



Press Release

Initi@tive 2007 in Chengdu: Schneider Electric Marks 20th Anniversary in China with a Show of Support to China's Development Priorities

Chengdu, China, April 11, 2007 – Schneider Electric is marking its 20th anniversary in China by hosting an international roadshow, Initi@tive 2007, at the Jiaozi International Conference Center in Chengdu, Sichuan Province from April 10th to April 12th 2007. The roadshow brings together 3,000 Chinese customers, business partners, representatives of the government and media from all trades and professions.

Initi@tive 2007 is serving as a platform to enhance the interaction between Schneider Electric and its customers in the field of energy efficiency and automation, and demonstrate Schneider Electric's commitment to innovation in the power and control industries. The activity demonstrates Schneider Electric's long term support to China's development priorities and its long term commitment to growing together with China.

"Throughout our long presence in China, Schneider Electric has always addressed the needs of the country's social and economic development," said Mr. Jean-Pascal Tricoire, Chairman of the Management Board & Chief Executive Officer of Schneider Electric, "As an innovation driven company, we remain committed to supporting China's current goals of building a harmonious society and realizing sustainable development. We are presenting to the attendees our innovative solutions and products in the field of energy efficiency and productive automation at Initi@tive 2007, which is a good opportunity to celebrate 20 years of our valuable partnership with China."

The Chinese government has placed high priority on achieving a balanced economic growth with increasing efficiency, driving innovation, reducing energy consumption, as well as the development of the country's western regions. To mark this milestone in its history in China, Schneider Electric is reinforcing its sustainable development strategy with a focus on energy efficiency. Schneider Electric remains committed to contributing to a balanced growth of China's economy, society, resources and environmental protection, and making new contributions to China's construction of a harmonious society.

Schneider Electric has grown together with China in the past 20 years. The company has introduced its advanced technology and products to contribute to the needs of the different stages of China's growth. Schneider Electric brought its circuit breaker technology into China in 1980s', replacing the traditional fuse, and eventually setting new standards for breakers in China. This move greatly enhanced the safety of power utilization, thus contributing to an improvement in the living standards of the Chinese people. The company's industrial products, such as the low-voltage apparatuses, drives, and contactors, have been extensively used in the country's industrialization process.

Schneider Electric has also taken part in many of the nation's large energy and engineering projects, such as Olympic related projects, the Three Gorges Dam Project, the West-East Gas Transfer, the South-North Water Transfer, and the Ling'ao Nuclear Power Project, thus contributing to the creation of infrastructure necessary for the sustainable development.

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To show its concern to Chinese users and improve the innovation capability of the local market, Schneider Electric has continuously increased its R&D investment and staff in China. Each year, the company allocates about 5% of its sales amount to R&D. The company has set up 2 global R&D centers with more than 440 professionals developing products for the Chinese market and global market and providing support to engineering and localization. The company has made technology transfers to its local joint ventures, and is devoted to the development of technical standards in China, working closely with a number of related local organizations.

From setting up its first joint venture in 1987, the company has witnessed a rapid expansion in its investment and business in China in the past 20 years. By the end of 2006, Schneider has invested a total of RMB2.54 billion, establishing 4 branches, 32 regional offices, 20 production facilities, 1 learning institute, 2 R&D centers, 1 laboratory, 500 distributors and a nationwide sales network. Schneider Electric currently employs 9,400 staff and is actively establishing partnerships including joint ventures, commercial partners, distributors, integrators and suppliers, which not only brings a win-win situation for both parties but also creates thousands of other jobs. The company contributed to RMB5 billion in taxes to the Chinese government in the past 20 years.

Besides creating job opportunities, Schneider Electric is also actively engaged in local talent development. The company's human resources policy has a strong focus on turning today's talent into tomorrow's leaders, with a range of educational and training opportunities, including sending local employees on international assignments, support for executive education programs, as well as placing local staff in senior management positions.

While growing together with the economy, Schneider Electric has not forgotten its social responsibility. Under its Luli program, the company has donated a total of RMB2 million to China Youth Development Foundation through the contribution of its employees. So far, Schneider Electric has helped build eight "Project Hope" primary schools, two orphanages and one special needs school. In the area of university programs, Schneider Electric has donated instruments and equipment valued at RMB2 million to China's university laboratories, and offers internship opportunities to a number of students each other.

The future is in your hands, we contribute...

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, energy and infrastructure markets. With 105,000 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

Schneider Electric:

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

About Schneider Electric in China

Participating the construction of the first extra high voltage transmission line in China in 1979, Schneider Electric established its first joint venture in China in 1987 and now has 9,400 employees, 4 branches, 32 regional offices, 20 production facilities, 4 distribution centers, 1 learning institute, 2 research & development center, 1 laboratory, 500 distributors and a nation-wide sales network in China.

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