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## ***Financial Information***

### **Implementation of an Employee Shareplan**

**Rueil Malmaison, March 25, 2009** – Schneider Electric SA announces today (i) a capital increase reserved for employees members of the Company Savings Plan (*Plan d'Epargne d'Entreprise*) pursuant to article L.225-138-1 of the French Commercial Code and article L.3332-18 of the French Labour Code and (ii) a capital increase reserved for entities created for the benefit of employees of the Schneider Electric group pursuant to articles L.225-129 to L.225-129-2 and L.225-138 of the French Commercial Code.

In this framework, subscription of shares is proposed to all employees of the Group in fourteen countries, including France. The subscription-revocation period is expected to take place from June 3 to June 9, 2009.

The payment for and delivery of shares is expected to take place in the middle of July, 2009. The terms of this offering are described below.

#### **Issuer**

Schneider Electric SA  
Euronext Paris – Compartment A  
Ordinary share code ISIN: FR0000121972  
Security listed on the Deferred Settlement Service (*Service de Règlement Différé* or SRD)

#### **Purpose of the transaction – Reasons for the offering**

The Supervisory Board has authorized the Management Board on the basis of authorization granted by the Meeting of Shareholders of April 21, 2008 to issue (i) shares reserved for employees pursuant to Articles L.443-1 and seq. of the French Labour Code and Articles L.225-129-6 and L.225-138-1 of the French Commercial Code and (ii) shares reserved for employees within an entity created for the benefit of employees of the Group, pursuant to articles L.225-129 to L.225-129-2 and L.225-138 of the French Commercial Code.

In this framework, subscription of shares is proposed to all employees of the Group in fourteen countries, including France. Two subscription plans are proposed to beneficiaries of this employee shareplan:

- a “classic” plan in which the subscriber is fully exposed to variations in the share price; and
- a “leveraged” plan (implemented through agreement with a sponsor bank, or by grant of “stock appreciation rights”) in which the subscriber benefits from the guarantee of receiving, on maturity, the amount of his or her personal contribution and a multiple of the performance of Schneider Electric SA shares that is determined based on an average of the closing share price of the share calculated at maturity.

This offering reinforces the existing link between the Group and its employees by offering them the opportunity to be more directly associated with the potential developments and future performances of the Group.

#### **Shares to be offered**

The shareholders of Schneider Electric SA authorized the Management Board at the Combined Shareholder’ Meeting held on April 21, 2008 (i) pursuant to the 20<sup>th</sup> resolution to increase the share

**Investor Relations :**  
Schneider Electric  
Carina Ho

Tél. : +33 (0) 1 41 29 83 29  
Fax : +33 (0) 1 41 29 71 42  
www.schneider-electric.com  
ISIN : FR0000121972

**Press Contact :**  
Schneider Electric  
Véronique Roquet-Montégon

Phone : +33 (0)1 41 29 70 76  
Fax : +33 (0)1 41 29 71 95

**Press Contact :**  
DGM  
Michel Calzaroni  
Olivier Labesse

Phone : +33 (0)1 40 70 11 89  
Fax : +33 (0)1 40 70 90 46

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capital within the limit of 5% of the capital by issuance of new shares or other securities giving access to the company's share capital reserved for members of a group savings plan and (ii) pursuant to the 21<sup>st</sup> resolution, to increase the share capital within the limit of a maximum amount of 0.5% of the capital by issuing new shares reserved for entities created in the benefit of the employees of the Group.

The Supervisory Board authorized the Management Board to use these authorizations within an overall limit of 2,400,000 shares (1% of the share capital as of December 31, 2008), which may be extended by the Management Board to 2,900,000 shares (1.2% of the share capital as of the same date).

It is expected that the conditions of these capital increases and notably the subscription price, based on the average of the opening share prices on the last twenty trading days on the Eurolist market of Euronext Paris S.A ("Reference price"), will be fixed by the Management Board on June 2, 2009. The shares created will bear right to dividends as of January 1, 2009.

For the classic plan, the beneficiaries will be able to subscribe either directly, or by the intermediary of a *fonds commun de placement d'entreprise* ("FCPE"), to shares at a price equal to 83% or 85% of the Reference Price, depending on their country of residence.

