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SQUARE D® COMPANY SETTLES WITH SPECIALTY LAMP INTERNATIONAL TO PREVENT THE SALE OF COUNTERFEIT PRODUCTS

PALATINE, III – January 9, 2007 – Square D®, best known in the United States as the flagship brand for Schneider Electric's North American Operating Division, announced today that on June 14, 2006, it filed a lawsuit in U.S. District Court for the Southern District of Florida against Specialty Lamp International, Inc. of Deerfield Beach, Florida, a distributor of electrical products with no business ties to Square D. The lawsuit asserted that Specialty Lamp participated in, among other claims, willful trademark infringement in violation of Federal and State law, and sought monetary and injunctive relief to stop Specialty Lamp from selling or marketing counterfeit products. The suit claims that Specialty Lamp sold counterfeit circuit breakers bearing the Square D QO® trademarks and copying Square D circuit breaker designs. Specialty Lamp denied the allegations of the Complaint and claimed that it did not knowingly sell counterfeit Square D circuit breakers.

According to Bill Snyder, Vice President of Channel Development at Square D, "Counterfeit Square D products pose serious health and safety hazards to innocent customers." Square D is committed to eradicating the sale and distribution of counterfeit products. Through this lawsuit and others like it, Square D has demonstrated its ongoing commitment to prevent counterfeiting and protect Square D's customers, trademarks and designs."

On August 2, 2006, Specialty Lamp agreed to the entry of an Agreed Order for Temporary Injunctive Relief. The Agreed Order prohibited Specialty Lamp from selling or disposing of any of the Square D products in its possession and from destroying or otherwise disposing of any of the documents in its possession regarding its purchase or sale of Square D products. On August 14, 2006, Square D inspected Specialty Lamp's inventory of Square D products. Based upon the inspection, Square D determined that all of the 100,754 so-called Square D circuit breakers in Specialty Lamp's possession are counterfeit. Specialty Lamp agreed to cooperate with Square D to determine the origin of the counterfeits and the customers that received them.

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Specialty Lamp purchased the counterfeit Square D products from Specialty Lamp International Colombia (SLICO), International Light, Inc. and Victor Bonilla. The counterfeit breakers were imported from Bogata, Colombia. Specialty Lamp denied any affiliation with SLICO. Square D is continuing its pursuit of SLICO, International Light and Mr. Bonilla, having amended its complaint to add them as parties to the litigation on November 1, 2006. Square D intends to pursue SLICO, International Light, and Mr. Bonilla to the fullest extent allowed by law.

Specialty Lamp's records show that it sold and distributed approximately 162,000 counterfeit products into the field. Specialty Lamp has notified the U.S. Consumer Product Safety Commission ("CPSC") that it sold 161,900 counterfeit Square D circuit breakers and is in the process of recalling those breakers.

On December 7, 2006, Square D and Specialty Lamp reached a settlement in this matter. Under the terms of the settlement and the Agreed Order for Permanent Injunctive Relief entered on December 14, 2006, Specialty Lamp and its officers are permanently enjoined from importing, selling or distributing Square D products. The order also requires Specialty Lamp to recall the products from the field under the direction of CPSC.

Square D is a market-leading global brand of Schneider Electric for National Electrical Manufacturing Association (NEMA) type electrical distribution and industrial control products, systems and services. Square D products are found in all types of residential, commercial and industrial construction, in a wide range of manufacturing and processing facilities, and in or on the products of other manufactures.

Any inquiries relating to the lawsuit, including requests for copies of the Agreed Order for Permanent Injunctive Relief, should be directed to Steve Litchfield, Assistant General Counsel, Schneider Electric, 1415 S. Roselle Road, Palatine, Ill. 60067

Headquartered in Palatine, Ill., the North American Operating Division of Schneider Electric had sales of \$2.8 billion (U.S.) in 2005. The North American Operating Division is one of four operating divisions of Schneider Electric, headquartered in Paris, France, and markets the Square D, Telemecanique and Merlin Gerin brand products to customers in the United States, Canada and Mexico. In the United States, Schneider Electric is best known by its flagship Square D brand, with Telemecanique becoming increasingly known in the industrial control and automation markets and supported by many Square D distributors. For 100 years, Square D has been a market-leading brand of electrical distribution and industrial control products, systems and services. Schneider Electric is a global electrical industry leader with 2005 sales of approximately \$14.5 billion (U.S.). Visit Schneider Electric on the Internet at:

- Corporate – <http://www.us.schneider-electric.com>
- Telemecanique Products – <http://www.us.telemecanique.com>
- Square D Products – <http://www.us.squared.com>
- Merlin Gerin Products – <http://www.us.merlengerin.com>

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