

Press Release

Schneider Electric China enters into a new partnership in the Medium Voltage Vacuum Circuit Breaker field.

Beijing, China, February 15, 2006 - Schneider Electric's (Euronext: SCHN) main Chinese subsidiary, Schneider Electric China Investment Ltd. and Shaanxi Baoguang Group have signed today an agreement for the formation of a new Joint Venture dedicated to the manufacturing and distribution of Medium Voltage Vacuum Circuit Breakers.

This new Joint Venture, will be named Schneider (Shaanxi) Baoguang Electrical Apparatus Co. Ltd. (SSBEA) and will be incorporated in the city of Baoji (Shaanxi Province) as soon as the customary conditions precedent and regulatory approvals are satisfied. Schneider Electric will own a 70% interest in the company while Shaanxi Baoguang Group will hold the remaining 30%.

Russell Stocker, Executive Vice President, Schneider Electric Asia Pacific Operating Division, commented: *"This new partnership is at the crossroad of several aspects of Schneider Electric's strategy. It will be a new growth engine in China (the biggest market in the world for Medium Voltage apparatus), while contributing to the widening of Schneider Electric's Medium Voltage line-up for Building and Energy markets."*

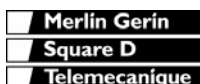
The Joint Venture will focus primarily on the Chinese market by offering a new range of cost-competitive products addressing local market needs, but might also supply other Schneider Electric countries when suitable in order to extend their own market coverage. SSBEA is expected to generate, on a pro-forma basis, annual revenues of around €20m on a full year basis.

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.

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