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Highlights and Notice of Availability 2009



The Invensys Annual Report
and Accounts 2009 and
Notice of Annual General Meeting
are now available online at
www.invensys.com/annualreport09

Chairman's Statement



Your company has had another good year despite the difficult economic conditions that have affected the global economy. We achieved a creditable operating profit performance with good results from our Invensys Operations Management and Invensys Rail businesses and a resilient performance from our Invensys Controls business in the face of very difficult market conditions.

As I mentioned in last year's Annual Report, I will be retiring from my role as Chairman and director of Invensys after this year's Annual General Meeting (AGM) on 17 July 2009. In this, my final statement to shareholders, I would therefore like to reflect upon the significant achievements that the Group has made during the last six years.

I became Chairman of Invensys in 2003. Since then:

- our net debt, which stood at over £1.5 billion in 2003, has been reduced to the point where we are now debt free and have over £300 million of net cash and deposits;
- our legacy liabilities, excluding pensions, have reduced from £700 million to just £77 million;
- we have progressed from reporting an overall loss of nearly £1.5 billion in the year to 31 March 2003 to a net profit of £133 million;
- our market capitalisation has increased from £350 million in 2003 to around £1.6 billion today;
- we have reached a position where we are now able to pay a dividend for the first time since 2003; and
- we have rejoined the FTSE 100 Index, in June 2008, and have been reclassified as a technology company, recognising the significant change in our businesses during recent years.

As a technology company we welcome the advantages of electronic communication with our shareholders. It is more timely, more cost-effective and, of course, more environmentally responsible.

Our registrars have recorded you as being registered to receive notification in writing of the availability online of shareholder documents. To view the Annual Report and Accounts 2009 and the Notice of Annual General Meeting, please go to www.invensys.com/annualreport09

Paper copies

If now or at any point in the future you would prefer to receive paper copies of shareholder documents (including the Annual Report and Accounts), please contact the registrars. For contact details please see page 6.

It is with some sadness that I have to note that our shareholders have lost some of the value of their investment in Invensys in recent times, although most of this has been mirrored by the declines shown by many companies in our sector: overall our relative performance has been in line with our peer group.

I would like to pay tribute to everyone who has been at Invensys during my time as Chairman, particularly Ulf Henriksson and my other Board colleagues, without whom the Invensys recovery could not have happened.

The Board and our people

I am delighted that Sir Nigel Rudd, who became a director and Deputy Chairman on 1 January 2009, will be taking over from me as Chairman after the AGM. Sir Nigel has a long and distinguished industrial career, and is currently Chairman of BAA and Pendragon and a non-executive director of BAE Systems and Sappi. His previous chairmanships include Alliance Boots, Pilkington, Williams Holdings and Kidde, and he was also a director and Deputy Chairman of Barclays Bank.

Steve Hare, who has been our Chief Financial Officer since 2006, informed the Board in November 2008 that he will be leaving Invensys at the end of May 2009

This leaflet advises you of the availability on our website of the Annual Report and Accounts 2009 and the Notice of Annual General Meeting. This leaflet contains material extracted from the Annual Report and Accounts 2009 but it does not constitute a summary financial statement or a summary of the contents of the Annual Report and Accounts 2009 and the Notice of Annual General Meeting, nor should it be considered a substitute for reading the full Annual Report and Accounts 2009 and the Notice of Annual General Meeting. This leaflet does not contain sufficient information to allow for as full an understanding of the results of the Group, the state of affairs of the Group and the principal risks and uncertainties facing the Group as is offered in the full Annual Report and Accounts 2009.

to pursue a new challenge. During his time with us, he has made a great contribution by achieving the strong financial position that we find ourselves in today, in particular in driving strong operational cash flow from each of our businesses and the signing of our new five year banking facility in July 2008. On behalf of the whole Board, I would like to thank Steve for his efforts and wish him every success in the future.

