

Press Release

Schneider Electric inaugurates Electropole, a key component of its worldwide R&D network

Rueil Malmaison, October 12, 2006 – French Trade Minister Christine Lagarde inaugurated Schneider Electric's new Electropole global R&D center today in a ceremony attended by numerous public figures, partners and customers.

1. Electropole is Schneider Electric's largest R&D center for power protection and control in the world. Located in Eybens, near Grenoble, France, the €60 million center covers 33,500 square meters and houses 1,100 highly skilled employees.

Electropole is a key component in the Company's innovation-driven strategy of aggressive growth.

Schneider Electric devotes 5% of revenue to R&D and has a global network of 6,500 researchers and developers in 25 countries.

Electropole's inauguration also confirms Grenoble's importance in the Company's R&D network, as it is already home to Technopole, a fundamental research center opened in 2005.

Commenting on the event, Jean-Pascal Tricoire, Chairman of the Management Board and CEO, noted: *"This is a very important opening for Schneider Electric and its customers and partners. It shows not only that R&D and innovation are fundamental to the Company's strategy, but also that we need to integrate our customers' comments, ideas and thoughts into our R&D and innovation so we can build the New Electric World together."*

2. Electropole plays three roles:
 - ✓ As a high-tech intelligent building that is both energy efficient and extremely livable, it is a showcase of Schneider Electric's electrical distribution and building management expertise.
 - ✓ With an architectural design intended to foster communication, it is a center of discussion and cooperation. Schneider Electric's customers and partners will be able to come to Electropole to exchange views with researchers, technicians and marketing specialists.

A 1,700 square-meter central walkway runs through the two-storey building, serving as both a showroom for customers and a meeting space.

- ✓ By bringing together marketing, R&D and technical competencies that were previously spread over several sites, it is a highly responsive multi-skills center.
3. Electropole has three priority objectives:



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- ✓ Make electricity, an energy source used more and more in all industrial and domestic applications, safer and more reliable.
- ✓ Improve energy efficiency in response to steadily rising demand and costs. Increasingly, manufacturers, businesses and consumers are looking for energy efficiency solutions, which now represent a market in themselves.
- ✓ Develop new technologies. Electropole's experts are tasked with developing new technologies and new applications using automation devices for what Schneider Electric calls the "New Electric World".

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 92,000 employees and operations in 130 countries, Schneider Electric generated sales of € 11.7 billion in 2005 through 13,000 distributor outlets.
www.schneider-electric.com

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



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