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Regional Market Updates

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Strategy by market

- Our strategy for each geography reflects current market conditions
- Flexibility (e.g. with go-to-market approach) enables us to capitalise on opportunities
 - **UK:** Infrastructure spending provides resilience despite austerity measures. Network Rail framework agreements provide growth opportunities
 - **Iberia:** Austerity measures impacting domestic spend. Export/new market orders driving growth after completion of HSL network
 - **Asia:** China, India and other regions present exciting growth opportunities
 - **United States:** Investment in products and projects; PTC

Traditional core market - United Kingdom



- Mainline infrastructure spending continues to address capacity issues
- Network Rail (NR) Supplier of the Year (awarded July 2011)
- Awarded Thameslink framework agreement
- Remaining eight national framework agreements expected to be awarded shortly
- Further success in major signalling renewals:
 - Salisbury – Exeter
 - Shrewsbury – Crewe Modular Signalling trial
 - Reading Mainlines
- Victoria Line Upgrade for LUL nearing completion



Traditional core market - Iberia



- High-speed network hugely successful and best-in-class:
 - Fast (average speeds >270km/hr)
 - Reliable
 - Good value
- CBTC in commercial service on Madrid Metro
- Austerity measures impacting infrastructure investment
- Spain adopting alternative financing schemes (PPP) to continue high-speed line roll-out



Traditional core market - Australasia



- Australian mines creating significant opportunities
- Regional commuter investment in various states (Victoria, New South Wales and South Australia)
- Successful commissioning of next generation WESTRACE MkII interlocking on Auckland Metropolitan Network, New Zealand in time for Rugby World Cup 2011



Traditional core market - North America



- Class 1 Railroads continue to recover and grow traffic
- Strong demand for products, particularly crossings
- Recently signed a number of LTPA's* with Class One customers that give us a strong position in crossings/signalling/services
- Timing of PTC implementation difficult to predict
- Federal funding available for a range of transport infrastructure from commuter/mass transit schemes to high-speed rail development
- We do not expect HSLs to impact revenue in the medium term



Note: Long-term purchase agreements*

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New* market – Asia



- Current contracts include:
 - **Singapore**
 - **Malaysia**
- Significant mass transit opportunities throughout Asia, particularly:
 - China
 - India
- Mainline opportunities:
 - ERTMS on Indian Railways
 - Malaysia network capacity improvements



Note: Outside of traditional core markets of UK, Iberia, Australia and North America.*

New market – Middle East



- Invensys Rail's ERTMS solution in service on Ankara – Konya high-speed line in **Turkey**
- Provided springboard for further success in Turkey:
 - Cross-Bosphorus Marmaray project
 - Further high-speed lines planned
 - Mainline resignalling
- New mainline schemes across Gulf region:
 - Saudi Arabia
 - Union Railway
- Consortia and partnering critical
- Watching brief for renewed investment and rebuilding across North Africa



New market – Middle East (cont)



- **Turkey:** Marmaray Project (Bosphorus)
 - **Customer:** DLH (Turkish Directorate for Railways, Harbours and Airports Construction)
 - **Partners:** OHL (Spain), Fermak (Turkey)
 - **Project details:**
 - 77km commuter line, Gezbe - Halkili
 - 63km existing line, 14km new line (1.2km in immersed tunnel)
 - 40 stations plus depot and yards
 - **Invensys Rail scope:**
 - £170 million (€195 million) signalling:
 - CBTC, ERTMS Level 1, interlockings, signals, train detection, traffic control
 - Two year maintenance, option to extend to five years

New market – Middle East (cont)



- **Saudi Arabia:** Makkah-Madinah HSL
 - **Customer:** Saudi Railways Organisation (SRO)
 - **Winning Consortium:** Al Shoula (12 companies)
 - **Project details:**
 - 414km with 35 train sets
 - Operating speed >300km/hr
 - Worth €6.7 billion
 - **Invensys Rail scope:**
 - £260 million (€298 million) signalling:
 - ERTMS Level 2, electronic interlockings, train detection, traffic control, signals
 - £160 million (€185 million) 12-year maintenance contract

New market - South America



- Good progress on existing mass transit projects:
 - Sao Paulo, **Brazil** commuter network
 - Caracas, **Venezuela** metro
- Significant freight opportunities across region, particular in mining industry
- Crossings and locomotive product sales provide market foothold
- Upcoming Football World Cup and Olympics in Brazil will see significant transport infrastructure investment

