filed with the CSSF for the purposes of Article 16 of the Prospectus Directive and Article 13 of the Luxembourg Law and is incorporated in, and forms part of, this Supplement.

Copies of the 2005 Annual Report are available in the English language free of charge at the office of the Luxembourg Listing Agent. In addition, the 2005 Annual Report is available on the Issuer's website: "[www.schneider-electric.com](http://www.schneider-electric.com)" and on the Luxembourg Stock Exchange's website: "[www.bourse.lu](http://www.bourse.lu)".

The information incorporated by reference in this Supplement is available as follows:

<b>Information Incorporated by Reference Prospectus Regulation Annex IV</b>	<b>Page Reference of the 2005 Annual Report</b>
<b>13.1 Historical financial information</b>	
<i>Audited consolidated financial statements of the Issuer for the financial year ended 31 December 2005:</i>	
➤ Consolidated balance sheet	Pages 70 to 71
➤ Consolidated statement of income	Page 68
➤ Consolidated cash flow statement	Page 69
➤ Notes to the consolidated financial statements	Pages 73 to 124
<i>Audited individual financial statements of the Issuer for the financial year ended 31 December 2005:</i>	
➤ Balance sheet	Pages 126 to 127
➤ Statement of income	Page 128
➤ Cash flow statement	Not available
➤ Notes to the financial statements	Pages 129 to 135
<b>13.3 Auditing of historical financial information</b>	
➤ Auditors' report on the consolidated financial statements for the financial year ended 31 December 2005	Page 125
➤ Auditors' report on the individual financial statements for the financial year ended 31 December 2005	Page 136

For the avoidance of doubt, the information contained in the 2005 Annual Report which is not listed in the above table is provided for information purposes only.

### 3. SUMMARY

The paragraph entitled “B. Key information concerning selected financial data of the Issuer as of December 31, 2004 and June 30, 2005” appearing on page 9 of the Base Prospectus under the heading “Summary” is hereby removed and replaced by the following:

	Year ending December 31,			
	2005	2004 <sup>(x)</sup>	2004 French	2003 French
	IFRS	IFRS	GAAP	GAAP
Sales	11,678.8	10,349.3	10,365.3	8,780.3
Income (loss) from continuing operations before tax	1,460.7	1,227.1	1,244.8	954.3
Net income (loss) before minority interest	1,029.5	858.3	594.7	454.3
Net income (loss)	994.3	823.9	564.6	432.8
Basic earnings per share	4.56	3.73	2.56	1.94
Diluted earnings per share	4.54	3.72	2.55	1.94
Total assets	16,614.8	13,296.1	13,045.3	13,920.8
Total non-current assets	10,225.3	8,159.1	7,152.8	6,553.7
Total current assets	6,389.5	5,137.0	5,892.5	7,367.1
Total liabilities	16,614.8	13,296.1	13,045.3	13,920.8
Total shareholder's equity	8,243.6	7,395.1	7,575.1	7,658.7

<sup>(x)</sup> IAS 32 and IAS 39 have not been applied in the 2004 IFRS accounts

### 4. SELLING RESTRICTIONS - FRANCE

The paragraph entitled “France” appearing on page 66 of the Base Prospectus under the heading “Subscription and Sale” is hereby removed and replaced by the following:

#### “France

- (a) In respect of Notes constituting *obligations* under French law issued in euro whether on a syndicated or non-syndicated basis, each of the Dealers and the Issuer has represented and agreed, and each further Dealer will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 to D.411-3 of the French *Code monétaire et financier*, but excluding individuals referred to in Article D.411-1 II 2° of the French *Code monétaire et financier*.
- (b) In respect of Notes constituting *obligations* under French law issued in currencies other than euro on a syndicated basis, each of the Dealers and the Issuer has represented and agreed, and each further Dealer will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material

relating to the Notes, and that such offers, sales and distributions have been and shall only be made in France through an international syndicate to qualified investors (*investisseurs qualifiés*) as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 to D.411-3 of the French *Code monétaire et financier*, but excluding individuals referred to in Article D.411-1 II 2° of the French *Code monétaire et financier*.

- (c) In respect of Notes constituting *obligations* under French law issued in currencies other than euro on a non-syndicated basis, each of the Dealer and the Issuer has represented and agreed, and each further Dealer will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Notes in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes, and each subscriber will be domiciled or resident for tax purposes outside France.”

#### **RESPONSIBILITY STATEMENT**

The Issuer accepts responsibility for the information contained in this Supplement. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into this Supplement and (b) any statement in or incorporated by reference in the Base Prospectus, the statements referred to in (a) will prevail.