As previously announced, Wayne Edmunds, who is currently CFO of Invensys Process Systems, will become our Chief Financial Officer from 1 June 2009. Wayne joined the Group from Reuters America, where he had been SVP of Finance, and has previously held senior financial roles in the technology sector, including 17 years with Lucent Technologies. Wayne is relocating to the UK and will work out of the Group's headquarters in London. He has been working with Steve Hare during the past two months to ensure a smooth handover of responsibilities.

Jean-Claude Guez, who has been a non-executive director since 2003, will not be seeking re-election at the AGM and will be retiring from the Board at the end of that meeting. It has been a pleasure working with Jean-Claude over the past six years and I am very grateful to him for his significant contributions and support during this time. We all wish him well in the future.

Dr Martin Read, formerly Chief Executive of LogicaCMG, and Francesco Caio, formerly Chief Executive of Cable & Wireless, will be joining the Board as non-executive directors on 18 July 2009. I am delighted that Martin and Francesco have agreed to join the Board. They each have enormous experience running large international enterprises and I know that they will contribute greatly to the next stage of Invensys' development.

The result of these changes is that Invensys continues to have a strong and experienced Board with a good balance of executive and non-executive directors.

I would like to thank everyone at Invensys for their efforts during the past year. Many have had to deal with difficult markets which have posed additional challenges, and they have met these with considerable enthusiasm and expertise.

Dividend

The strength of the Group's financial position, our excellent operational cash flow and the resilience being shown by our longer-cycle businesses within Invensys Operations Management and Invensys Rail has given the Board confidence that this is the right time to pay a dividend to shareholders for the first time since 2003. However, in light of current global economic conditions, the Board has decided to start at a prudent level which should allow a progressive dividend policy going forward. The Board has therefore recommended the payment of a final cash dividend for the year of 1.5p per share which, subject to approval by shareholders at the AGM on 17 July 2009, will be paid on 7 August 2009 to shareholders on the register at 26 June 2009.

Outlook

Relative to the market, there is strength in demand for our projects and solutions within our newly formed Invensys Operations Management division, and Invensys Rail has been successful in both its core and export markets. This gives us confidence that both will continue to perform well during the current financial year. Invensys Controls faces continued weakness in its markets and we continue to manage it for positive cash flow.

Our strong financial position is enabling us to take further actions in the current year to protect profitability and cash flow across the Group and, based upon our current expectations, we anticipate that restructuring charges in the current year will be around £65 million.

Overall we look to the future with confidence and expect to improve our performance in the current year.

Martin Jay
Chairman
13 May 2009

Highlights of Our Year

Invensys has made a great deal of progress on a number of the specific operational and financial priorities set out at the start of the financial year, despite a backdrop of uncertain and difficult economic and financial markets. Highlights for the year include the 2008 Refinancing, a cash conversion in excess of 120%, a free cash flow of £296 million and net cash and deposits at 31 March 2009 of £309 million.

Year ended 31 March ¹	2009	2008
Orders (£m)	2,806	2,036
Revenue (£m)	2,284	2,108
Operating profit (£m)	244	254
Operating margin (%)	10.7%	12.0%
Operating cash flow (£m)	298	258
Employees at year end (nos)	20,529	22,928

- Orders were £2,806 million (2008: £2,036 million), up 38% (up 21% at constant exchange rates (CER²))
- Revenue was £2,284 million (2008: £2,108 million), up 8% (down 4% at CER)
- Operating profit³ was £244 million (2008: £254 million), down 4% (down 16% at CER)
- Operating margin³ was 10.7% (2008: 12.0%)
- Underlying⁴ earnings per share (EPS) reduced to 14.1p (2008: 17.0p)
- Recommended final dividend per share of 1.5p (2008: nil)
- Operating cash flow was £298 million (2008: £258 million)
- Free cash flow was £296 million (2008: £64 million)
- Return on operating capital⁵ was 49.0% (2008: 53.3%)
- Continued strengthening of financial position, with no debt⁶ and net cash and deposits totalling £309 million, together with a £400 million banking facility

¹ All numbers are for continuing operations unless otherwise stated. Continuing operations are Process Systems, Eurotherm, Invensys Rail and Invensys Controls, on which basis the Group is managed.

