



## Press Release

### **Schneider Electric enters into exclusive negotiations with Eaton Corp. for the divestment of MGE UPS Systems' operations in small systems**

Rueil Malmaison, June 21, 2007 – Schneider Electric announced today it has entered into exclusive negotiations with Eaton Corp. ("Eaton") for the divestment of MGE UPS Systems operations in small systems (the "Business"), as per its prior commitment to the European Commission following the acquisition of American Power Conversion.

Eaton is offering €425m (on a debt free cash free basis) for the Business, which generated revenues of €156m in 2006 and an EBIT margin of 20.5%.

Eaton intends to pursue the Business' current development strategy, which has been very successful in recent years, relying on the existing management team and the expertise and know-how of its employees.

The parties believe that they could be in a position to reach a mutually satisfactory agreement in July, following the completion of all prior legal requirements, and in this case to close the transaction during the third quarter.

#### **About Eaton Corp.**

*Eaton Corporation is a diversified industrial manufacturer with 2006 sales of \$12.4 billion. Eaton is a global leader in electrical systems and components for power quality, distribution and control; fluid power systems and services for industrial, mobile and aircraft equipment; intelligent truck drivetrain systems for safety and fuel economy; and automotive engine air management systems, powertrain solutions and specialty controls for performance, fuel economy and safety. Eaton has 61,000 employees and sells products to customers in more than 125 countries. For more information, visit [www.eaton.com](http://www.eaton.com)*

#### **About MGE UPS Systems**

*MGE UPS Systems, a subsidiary of Schneider Electric, is a world leader for intelligent power protection solutions for business continuity. MGE's offer is designed to provide its customers with total protection throughout the lifetime of their mission-critical installations. It includes the MGE PowerServices™ program, the largest factory-direct service organization in the world, a full range of equipment: uninterruptible power supplies, static transfer switches, harmonic filters, and advanced power management solutions. MGE's 3500 experts and their partners guarantee the excellence of MGE UPS SYSTEMS products and services in more than 100 countries.*

*MGE UPS SYSTEMS has received the Frost & Sullivan "UPS Company of the year" in 2005 & 2006.*

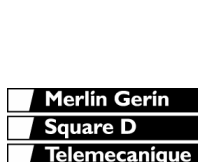
[www.mgeups.com](http://www.mgeups.com)

#### **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 anticipates and satisfies its customers' requirements in the residential, building, industry and energy and infrastructure markets. With 112,000 employees and operations in 190 countries, Schneider Electric generated sales of € 13.7 billion in 2006 through 13,000 distributor outlets.*

[www.schneider-electric.com](http://www.schneider-electric.com)

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



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