

INVENSYS 2007/08 PRELIMINARY ANNOUNCEMENT

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A man with a mustache, wearing a light blue button-down shirt, is smiling and holding a clear glass award trophy. The trophy has a globe on top and a base with some text. The background is a bright, slightly blurred office setting with a window.

15 May 2008

FINANCIAL REVIEW

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Steve Hare

CFO

invensys[®]

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Summary of Q4 performance

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Continuing operations (£ million)

| | Q4 07/08 | Q4 06/07 | FY 07/08 | FY 06/07 |
|---|--------------|--------------|--------------|--------------|
| Orders | 509 | 545 | 2,036 | 2,101 |
| Revenue | 572 | 533 | 2,108 | 1,999 |
| OPBIT⁽¹⁾ | 80 | 71 | 254 | 216 |
| <i>Operating margin %⁽¹⁾</i> | <i>14.0%</i> | <i>13.3%</i> | <i>12.0%</i> | <i>10.8%</i> |
| Operating cash flow | 88 | 95 | 234 | 237 |
| <i>Cash conversion %⁽²⁾</i> | <i>110%</i> | <i>134%</i> | <i>92%</i> | <i>110%</i> |

- Orders decline 10% at CER⁽³⁾:
 - Uneven nature of Rail Group's orders but strong pipeline
 - Anticipated decline at Controls
- Revenue at CER up 4%, with Process Systems up 7% and Rail Group up 17%
- Operating margin improved in line with our expectations
- Full year cash conversion achieved targeted 90%+; excluding restructuring is 102%

Notes: 1. All references to OPBIT and operating margin in this presentation are before exceptional items
 2. Calculated as operating cash flow as a percentage of OPBIT.
 3. Constant exchange rates

Summary of Q4 performance

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£ million

OPBIT

Exceptional items

Operating profit after exceptional items

Foreign exchange (losses)/gains

Exceptional finance costs

Net finance costs

Other finance charges – IAS 19

Profit before taxation

Taxation

Profit – continuing operations

Profit – discontinued operations

Net profit for the period

| | Q4 07/08 | Q4 06/07 | FY 07/08 | FY 06/07 |
|---|-------------|-------------|-------------|-------------|
| OPBIT | 80 | 71 | 254 | 216 |
| Exceptional items | 85 | (13) | 62 | (27) |
| Operating profit after exceptional items | 165 | 58 | 316 | 189 |
| Foreign exchange (losses)/gains | (8) | (4) | (21) | 35 |
| Exceptional finance costs | (36) | - | (36) | (67) |
| Net finance costs | (10) | (11) | (45) | (66) |
| Other finance charges – IAS 19 | (3) | (2) | (15) | (10) |
| Profit before taxation | 108 | 41 | 199 | 81 |
| Taxation | (13) | (6) | (30) | (20) |
| Profit – continuing operations | 95 | 35 | 169 | 61 |
| Profit – discontinued operations | 1 | 1 | 167 | 148 |
| Net profit for the period | 96 | 36 | 336 | 209 |

Underlying EPS⁽¹⁾ (basic) – continuing operations

EPS (basic) – continuing operations

Net finance costs cover⁽²⁾

| | | | |
|--------------|-------------|--------------|--------------|
| <i>6.2p</i> | <i>4.9p</i> | <i>17.0p</i> | <i>12.6p</i> |
| <i>11.9p</i> | <i>4.4p</i> | <i>21.1p</i> | <i>8.2p</i> |
| <i>8.0</i> | <i>6.5</i> | <i>5.6</i> | <i>3.3</i> |

- Exceptional items include £95 million PPP settlement credit
- Exceptional finance costs comprise the High Yield Bonds redemption premium and write-off of facilities fees

Notes:

1. Underlying EPS is calculated by reference to earnings before exceptional finance costs, foreign exchange (losses)/gains and PPP settlement credit.

2. Measured as the number of times OPBIT covers net finance costs.

Operating cash flow

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£ million

Operating profit - continuing

Depreciation/amortisation

Net capital expenditure

Working capital movement

Restructuring costs

Other

Operating cash flow – continuing operations

Operating cash flow – discontinued operations

Operating cash flow – total Group

| | Q4 07/08 | Q4 06/07 | FY 07/08 | FY 06/07 |
|--|-------------|-------------|-------------|-------------|
| Operating profit - continuing | 80 | 71 | 254 | 216 |
| Depreciation/amortisation | 16 | 14 | 64 | 59 |
| Net capital expenditure | (17) | (20) | (52) | (63) |
| Working capital movement | 16 | 26 | (13) | 26 |
| Restructuring costs | (9) | (5) | (24) | (14) |
| Other | 2 | 9 | 5 | 13 |
| Operating cash flow – continuing operations | 88 | 95 | 234 | 237 |
| Operating cash flow – discontinued operations | 1 | 27 | (18) | 32 |
| Operating cash flow – total Group | 89 | 122 | 216 | 269 |

