

Press release

To implement the succession of the Chairman and Chief Executive Officer, the Board of Directors will propose the transformation of the mode of governance to the Shareholders' Meeting of Schneider Electric on 3 May 2006:

- **Implementation of a Supervisory Board and a Management Board**
- **Henri Lachmann will be the Chairman of the Supervisory Board**
- **Jean-Pascal Tricoire will be the Chairman of the Management Board and CEO**

Rueil-Malmaison, France – January 9, 2006 – The Board of Directors of Schneider Electric that met on 6 January 2006 decided, on the proposal of its Chairman and the recommendation of its Nominations, Remuneration and Corporate Governance Committee to propose to the Shareholders' assembled for the General Meeting on 3 May 2006, to modify the governance structure of the company in order to set up a Supervisory Board and a Management Board. This proposal results from work undertaken by this committee since 2003.

The Board of Directors believes that this mode of governance, given the planned composition of the Supervisory Board and the Management Board, is today the most appropriate for Schneider Electric in order to ensure the smooth succession of its Chairman and Chief Executive Officer and the pursuit of its development strategy.

It will be proposed to the Shareholders' Meeting of May 3, 2006 that the Supervisory Board is composed from members of the current Board of Directors.

It will be proposed to the Supervisory Board to appoint Mr. Henri Lachmann as its Chairman and to appoint to the Management Board Mr. Jean-Pascal Tricoire, currently Chief Operating Officer of Schneider Electric and Mr. Pierre Bouchut, Executive VP Finance and Control – Legal Affairs. Jean-Pascal Tricoire will be the Chairman of the Management Board and Chief Executive Officer.

Henri Lachmann commented: *"the new organisation fits the challenges that Schneider Electric will face in the future. It provides an efficient and complementary allocation of responsibilities between the Supervisory Board and the Management Board."*

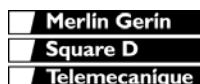
With Schneider Electric for the last 20 years, Jean-Pascal Tricoire, 42, spent most of his career in international operations before becoming Chief Operating Officer in 2003. His role in the implementation of the Group's strategy and the results obtained make him the natural choice to assume the chairmanship of the Management Board of Schneider Electric".

**Investor Relations
Schneider Electric
Alexandre Brunet**

Tel. +33 (0)1 41 29 70 71
Fax +33 (0)1 41 29 71 42
www.schneider-electric.com
ISIN: FR0000121972

**Media Contact
DGM
Michel Calzaroni
Olivier Labesse**

Tel. +33 (0)1 40 70 11 89





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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 85,000 employees and operations in 130 countries, Schneider Electric generated sales of €10.4 billion in 2004 through 13,000 distributor outlets.

Schneider Electric: Giving the best of the New Electric World to everyone, everywhere at any time



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Alexandre Brunet**

Tel. +33 (0)1 41 29 70 71
Fax +33 (0)1 41 29 71 42
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Tel. +33 (0)1 40 70 11 89