² Unless otherwise stated, % change is measured as the change at CER as a percentage of the 2008 adjusted base and is calculated based on underlying amounts in £'000s.

³ All references to operating profit and operating margin are arrived at before exceptional items, unless otherwise stated.

⁴ Calculated by reference to earnings before exceptional finance costs and income, and foreign exchange losses on financial items. Prior year EPS also exclude the PPP settlement credit.

⁵ Return on operating capital at CER is calculated as operating profit divided by capital employed excluding goodwill, net pension liabilities, non-operating provisions and net taxation liabilities.

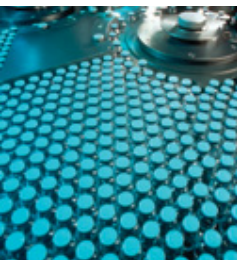
⁶ 144A notes of £9 million due January 2010 remain outstanding; the Company has no right to call these notes prior to maturity but the notes have been covenant defeased through cash collateralisation. In addition, there were £1 million of finance leases at 31 March 2009.



Process Systems

Process Systems designs, manufactures, installs, tests and commissions software and computer-based hardware for the automation and regulation of operations, the management of certain administrative functions of manufacturing businesses, and the simulation of manufacturing process operations.

Year ended 31 March	2009	2008
Orders (£m)	1,187	870
Revenue (£m)	951	830
Operating profit (£m)	108	117
Operating margin (%)	11.4%	14.1%
Operating cash flow (£m)	121	103
Operating cash conversion (%)	112%	88%
Employees at year end (nos)	7,870	7,795



Eurotherm

Eurotherm provides control, data and measurement instrumentation products, solutions and services to manage specific parameters of the manufacturing process, such as temperature and pressure, for the global industrial control and process markets.

Year ended 31 March	2009	2008
Orders (£m)	116	119
Revenue (£m)	118	115
Operating profit (£m)	4	9
Operating margin (%)	3.4%	7.8%
Operating cash flow (£m)	10	7
Operating cash conversion (%)	250%	78%
Employees at year end (nos)	991	1,147



Invensys Rail

Invensys Rail is a multinational leader in delivering state-of-the-art railway control and communication solutions. We enable the world's railways to help meet the ever-increasing demand for rail services by providing a range of solutions that safely increase the capacity of their networks by increasing frequency and maximising operational effectiveness.

Year ended 31 March	2009	2008
Orders (£m)	968	429
Revenue (£m)	636	539
Operating profit (£m)	134	93
Operating margin (%)	21.1%	17.3%
Operating cash flow (£m)	128	93
Operating cash conversion (%)	96%	100%
Employees at year end (nos)	3,960	3,512



Invensys Controls

Invensys Controls designs, engineers and manufactures products, components, systems and services used in appliances, heating, air conditioning/cooling and refrigeration products across a wide range of industries in residential and commercial markets, together with utility monitoring services in the UK.

Year ended 31 March	2009	2008
Orders (£m)	535	618
Revenue (£m)	579	624
Operating profit (£m)	33	69
Operating margin (%)	5.7%	11.1%
Operating cash flow (£m)	74	85
Operating cash conversion (%)	224%	123%
Employees at year end (nos)	7,517	10,334

Chief Executive's Statement



I am pleased to be able to report that we achieved a robust performance during the past year against the background of one of the most difficult global economies in decades. We had strong order intake, which is testimony to our customers' belief in our ability to deliver projects and solutions. We had strong cash flow across the Group, which has further strengthened our financial position; we are debt free with £309 million of net cash and deposits on the balance sheet. We have undertaken restructuring where there has been a need to realign capacity and improve productivity. This overall performance has given the Board confidence to recommend the resumption of dividend payments to shareholders.