Balance sheet metrics⁽¹⁾

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Continuing operations

Inventory turns⁽²⁾

DSO⁽³⁾

DPO⁽³⁾

Trade working capital as a % of revenue

Trade working capital as a % of revenue⁽⁴⁾

Return on operating capital⁽⁵⁾

| | Mar 08 | Dec 07 | Sep 07 | Jun 07 | Mar 07 |
|--|--------|--------|--------|--------|--------|
| Inventory turns ⁽²⁾ | 8.8 | 8.0 | 7.7 | 7.5 | 7.7 |
| DSO ⁽³⁾ | 59 | 60 | 60 | 60 | 57 |
| DPO ⁽³⁾ | 53 | 56 | 53 | 55 | 44 |
| Trade working capital as a % of revenue | 10.5% | 11.3% | 11.3% | 10.7% | 10.8% |
| Trade working capital as a % of revenue ⁽⁴⁾ | 14.5% | 16.1% | 14.8% | 14.3% | 14.9% |
| Return on operating capital ⁽⁵⁾ | 53.3% | 50.9% | 47.2% | 44.3% | 41.9% |

Notes: 1. Calculated using constant exchange rates
2. Cost of sales basis
3. Calculated using worked back method

4. Excluding contract balances
5. Return on operating capital is calculated as OPBIT divided by capital employed excluding goodwill, net pensions deficit, non-operating provisions and net taxation liabilities

Free cash flow

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£ million

Operating cash flow

Exceptional finance costs

Facility fees capitalised within prepayments⁽¹⁾

Net finance costs

Proceeds on sale of financial assets

Proceeds on sale of associates

Taxation

Legacy items

Free cash flow

| | Q4 07/08 | Q4 06/07 | FY 07/08 | FY 06/07 |
|--|-------------|-------------|-------------|-------------|
| | 89 | 122 | 216 | 269 |
| | (18) | - | (18) | (38) |
| | - | - | - | (15) |
| | (19) | (18) | (39) | (74) |
| | - | 7 | - | 10 |
| | - | 3 | - | 3 |
| | (7) | (5) | (33) | (20) |
| | (13) | (19) | (62) | (24) |
| | 32 | 90 | 64 | 111 |

- Exceptional finance cost is the premium on redemption of the High Yield Bonds

Note:

1. Relates entirely to the 2006 Refinancing

| | £ million | | | | CER % movement ⁽²⁾ | |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------------------------|-----|
| | Q4 07/08 | Q4 06/07 | FY 07/08 | FY 06/07 | Q4 | FY |
| Orders | 236 | 217 | 870 | 845 | 6% | 5% |
| Revenue | 237 | 216 | 830 | 779 | 7% | 9% |
| OPBIT ⁽¹⁾ | 40 | 33 | 117 | 104 | 20% | 16% |
| Operating margin % ⁽¹⁾ | 16.9% | 15.3% | 14.1% | 13.4% | - | - |
| Operating cash flow | 52 | 55 | 100 | 94 | (4)% | 11% |

- Orders growth driven mainly by Asia Pacific and North America
- Revenue growth led by North America
- Productivity gains drive margin expansion
- Working capital recovery almost complete

Notes:

1. Before exceptional items.

2. CER % movements calculated using £000's.

| | £ million | | | | CER % movement ⁽²⁾ | |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------------------------|-------|
| | Q4 07/08 | Q4 06/07 | FY 07/08 | FY 06/07 | Q4 | FY |
| Orders | 32 | 28 | 119 | 111 | 7% | 7% |
| Revenue | 32 | 29 | 115 | 109 | 4% | 5% |
| OPBIT ⁽¹⁾ | 3 | 5 | 9 | 13 | (41)% | (27)% |
| Operating margin % ⁽¹⁾ | 9.4% | 17.2% | 7.8% | 11.9% | - | - |
| Operating cash flow | 3 | 3 | 6 | 12 | (48)% | (59)% |

- Progress in key vertical markets drives orders and revenue growth
- OPBIT and cash flow impacted by continued business transition

Notes:

