

Press Release

Schneider Electric adds SCADA and MES capabilities to its Industrial Automation offer with an agreement to acquire Citect

Rueil Malmaison, France and Sydney, Australia, October 19, 2005 - Schneider Electric (Euronext: SCHN) and Citect (ASX: CTL) announced today that Schneider Electric's main Australian subsidiary (Schneider Australia) and Citect have signed a Merger Implementation Agreement. Under this agreement, which remains conditional upon the satisfaction of a number of conditions precedent, Schneider Australia will acquire by way of a scheme of arrangement all the shares in Citect. The Enterprise Value of the transaction will be approximately €48 million.

This merger will leverage the long-standing success of both companies. Schneider Electric will benefit from Citect's undisputed strengths in the SCADA market (Supervision, Control And Data Acquisition software) as well as its recent advance into the MES (Manufacturing Execution Systems) field. Similarly, Citect will benefit from Schneider Electric's global reach and ability to deliver complete industrial automation solutions through its worldwide network of partners.

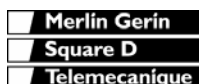
Acquisition Rationale

Citect is one of the largest independent suppliers of Industrial Automation Software in the world, recognized for the innovation, quality and breadth of its offer with:

- More than 100,000 software licences sold to date,
- A network of more than 500 integration partners, providing fully integrated solutions to end users,
- 350 employees in 19 offices, with outstanding market access in Asia Pacific,
- A rich pipeline of innovative new products and cutting edge technology with 20% of software revenues reinvested in development,
- A strong subject matter expertise in 15 vertical applications (including Automotive, Electronics, Oil & Gas, Water & Wastewater, Food & Beverage, Power Utilities, Metals, Mining, Building Materials and Facilities Management).

Citect generated revenues of €38.2 million in 2004. With a strong 17% sales growth over the first 9 months of 2005, Citect is forecasting operating earnings of around €3.6 million (before restructuring costs) for the current year ending 31 December 2005, an increase close to 20% over the corresponding 2004 figure.

Citect has a strong financial position with cash on hand of €2.7m and no debt as at 30 June 2005.



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Schneider Electric expects to extract synergies from the combination of Citect with its own Industrial Automation business. The integration of Citect's suite of Industrial Automation Software within Schneider Electric's Industrial Automation open architecture system offer will enable both organisations to enhance their ability to offer comprehensive solutions to a wide range of customers in the industrial and infrastructure fields (including end users, OEMs and utilities). This would result in an increased capability to access and respond to new customer needs, while leveraging an extended worldwide network of integration partners.

Further opportunities are also anticipated, such as growth in the MES segment, as this offer will become an element of our customers' strategy of business and manufacturing systems integration. The strong professional service, support and training orientation (with services representing more than 50% of Citect' total revenues) will also contribute to the development by Schneider Electric of services to improve customers' industrial productivity.

Schneider Electric also plans to invest further in order to integrate Citect's software suite as a core component of its Industrial Automation offer and to make sure that its existing customers can migrate to a new solution platform.

Schneider Electric expects the acquisition of Citect to meet its financial criteria, with a Return On Capital Employed around 10% within 3 years from completion.

Russell Stocker, Executive Vice President, Schneider Electric Asia Pacific Operating Division, commented: *"This acquisition clearly signals our commitment to extend our integrated solutions offering to our customers in both the industrial and infrastructure fields, by delivering highly scalable and reliable systems that reduce the client's cost of ownership and improve product quality, therefore ultimately increasing its return on assets. Citect's people represent an exceptional pool of talent. They will bring R&D experience, end-user relationships as well as the understanding of SCADA/MES business model and we look forward to working together to make this strategy a success".*

David Mortimer, Chairman of Citect, added: *"The proposed merger with Schneider Electric is an important development for all our stakeholders. Citect's ability to serve its customers thoroughly and globally will be considerably enhanced with this new development. Citect's board of directors believes that the strategic fit with Schneider Electric will enable Citect's customers, employees and partners to participate in a promising future."*



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Transaction Details

Under the terms of the Merger Implementation Agreement, Schneider Electric Australia Holdings Pty. Ltd. will pay AU\$1.50 in cash for each issued ordinary share of Citect. As required under Australian law, this transaction requires approval by an Australian court and by a vote of Citect's shareholders by a majority which requires at least 75% of votes cast in favour as well as the satisfaction of a number of customary conditions precedent, including regulatory and anti-trust approvals in various jurisdictions. Prior to the completion of the transaction, Citect will pay a cash dividend of AU\$0.05 per share. In connection with the transaction, the options and performance rights issued by Citect to senior employees will be addressed consistently with the consideration attributed to the ordinary shares.

The board of directors of Citect has approved the Merger Implementation Agreement and is unanimously recommending the transaction to shareholders (in the absence of a superior offer). Tim Boshier, a founder of Citect and the largest individual shareholder, has granted to Schneider Electric Australia Holdings Pty. Ltd. an option over his 8.3% interest in the company.

Notice to Citect Shareholders

This announcement is neither an offer to purchase nor a solicitation of an offer to sell securities. The scheme of arrangement described in this announcement for the acquisition by Schneider Australia of all the shares in Citect has not commenced. It is expected that a scheme booklet containing information relating to the proposed transaction will be sent to Citect shareholders in November. Citect shareholders are urged to read the scheme booklet and other relevant materials when they become available as they will contain important information. Those materials will be made available to Citect shareholders at no expense to them, and will be available at no charge on the Australian Stock Exchange's website at <http://www.asx.com.au/>.

Forward-Looking Statements

Statements about the expected effects on Schneider Electric of the acquisition of Citect, statements about the expected timing and scope of the acquisition, statements about estimated synergies and integration costs and all other statements in this release other than historical facts are forward-looking statements. Forward-looking statements include information about possible or assumed future financial results and usually contain words such as "believes," "intends," "expects," "anticipates," "estimates", or similar expressions. These statements are subject to risks and uncertainties that may change at any time, and, therefore, actual results may differ materially from expected results due to a variety of factors, including but not limited to, the satisfaction of the conditions to completion of the proposed transaction, and Schneider Electric's ability to successfully integrate the operations and employees of Citect, as well as the additional factors which are reflected in the annual reports of Schneider Electric for the year ended December 31, 2004 and the annual report of Citect for the year ended December 31, 2004, as well as in their more recent filings with the French and the Australian Stock Exchange. We caution investors not to place undue reliance on the forward-looking statements contained in this press release. These statements speak only as of the date of this press release, and we undertake no obligation to update or revise the statements, risks or reasons. All forward-looking statements are expressly qualified in their entirety by this cautionary statement.



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About Citect

Citect is the leading, independent global provider of industrial automation, real-time intelligence and next generation manufacturing execution systems (MES). Leveraging open technologies, CitectHMI/SCADA and Ampla connect to multiple plant and business systems. Citect's products are complemented by professional services, customer support and training, and sold in numerous industries including mining, metals, food and beverage, manufacturing, facilities, water, gas pipelines, power distribution and pharmaceuticals. Citect is headquartered in Sydney Australia, has 19 offices in Oceania, South-East Asia, China and Japan, North and South America, Europe, Africa and the Middle-East, and its products are distributed in more than 50 countries worldwide.

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.

Schneider Electric:

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



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