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**News
Release**

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Eaton Completes Purchase Of MGE's Small Systems Business From Schneider Electric

CLEVELAND ... Diversified industrial manufacturer Eaton Corporation (NYSE:ETN) today announced it has completed the purchase of the small systems business of Schneider Electric's MGE UPS Systems for €425 million (\$612 million at current exchange rates). Eaton announced on June 21 that it had committed to acquire the business.

For the 12-month period ending September 30, 2007, the small systems business of MGE had sales of approximately €167 million (\$240 million at current exchange rates) and EBITDA of approximately €39 million (\$56 million at current exchange rates).

"MGE's presence in more than 40 countries provides us with access to new markets and important distribution channels and further establishes our manufacturing presence in Asia," said Randy W. Carson, Eaton senior vice president and president – Electrical Group. "This transaction clearly underlines Eaton's stated strategic focus to expand our Power Quality business globally."

MGE's small systems business employs approximately 800 people worldwide and is a global provider of power quality solutions designed to increase the availability and uptime of mission-critical applications and processes. Its products include uninterruptible power supplies (UPS), power distribution units, static transfer switches and surge suppressors. The business is headquartered in Saint-Ismier, France.

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Eaton Corporation is a diversified industrial manufacturer with 2006 sales of \$12.4 billion. Eaton is a global leader in electrical systems and components for power quality, distribution and control; fluid power systems and services for industrial, mobile and aircraft equipment; intelligent truck drivetrain systems for safety and fuel economy; and automotive engine air management systems, powertrain solutions and specialty controls for performance, fuel economy and safety. Eaton has 62,000 employees and sells products to customers in more than 140 countries. For more information, visit www.eaton.com.

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