Strategy

The development of standardised control systems technology reflects the movement away from customised equipment with proprietary operating systems towards platforms with open operating systems. In parallel, industry-standard communication specifications have been created to foster interoperability and create flexibility in system architectures and component selection. Open architectures also create the ability to draw information in real time from disparate parts of operations control and business support systems to enable higher levels of automation and optimisation.

We recognise the importance of these trends to our customers and support open architectures in our businesses. For example, Wonderware® software was created specifically to allow broad levels of

system integration and data communications.

It is now in use in around one third of the world's manufacturing plants and increasingly in infrastructure operations. The application of communication and integration technologies is constantly being expanded and refined, including their use across our other businesses. Currently we are introducing these technologies into the rail industry to support advancements for infrastructure management and signalling control rooms.

Social, economic and environmental trends reflect the increasing need to run capital-intensive operations such as manufacturing, mining, power generation and transportation more efficiently. Our businesses have adopted the position that we need to work with our customers on their terms. We open our thinking to new approaches, collaborate

Our vision is to become the unquestioned leader in our markets. Our mission is to unlock our potential so that we can in turn help our customers to unlock theirs.

We believe that the key to maximising both our customers' and our own potential lies in an open approach. This belief shapes the way we work, our mindset and approach, and the solutions, technologies and products that we develop with our customers.

We are committed to collaboration, responsiveness and flawless execution.

As an unquestioned leader in providing industries with open thinking and open technologies, Invensys provides customers with the ability to respond more quickly to an ever-changing environment with confidence.

with our customers and open the door to new value propositions for our customers. This open-minded approach to solving customer business issues resulted in an impressive new order performance over the past year.

Outside its core markets, Invensys Rail is developing its business in a number of other countries around the world. We have selected a number of key markets in which to develop new regional businesses, and to continue our successful strategy of developing strong market share where we have an advantage in meeting the needs of customers. We have recently placed new business development teams into South East Asia, the Middle East, India, Germany and Latin America and we are already seeing success with several new orders.

At Invensys Controls, we have taken aggressive action to realign capacity and resources following the declines in its consumer cyclical markets while continuing our intense focus on improving productivity and generating cash. We are concentrating on emerging markets, geographic expansion of our heating segment and leveraging our global engineering capabilities to support our customers' new product introductions.

Creation of Invensys Operations Management

The decision has been taken to integrate our three industrial automation businesses (Invensys Process Systems, Wonderware and Eurotherm) into a single division, Invensys Operations Management. This decision has been driven by the convergence of technologies that enable our customers to optimise their entire operations, the opportunity to create a continuum of solutions and services for the whole industrial market and the potential for cost savings from common sales and marketing, delivery and back office functions.

We have identified significant growth opportunities from more effective coverage of our customer base and attractive savings from using common approaches to business processes. Some integration activities began earlier in the year as a result of common research and development requirements between the businesses and the opportunity to eliminate redundant infrastructure costs. Throughout the remainder of the current year, additional integration will be carried out; however, we do not intend to make substantial changes to the business strategy, products, services and levels of support for our customers. We see this integration as a natural

evolutionary step building upon the successes that we have already achieved with our strategy of becoming a solutions and services provider. We will be reporting Invensys Operations Management as a single division going forward.

Our industrial customers face an expanding set of challenges that go beyond the need for increased productivity. By bringing together our three businesses, we can harness technology, domain expertise and service delivery capability to provide agile real-time operations capability through integrated solutions backed by our deep industry knowledge.

Branding

During the year, we carried out a review of our branding to ensure that our visual identity and brand structure reflect an open approach and provide differentiation from our competitors. This review has resulted in the new logo and visual identity which you see within this document and which more readily reflect our status as a technology company, following the reclassification by FTSE in June 2008. It also achieves the aim of creating the visible differentiation from our competitors that we required. Just as importantly, we have simplified our multi-tier brand structure to create greater emphasis upon the Invensys name.

