
Press Release

Schneider Electric strengthens its position in renewable energy solutions with the acquisition of Xantrex, a worldwide leader in the inverter market

Rueil-Malmaison (France), July 28, 2008 – Schneider Electric (Euronext: SCHN) announced today that it has signed a definitive arrangement agreement with Xantrex Technology Inc. (Toronto Stock Exchange: XTX) providing for the acquisition by Schneider Electric of all of the common shares of Xantrex.

Xantrex is a top 3 global player in the solar and wind inverter market with strong growth potential:

- Leadership position in the very promising North American solar inverter market
- Extending positions in key European markets (Germany, Spain)
- Broad product portfolio in reliable leading edge 1 and 3 phase power technology
- Dedicated market access through specialised distributors, system integrators and OEMs

Xantrex will reinforce Schneider Electric's growing leadership position in solutions for renewable energies.

The renewable business is poised for continued high growth, with an expected 2006-2012 annual growth rate of around 30%¹ and 20%² for solar and wind, respectively. Demand is expected to remain strong driven mainly by increasing costs of fossil energies, societal sensitivity to environmental concerns and financial incentives in many countries.

Renewable energy is key to solving the equation of satisfying energy demand and reducing CO2 emissions. Already present in this market, Schneider Electric will reinforce its solution offering with the acquisition of Xantrex and will better meet market demand and customers' needs in Energy Efficiency.

Xantrex is focused on the inverter, the key entry point for solar and wind systems solutions, which efficiently converts raw electrical power from renewable energy generators (such as solar photovoltaic panels and wind turbines) into high quality, grid-worthy power.

Schneider Electric expects to realize significant synergies in acquiring Xantrex, leveraging both companies' strengths:

- Xantrex: mastering of advanced power electronic technology for renewable energy, and dedicated solar and wind channel access;
- Schneider Electric: wide international footprint with solution centres, and leverage with APC in purchasing, technology and operations.

¹ Market Buzz 2008 / Solar Buzz LLC 2008

² BTM Consult Aps "International Wind Energy Development – World Market Update 2006" (March 2007)

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Mossadiq Umedaly, Chairman of Xantrex, commented: *"We are very proud and excited to join Schneider Electric. We think it is the best way to develop our business, taking advantage of our leading technology, products, market knowledge, and distribution channels together with Schneider Electric's global sales, service, supply chain, and solutions capabilities"*.

Jean-Pascal Tricoire, Chairman of the Management Board and CEO of Schneider Electric, commented: *"This acquisition strongly enhances our position in Energy Management through the development of integrated and complete solutions which further meet customers' needs for global Energy Efficiency solutions"*.

Under the terms of Schneider Electric's agreement with Xantrex, Xantrex will undertake a court approved plan of arrangement pursuant to which a subsidiary of Schneider Electric will acquire all of the shares of Xantrex. The arrangement must be approved by Xantrex's shareholders by the affirmative vote of at least 66.7% of the votes cast, in person or by proxy, at a shareholders meeting. It is also subject to the divestiture of Xantrex's programmable business prior to closing and to customary closing conditions including necessary regulatory approvals. The transaction is expected to close by October 2008.

OCM Principal Opportunities Fund, L.P., which owns 7,066,552 common shares or approximately 24.4% of the outstanding common shares of Xantrex, has entered into an agreement with Schneider Electric to vote its shares of Xantrex in favour of the transaction and to otherwise support its completion, subject to the terms and conditions of such agreement. OCM is the largest shareholder of Xantrex and the only shareholder holding more than 10% of the outstanding common shares.

The price to be paid for Xantrex is CAD 415 million (USD 412 million) expressed as an enterprise value on a cash-free and debt-free basis. The offer price represents a price per share of CAD 15.0 to Xantrex shareholders and will be paid in cash. The total aggregate purchase price of CAD 498 million is inclusive of net proceeds from the sale by Xantrex of its programmable business.

Due to Xantrex's high growth potential and significant realizable synergies, which should lead to total sales of USD 470 million and EBITA of USD 69 million in 2011, the Return on Capital Employed for this acquisition should be well above Schneider Electric's financial criteria.

About Xantrex

Xantrex Technology Inc. (www.xantrex.com) is a world leader in the development, manufacturing and marketing of advanced power electronic products and systems for the renewable, programmable, and mobile power markets. The company's products convert and control raw electrical power from any central, distributed, renewable, or backup power source into high-quality power required by electronic equipment and the electricity grid. Xantrex is headquartered in Vancouver, Canada, with facilities in the United States, Germany, Spain, England, and a joint venture in China.

About Schneider Electric

Global specialist in energy management, Schneider Electric offers integrated solutions making energy safe, reliable, efficient and productive. With sales of 17.3 billion euros in 2007, the company's 120,000 employees in 102 countries help individuals & organisations make the most of their energy.

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