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**SCHNEIDER ELECTRIC TEAMS WITH IBM TO DELIVER INTEGRATED ADVANCED
PROCESS CONTROL SOLUTIONS TO SEMICONDUCTOR MANUFACTURERS**

TOKYO, JAPAN – Dec. 1, 2004 –Schneider Electric today announced that it will work with IBM to deliver Integrated Advanced Process Control (iAPC) solutions to the semiconductor manufacturing industry. The agreement focuses on delivering iAPC solutions worldwide and will include the opening of a new Schneider Electric regional competency center in Japan. The agreement was announced at Semicon Japan 2004 in Tokyo, where Schneider Electric is exhibiting in the IBM booth.

iAPC is the use of add-on sensors, data collection and fault detection systems to automatically monitor and optimize semiconductor manufacturing processes. The integrated solutions include the use of plasma arc detection, particle monitoring, residual gas analysis and automatic endpoint systems.

IBM and Schneider Electric have been working together for more than five years to jointly develop and deploy iAPC solutions within IBM's 200mm and 300mm manufacturing facilities. These iAPC solutions are based on both companies' technologies and also incorporate products from third-party suppliers to fully realize the capabilities required by today's most advanced semiconductor fab plants. The iAPC solution leverages the IBM Microelectronics Common Architecture, which includes IBM's SiView Manufacturing Execution System (MES) and WebSphere MQ messaging middleware.

By using iAPC solutions, IBM has been able to decrease the mean time it takes to detect abnormal operating conditions in its manufacturing operations, as well as speed the recovery of optimal manufacturing operations when anomalies do occur. IBM has experienced multimillion dollar returns on investment from iAPC solutions based on the two companies' joint experience.

Key success criteria for iAPC include the ability to quickly automate and integrate these technologies, not only with process tools but also with the MES and automation systems in a manufacturing facility.



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“Semiconductor manufacturers can greatly reduce risk and shorten the long lead times traditionally associated with integrated control solutions by utilizing iAPC solutions that have been pre-integrated, tested and proven in IBM’s Burlington and East Fishkill manufacturing facilities. East Fishkill is considered one of the mostly highly automated and advanced 300mm manufacturing facilities in the world,” said Geoff Williams, Schneider Electric vice president, Global Enterprise Customers.

“IBM and Schneider Electric are both focused on delivering benefits to semiconductor manufacturers by providing high-value solutions which utilize flexible and scalable open standards-based architectures,” said Kevin Reardon, General Manager, IBM Global Electronics Industry. “Becoming an On Demand enterprise requires the use of tools and technologies which enable companies to sense and rapidly respond to changes in their business and process control systems. This partnership will provide the technology and integration necessary to make this On Demand transformation a reality for our mutual clients.”

The iAPC architecture is consistent with IBM’s sensor network architecture for industrial environments based on WebSphere and with Schneider Electric’s Collaborative Automation and Transparent Ready™ corporate programs. The solution combines the expertise of Schneider Electric in power and control systems with IBM’s On Demand business systems and industry expertise, delivered through IBM Global Services, the world leader in implementing semiconductor manufacturing control systems.

Schneider Electric is the only global supplier of automation and control products and services with a dedicated team focused on the deployment of iAPC solutions for the semiconductor industry. For more information on iAPC solutions from Schneider Electric, visit www.squared.com/iat.

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 manufactures and markets a comprehensive range of products and services for the residential, buildings, industry, and energy and infrastructure markets.

Schneider Electric has 85,000 employees worldwide, operations in 130 countries and recorded sales of approximately \$9.9 billion in 2003 through 13,000 sales outlets. Visit Schneider Electric at <http://www.us.SquareD.com>, <http://www.us.telemecanique.com> or <http://www.us.schneider-electric.com>.

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This release is submitted for consideration in both print and Web publications