

Press Release

Schneider Electric further consolidates its position in building automation

Rueil-Malmaison, France, June 8, 2005 – Pursuing its strategy of selective targeted acquisitions, Schneider Electric announced today that it will acquire Invensys Advanced Building Systems operations in Europe and Middle East (ABS EMEA). The acquisition is subject to regulatory approvals.

ABS EMEA, owned by Invensys plc, is a leading provider of building automation solutions and services (regulation, monitoring and control of all technical equipment in buildings) in the UK under the Satchwell brand name and has a strong presence across the rest of Europe and in the Middle East. The company generated revenues of \$168 million for the fiscal year ended March 31, 2005, with a restated operating profit of \$12.3 million.

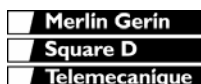
The market of Automation and Control of Building utilities represents a significant growth potential for Schneider Electric since (i) it is a market worth some \$11 billion, (ii) it is growing on average by more than 6% a year and (iii) it offers substantial synergy with Schneider Electric's existing positions.

Building Automation is one of the growth platforms on which Schneider Electric has been focusing on since it announced to develop new activities, less cyclical and with high growth potential. TAC acquisition in June 2003, enabled Schneider Electric to become a major player in building automation. The subsequent merger between TAC and Andover Controls, acquired in June 2004, further re-enforced Schneider Electric's position, notably in the US market, integrated systems and security capabilities. The ABS EMEA business will be integrated with the new entity Tour Andover Controls (TAC).

Schneider Electric's strategy was awarded the 2005 Growth Strategy Leadership of the Year by Frost & Sullivan thanks to its development in the Building Automation & Control market.

The merger of ABS EMEA and TAC will provide significant synergies

- Generates combined revenues of \$800 million in 2005,
- Enlarges installed customer base,
- Offers growth opportunities in key markets (France, Italy, Gulf countries),
- Brings additional capabilities in peripherals (actuators, sensors, valves),
- Increases services competencies in building automation,
- Expands the current existing distribution channel,
- Improves internal efficiency and profitability.



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ABS EMEA acquisition is another step in Schneider Electric's growth strategy

Henri Lachmann, Chairman and CEO of Schneider Electric, commented: *"This acquisition fits very well with our strategy to continue to develop high growth potential platforms. Invensys Advanced Building Systems in Europe and Middle-East will bring us an expanded installed base and additional offering capabilities, notably in peripherals. The complementary fit between Tour Andover Controls and ABS EMEA is strong in terms of solutions and geographic coverage."*

Transaction details

Subject to regulatory approvals, Schneider Electric will pay \$150 million in cash to acquire 100% of the ABS EMEA business. The acquired operations will be debt free.

Schneider Electric will be working in partnership with the other Invensys ABS businesses to sell their complementary products into EMEA territories.

In accordance with Schneider Electric's acquisition criteria, the expected Return On Capital Employed will cover Schneider Electric's Weighted Average Cost of Capital in the third year.

About Invensys

Invensys is a global automation, controls and process solutions Group. Its products, service expertise and ongoing support enable intelligent systems to monitor and control processes in many different environments. Leading companies in a wide range of industries rely on Invensys to help them perform with greater efficiency, safety and cost-effectiveness. The Invensys Group is made up of five businesses: Process Systems, APV, Eurotherm, Rail Systems and Controls. The Group is headquartered in London and is listed on the London Stock Exchange, with 35,000 employees working in 60 countries.

About Schneider Electric

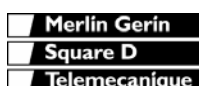
Schneider Electric is the world's power and control leader. Through its world-class brands, Merlin Gerin, Square D and Telemecanique, Schneider Electric manufactures and markets a comprehensive range of products and services for the residential, buildings, industry, energy and infrastructure markets. Schneider Electric has 85,000 employees worldwide, operations in 130 countries and recorded sales of €10.4 billion in 2004 through the 13,000 sales outlets of its distributors. www.schneiderelectric.com

About TAC

A powerful force in the building automation industry, TAC combines the strengths of Andover Controls and TAC, two industry leaders with over 100 years of combined experience, and brings to the market one of the most integrated, innovative and globally supported building automation solutions, backed by Schneider Electric, the world's leading specialist in power and control. www.tac.com

Schneider Electric:

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



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