
Financial information

Schneider Electric reached an agreement to acquire 50% of Electrosshield – TM Samara, and strengthens its position in medium voltage and in Russia

Rueil-Malmaison (France), October 20, 2010 - Schneider Electric announced today that it has signed an agreement to acquire 50% of Electrosshield – TM Samara, the leader in medium voltage products and solutions in Russia, with key positions in oil & gas, power generation and electro-intensive industries.

Electrosshield – TM Samara has operations across Russia and in the neighboring Central Asian countries, and employs approx. 7,000 people in 4 different industrial sites (in Russia and Uzbekistan). It is expected to generate revenues in excess of RUB 17.0 billion (~€ 425 million) for the current year, with an EBITA margin close to the Group's average. Electrosshield – TM Samara enjoys:

- A leadership position in the Russian market for medium voltage equipment
- A strong commercial presence in the eastern part of Russia and neighboring countries, such as Uzbekistan and Kazakhstan
- Proven execution capabilities for delivering solutions and turnkey projects for medium/low voltage substations
- Excellent market access to oil & gas, power generation and electro-intensive industries

With this acquisition, Schneider Electric will strengthen its position in Russia in terms of customer reach, local industrial footprint, research & development capabilities and technical design competencies. Besides, the Group will attain the number one position in the fast growing Russian medium voltage market and further consolidate its global leadership position in this field.

Michel Crochon, Executive Vice-President of Schneider Electric's Energy business, commented: *"This acquisition reaffirms our ambition in Russia, and extends our regional capabilities, in line with our strategy to become a leader in new economies. We are very enthusiastic to reinforce our technologies, solutions and customer access in our Energy business"*.

The purchase price for the 50% of the company is RUB 10.7 billion (~ € 265 million) on a debt-free cash-free basis, or 1.3x 2010 expected sales. The acquisition will be consolidated under the equity accounting method.

Subject to certain conditions and antitrust approval, Schneider Electric could obtain full ownership of the company under similar financial conditions for the remaining 50%. This acquisition is expected to be accretive on earnings per share from year 1 and to beat Schneider Electric's WACC in year 3.

Investor Relations :
Schneider Electric
Carina Ho

Phone : +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 Montegon

Phone : +33 (0)1 41 29 70 76
Fax : +33 (0)1 41 29 88 14

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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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 100,000 plus employees achieved sales of 15.8 billion euros in 2009, through an active commitment to help individuals and organizations "Make the most of their energy".

www.schneider-electric.com

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Phone : +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