Corporate Social Responsibility (CSR)

Invensys is committed to supporting the principles of economic success, environmental stewardship and social responsibility. We believe that by acting as a responsible corporate citizen, we will not only minimise business risk, but also enhance our reputation as a business partner. I am pleased to announce that we have exceeded our targets for reductions of key performance indicators of consumption and waste production.

Our people

Our people are a great strength, and I am delighted that we have such good people across Invensys who are dedicating their skills and time to helping Invensys to succeed. Their commitment and achievements have helped us to deliver a robust performance at a time of considerable challenges, and I would like to thank them all for their contribution.

Ulf Henriksson
Chief Executive

Annual General Meeting and Shareholder Information

Financial calendar

Financial year end 2008/09	31 March 2009
Preliminary results 2008/09 announced	14 May 2009
Ex dividend date	24 June 2009
Record date for 2008/09 final dividend	26 June 2009
Annual General Meeting	17 July 2009
Payment date for 2008/09 final dividend	7 August 2009
Half-yearly results 2009/10 announced	5 November 2009

Annual General Meeting (AGM)

The AGM is the Company's principal forum for communication with private shareholders. Investors holding shares in the Company through a nominee service should arrange to be appointed as a corporate representative or proxy in respect of their shareholding in order to attend and vote at the meeting.

The AGM will take place at the Park Plaza Victoria London, 239 Vauxhall Bridge Road, London SW1V 1EQ on Friday, 17 July 2009 at 11.00am. Details of the Resolutions to be proposed are set out in the Notice of Annual General Meeting.

Form of Proxy

A Form of Proxy is enclosed for shareholders who are unable to attend the AGM but wish to register their votes on the Resolutions. Shareholders should complete and return the Form of Proxy as instructed to arrive by not later than 11.00am on Wednesday, 15 July 2009. Alternatively, you can electronically register the appointment of a proxy at www.sharevote.co.uk. Further details are set out in the Form of Proxy.

Registrars

For all enquiries about the registration of your shares and changes of name and address, or to request printed copies of the Annual Report and Accounts 2009, please contact the Company's registrars: Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA
Tel: 0871 384 2036 inside the UK
Tel: +44 (0)121 415 7040 outside the UK
Calls are charged at 8p per minute from a BT landline. Other telephony provider costs may vary.

Dividend

Subject to shareholder approval, the directors propose a 2008/09 final dividend of 1.5p per ordinary share. The total dividend for the year ended 31 March 2009 is 1.5p per ordinary share (2008: nil).

Shareview dealing service

Shareholders may buy or sell shares by internet or telephone through Shareview dealing, a share dealing service provided by Equiniti. For internet purchases and sales log on to www.shareview.co.uk/dealing and for telephone purchases and sales call 08456 037 037 (inside the UK only) between 8.00am and 4.30pm, Monday to Friday.

Unsolicited mail

The Company is legally obliged to make its share register available to the general public. Consequently some shareholders may receive unsolicited mail, including correspondence from unauthorised investment firms. If you wish to limit the amount of unsolicited mail you receive please contact: The Mailing Preference Service, DMA House, 70 Margaret Street, London W1W 8SS
Tel: +44 (0)845 703 4599

ShareGift

The Orr Mackintosh Foundation operates a charity share donation scheme. ShareGift can be contacted at 46 Grosvenor Street, London W1K 3HN or by telephone on +44 (0)20 7930 3737 or online at www.sharegift.org

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For the latest investor information and news, visit our website at www.invensys.com

Electronic communications

Shareholders can view up-to-date information about their shareholding and register to receive future electronic communications from the Company by visiting the shareholders' website at www.shareview.co.uk (shareholder reference number, shown on share certificates and tax vouchers, will be required).

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