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## Financial Press Release

### **Annual and Extraordinary Shareholders' Meeting May 12, 2005**

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**Rueil Malmaison, May 13, 2005** - Schneider Electric shareholders met in Annual and Extraordinary Meeting yesterday, primarily to hear the report of the Board of Directors and approve the financial statements for 2004. The Meeting was chaired by Henri Lachmann, Chairman and Chief Executive Officer.

Prior to the Annual and Extraordinary Meeting, the Board of Directors co-opted Noël Forgeard as Director to replace Thierry Breton, who has resigned.

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The Chairman reviewed the highlights of 2004:

- An excellent operating and financial performance, with an 18% increase in sales and 30% growth in earnings,
- Deployment of a new efficient organization,
- Continuation of an aggressive acquisitions strategy focused on less cyclical activities with high growth potential,
- Introduction of the new<sup>2</sup> Company Program, with ambitious financial targets for 2005-2008 concerning organic sales growth, operating margin, return on capital employed and shareholders' return on investment (dividend pay-out, balance sheet optimisation).

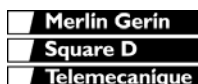
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Shareholders approved the proposed resolutions, which concerned:

- Approval of the 2004 financial statements,
- Payment of a net dividend of €1.80 per share, up 64% over the previous year. It will be payable at May 17, 2005,
- Election as Directors of Jérôme Gallot and Serge Weinberg,
- Re-election as Directors of Henri Lachmann and René de la Serre,
- Annual attendance fees paid to members of the Board of Directors,
- Financial authorizations given to the Board of Directors to buy back shares, increase the capital by issuing shares or share equivalents with or without pre-emptive subscription rights, issue shares to employees who are members of an employee stock purchase plan and grant shares to employees without consideration.

The quorum was 45.0% and the resolutions were adopted with a majority vote of between 67.5% and 99.7 %.

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Commenting on the outlook for 2005, Mr. Lachmann noted that Schneider Electric will continue to benefit from a promising economic environment thanks to its geographic and business repositioning.

Supported by measures to promote growth, the continued effect of productivity plans and disciplined cost management, Schneider Electric confirms its targets for 2005, which call for organic sales growth of 5%-6% and a 10% increase in operating income.

Mr. Lachmann emphasized Schneider Electric's numerous competitive strengths that allow it to take full advantage of growth in its markets. These include forefront worldwide positions focused on power & control, broad geographic coverage and a deep presence in emerging markets, strong innovation capabilities supported by high R&D investments, solid financials, and a new efficient organization.

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***The presentation made to the Annual Shareholders' Meeting and the related audio comments will be posted on the Schneider Electric website.***

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***Second quarter 2005 sales and first-half 2005 results will be announced on July 29, 2005.***

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

*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*



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