For the leveraged plan, the beneficiaries will be able to subscribe, either directly, or by the intermediary of an FCPE, to shares at a price equal to 83%, 85% or 100% of the Reference Price, depending on their country of residence, with, in some cases, attached share purchase warrants. In certain countries, the leveraged plan will take the form of "stock appreciation rights" granted to beneficiaries.

### **Conditions relating to subscription**

The beneficiaries of the employee shareplan are the employees (as well as in certain countries retirees, and pre-retirees having kept assets in the Company Savings Plan) of the companies of the group where the head office is located in one of the fourteen countries participating in the offering and who have a three-month seniority on the last day of the subscription period, i.e., June 9, 2009, within one of the companies of the Group.

The present offering is undertaken without preferential subscription right.

For the shares that are not part of securities loan made by the FCPE in the framework of the leveraged plan, the unit holders of the FCPE will exercise their rights to vote in the Schneider Electric SA Shareholders' Meetings, depending on the relevant fund or compartment, either directly, or indirectly, by the Supervisory Board of the FCPE.

The offering subscribers will hold either the shares subscribed to directly or the units of the FCPE until at least June 30, 2014 (inclusive), except in the occurrence of an early exit event.

### **Tentative timetable for the offering**

Subscription-revocation period: expected for June 3 until June 9, 2009 (inclusive).

Capital increase: mid-July, 2009.

The above dates are indicative and are subject to change. They will be finalized by an upcoming decision by the Management Board (expected on June 2, 2009) or by one of its members, acting by delegation.

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**Press Contact :**  
Schneider Electric  
Véronique Roquet-Montégon

Phone : +33 (0)1 41 29 70 76  
Fax : +33 (0)1 41 29 71 95

**Press Contact :**  
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Michel Calzaroni  
Olivier Labesse

Phone : +33 (0)1 40 70 11 89  
Fax : +33 (0)1 40 70 90 46

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### **Listing**

The admission of new Schneider Electric SA shares to trading on the Euronext Paris market (Code ISIN: FR0000121972) will be effective, at the latest, on the day of the capital increase, i.e., mid-July, 2009, on the same line as the existing shares.

### **Hedging transactions**

The implementation of the leverage plan may generate, on behalf of the financial establishment counterparty of the exchange transaction, hedging transactions, prior to the implementation of the offering, beginning from the publication date of the present release and throughout the duration of the plan.

### **Special note regarding the international offering**

This press release does not constitute an offer to sell or a solicitation to subscribe Schneider Electric SA shares. The offering of Schneider Electric SA shares reserved for employees will be conducted only in countries where such an offering has been registered with the competent local authorities and/or following the approval of a prospectus by the competent local authorities or in consideration of an exemption from the requirement to prepare a prospectus or register the offering. More generally, the offering will only be conducted in countries where all required filing procedures and/or notifications have been completed and the authorizations have been obtained. This press release is not destined for, and copies thereof should not be sent to, countries in which such a prospectus has not been approved or such an exemption is not available or where all of the required filing procedures and/or notifications have not been completed or where the authorizations have not been obtained.

The securities described herein have not been and will not be registered with the U.S. Securities and Exchange Commission and may only be offered or sold in the United States in transactions that are exempt from the registration requirements of the U.S. Securities Act of 1933.

### **Employee Contact**

The beneficiaries may address all questions regarding this offering to their contact person whose name is indicated in the brochure included in the subscription materials that were provided to them.

*The present document constitutes the press release required by the AMF in accordance with article 14 of circular n°2005-11 of December 13, 2005, and the press release required by the AMF in accordance with article 223-2 of the AMF General Regulations.*

### **About Schneider Electric**

As a global specialist in energy management with operations in more than 100 countries, Schneider Electric offers integrated solutions across multiple market segments, including leadership positions in energy and infrastructure, industrial processes, building automation, and data centres/networks, as well as a broad presence in residential applications. Focused on making energy safe, reliable, and efficient, the company's 114,000 employees achieved sales of more than 18.3 billion euros in 2008, through an active commitment to help individuals and organisations "Make the most of their energy™".

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