

Press Release

The Wendel Consortium begins exclusive negotiations with Schneider Electric to finalise its acquisition of Legrand

The Wendel Consortium, which consists of Wendel Investissement and Kohlberg Kravis Roberts & Co. L.P. (KKR), today signed an exclusivity agreement with Schneider Electric in order to finalise the share purchase agreement of its stake in Legrand before the end of July 2002.

The purchase price is of €3.7 billion for 100% of the equity capital.

This transaction would represent the largest Leverage Buy Out completed over the last ten years.

The Wendel Consortium intends to develop Legrand and to strengthen its leading position in low voltage equipment, in the perspective of its long term development and in the context of a possible public relisting of its shares in the medium term.

Legrand is a particularly fitting example of a potential Leverage Buy Out because of its quality of management, its strong financial performance, its recurring cash flows and its high potential for further development.

The exclusivity period will be devoted to finalising the purchase agreements and to initiating all necessary procedures to complete the purchase agreement. The completion of the transaction would remain subject to the necessary anti-trust approvals from the EU and from a number of countries in which Legrand operates. Following these approvals, the transaction should close during the 4th term of 2002.

The Wendel Consortium has granted Schneider the flexibility to relinquish the transaction if in October 2002 the Tribunal de Première Instance annuls the decision of the EU dated October 10, 2001, which vetoed the merger of Schneider and Legrand. In that case and if Schneider decides not to sell Legrand, Schneider would pay the Consortium a break up fee.

WENDEL Investissement is the result of the June 13th merger of CGIP and Marine-Wendel. This transaction is a prime example of WENDEL Investissement's renewed strategy of long term investment in growth companies in which it can own at least 34% of the equity. Since its founding, the group has accompanied industrial and services companies with their developments to world leader, especially Crown Cork & Seal, Bureau Veritas, BioMérieux, Wheelabrator-Allevard, Valeo and Cap Gemini Ernst & Young.

KKR is one of the world's leading private equity firms. Its investment approach is focused on investing in attractive businesses and working closely with management over the long term to design and implement value creating strategies. Founded in 1976, KKR has completed more than 100 transactions in North America and Europe.

KKR has completed nine transactions in the UK and continental Europe since 1996. Its current portfolio consists of 30 companies based in the US, Canada, Germany, Austria and the UK, including Amphenol, Rockwood Specialties (acquired from Laporte plc), Tenovis (formerly Bosch Private Networks), Willis Group (formerly Willis Corroon), Shoppers Drug Mart, Alliance Imaging, Wincor Nixdorf (formerly Siemens Nixdorf), and Zumtobel.

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