

**A new Joint Venture
between Schneider Electric and Toshiba**

Schneider Toshiba Inverter SAS (STI)

in general purpose inverter business

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Purpose of a joint venture between Schneider Electric and Toshiba in general purpose inverter business

- To become the world leader in 0 to 630 kW in general purpose inverter business up to 600 V by leveraging:
 - Our complementary geographic coverage.
 - Our complementary sales channels.

- To strengthen our partnership.
 - Schneider Electric and Toshiba have been working together since 1988. We formed our first joint venture in 1992 to manufacture contactors.
 - Schneider Electric and Toshiba have a successful track record in speed drives:
 - 1996 Joint development of the ATV18.
 - 1998 Creation of a joint venture in Nagoya to jointly develop and manufacture the ATV28 - VFS9.
 - 1999 Creation of a marketing joint venture in Japan (FF 400 million in 2000).

Profile of Schneider Toshiba Inverter

- Incorporated in France
- Level of activity (2000 estimate): EUR 400 million
- Workforce: 470 employees (550 ultimately)
- Issued capital: EUR 14 million
 - 60% Schneider Electric, 40% Toshiba
- 3 subsidiaries:
 - European subsidiary in Pacy sur Eure, France (Schneider Toshiba Inverter Europe SAS)
 - Japanese subsidiary in Mie, Japan (Toshiba Schneider Inverter Corporation)
 - American subsidiary in Houston, Texas
- Mission: Develop, produce and market all Schneider Electric and Toshiba general purpose inverters.

Timetable

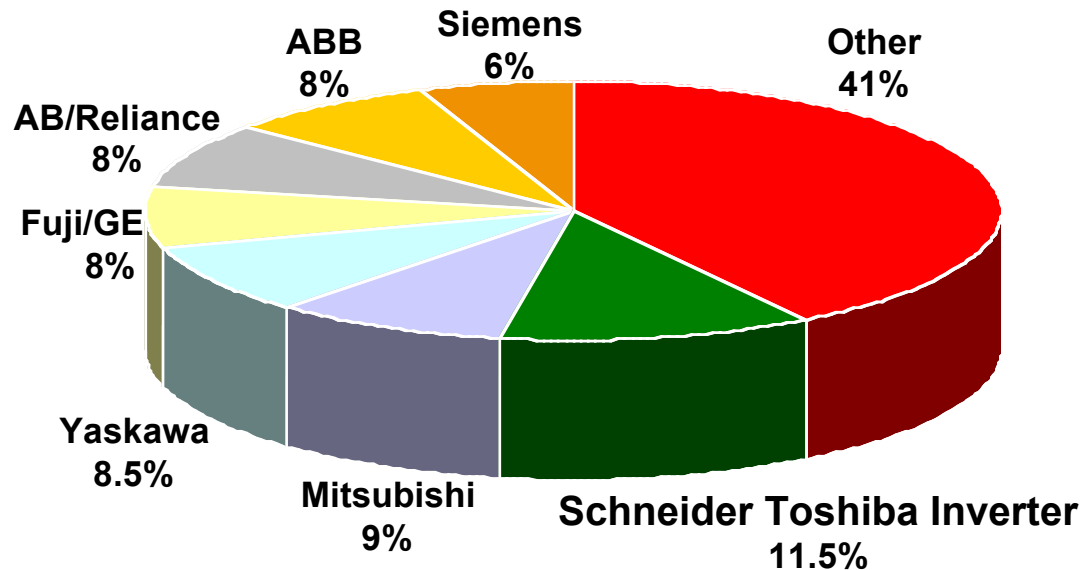
- January 2001: Development, production and marketing in France and Japan
- 2002: Development in the US
- by 2004: All of Schneider Electric's and Toshiba's speed drive operations in the US will join the joint venture

Outlook: Improve profitability and increase growth

- The joint venture will:
 - Enhance our product-development capacity
 - Rapid lineup renewal
 - Broader lineup
 - Reduce our base costs
 - Procurement savings 10% (short term)
 - Development cost savings 15%
 - Common platform
 - Common software architecture

