

Press release

Schneider Toshiba Inverter and VA TECH ELIN EBG Elektronik announce the creation of a joint venture for High Horse Power variable speed drives

Rueil Malmaison (France), September 13th, 2004 - Schneider Toshiba Inverter SAS, which is jointly owned by Schneider Electric and Toshiba Corporation, has announced it is creating a joint venture with VA TECH ELIN EBG Elektronik GmbH & Co for the product specification, development and manufacturing of high-power general purpose variable speed drives for a variety of applications. The products will be marketed by the Schneider Electric and Elin companies.

The agreement reflects the two companies' long-standing cooperation. Schneider Toshiba Inverter, with a 60% stake, will strengthen its worldwide leadership in HHP general purpose variable speed drives, while VA TECH ELIN EBG Elektronik GmbH & Co, with a 40% interest, will benefit from an integrated portfolio of products to meet its customers' needs. The joint venture is expected sales of €20 million to €30 million.

"The creation of a joint venture with VA TECH ELIN EBG Elektronik GmbH & Co represents a new stage in Schneider Toshiba Inverter's growth in this particular business," said Elie Belbel, Chairman and Chief Executive Officer, Schneider Toshiba Inverter SAS.

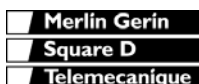
"For us, this partnership confirms our competence in the field of HHP general purpose variable speed drives. This step enables us, to provide our customers with a wider, integrated portfolio of products in the future," said Gerhard Geiger, Managing Director, VA TECH ELIN EBG Elektronik.

About Schneider Toshiba Inverter SAS

Schneider Toshiba Inverter SAS is a holding company, in which Schneider Electric holds a 60% stake and Toshiba Corporation 40%. It controls five marketing, development, purchasing and production subsidiaries, Schneider Toshiba Inverter Europe in France (Pacy-sur-Eure), Toshiba Schneider Inverter Co. in Japan, ST Inverter America, Inc. in the United States (Houston), PDL Electronics in NZ and Schneider Suzhou Drives in China. With 800 employees and sales of €400 million in 2003, Schneider Toshiba Inverter, the world leader in general-purpose variable speed drives, has a strong, balanced geographical coverage in Europe, Japan, China and the United States.

About VA TECH ELIN EBG Elektronik

VA TECH ELIN EBG Elektronik is the leading company in Austria for development, production and marketing of variable speed drives under the brand name "pDRIVE". With 150 employees and sales of € 45 million in 2003, VA TECH ELIN EBG Elektronik is targeting the European market, with a strong position in high performance drive applications.



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