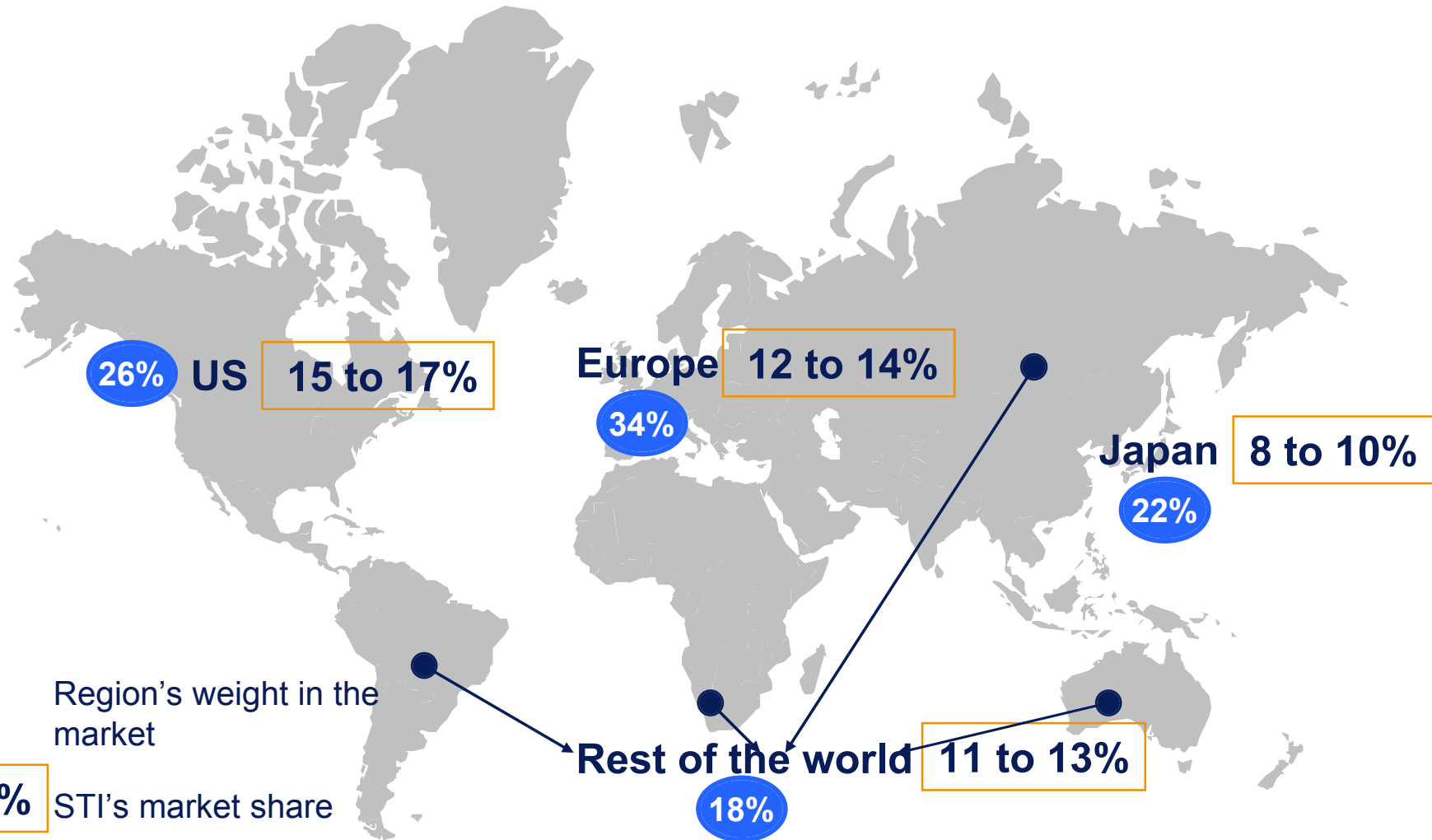
THE SCHNEIDER-TOSHIBA JOINT VENTURE WILL BE THE WORLD LEADER

Global leadership in a growing market



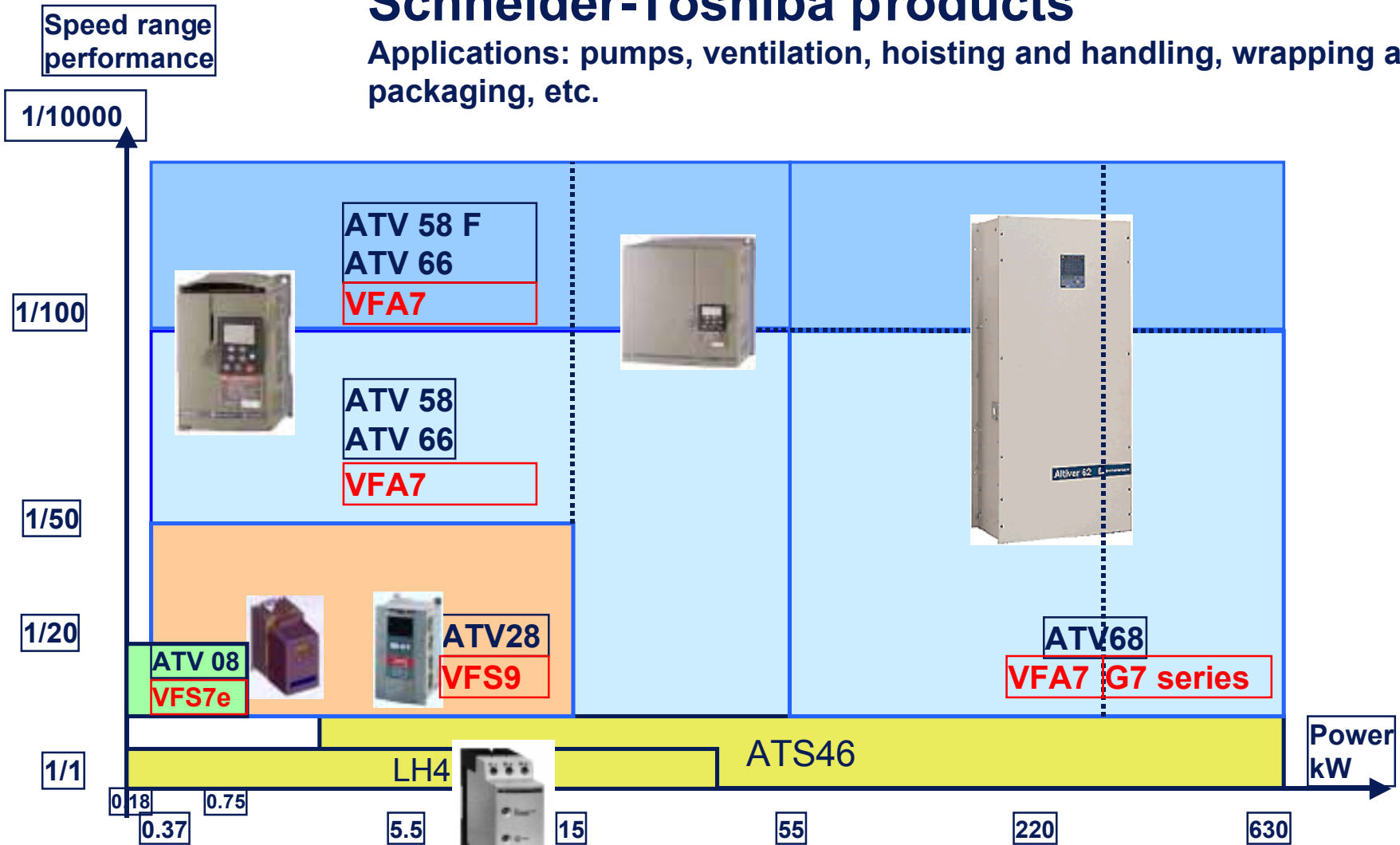
Global market: \$2.8 billion (base 1999) Speed drive market $P \leq 630$ kW
Market growth: 13% in volume

Global leadership and balanced geographic coverage



Schneider-Toshiba products

Applications: pumps, ventilation, hoisting and handling, wrapping and packaging, etc.



Web-enabled products