1. Before exceptional items.

2. CER % movements calculated using £000's.

| | £ million | | | | CER % movement ⁽²⁾ | |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------------------------|-------|
| | Q4 07/08 | Q4 06/07 | FY 07/08 | FY 06/07 | Q4 | FY |
| Orders | 76 | 127 | 429 | 479 | (42)% | (11)% |
| Revenue | 145 | 120 | 539 | 449 | 17% | 20% |
| OPBIT ⁽¹⁾ | 25 | 22 | 93 | 77 | 12% | 19% |
| Operating margin % ⁽¹⁾ | 17.2% | 18.3% | 17.3% | 17.1% | - | - |
| Operating cash flow | 17 | 21 | 93 | 133 | (21)% | (31)% |

- Orders down mainly due to timing of contracts in Iberia
- Revenue growth led by the UK
- Full year operating margin maintained despite increased investment in business development
- Cash conversion strong at 100% for the year

| | £ million | | | | CER % movement ⁽²⁾ | |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------------------------|------|
| | Q4 07/08 | Q4 06/07 | FY 07/08 | FY 06/07 | Q4 | FY |
| Orders | 165 | 173 | 618 | 666 | (8)% | (7)% |
| Revenue | 158 | 168 | 624 | 662 | (10)% | (5)% |
| OPBIT ⁽¹⁾ | 21 | 21 | 69 | 59 | 1% | 17% |
| Operating margin % ⁽¹⁾ | 13.3% | 12.5% | 11.1% | 8.9% | - | - |
| Operating cash flow | 25 | 26 | 68 | 45 | (11)% | 49% |

- As in Q3, orders and revenue impacted by termination of major water heating contract and softness in the US housing market
- Improved margin linearity resulted in double digit margins every quarter this year
- Full year cash conversion 99%; excluding restructuring is 123%

Notes:

1. Before exceptional items.

2. CER % movements calculated using £000's.

- High Yield Bonds redeemed on 17 March 2008
- Repayment of Term Loans on 7 May 2008
- Cash of circa £200 million as of today and effectively debt free
- Nominal finance costs going forward
- Discussions progressing well with relationship banks regarding replacement of existing financing facility
- Progress on project to modify capital structure – if successful, intention is to recommence dividend payments at the end of 2008/09

Pensions

£ million

At 31 March 2007

Contributions

Current service charge

Return on assets/interest cost on liabilities

Settlements and curtailments

Disposals/liabilities held for sale

Total actuarial and market movements

Exchange

Closing balance at 31 March 2008

| | UK Main | US Main | Other | Total |
|---|-------------|-------------|--------------|--------------|
| At 31 March 2007 | (243) | (101) | (178) | (522) |
| Contributions | 94 | 18 | 17 | 129 |
| Current service charge | (12) | (8) | (7) | (27) |
| Return on assets/interest cost on liabilities | (6) | (2) | (7) | (15) |
| Settlements and curtailments | - | 3 | 1 | 4 |
| Disposals/liabilities held for sale | - | - | 3 | 3 |
| Total actuarial and market movements | 157 | 56 | 5 | 218 |
| Exchange | - | 2 | (10) | (8) |
| Closing balance at 31 March 2008 | (10) | (32) | (176) | (218) |

- Contributions include £55 million from disposal proceeds and £18 million accelerated funding payments
- Actuarial gain under IAS 19 reflects short term market movements in long term discount rates

Summary of the year

Achievements:

- Revenue and OPBIT in line with expectations
- Productivity gains underpin margin expansion
- Operating cash conversion achieved targeted 90%+; excluding restructuring exceeds 100%
- Free cash flow generated every quarter
- Disposal of non core businesses generated £294 million proceeds
- Net profit of £336 million
- 35% increase in underlying EPS
- Cash of circa £200 million as of today and effectively debt free

Areas of focus:

- Conversion of strong orders pipeline in Rail Group and Process Systems
- Continue focus on productivity and cash efficiency
- Enhance capital structure and conclude on triennial pension valuation

- Detailed quarterly reporting required by High Yield Bonds
- High Yield Bonds redeemed in March 2008
- Assessment of quarterly reporting format for Q1 2008/09
 - Requirements of UK Listing Rules for Interim Management Statement
 - Consultations with advisers and major shareholders
 - Review of 'market' reporting practice
 - Consideration of our business - 70% long cycle
- Proposed reporting format for Q1 2008/09
 - Narrative only in the form of a trading update
- Detailed half year and full year reporting will continue

OPERATIONAL REVIEW

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Ulf Henriksson
CEO

Transforming Invensys

Stopped loss and decline ... Basic EPS¹ 21.1p, underlying EPS² 17.0p, ROS 12%, ROOC³ 53% and repositioned portfolio



Repaired balance sheet (including legacy items) ... effectively debt free

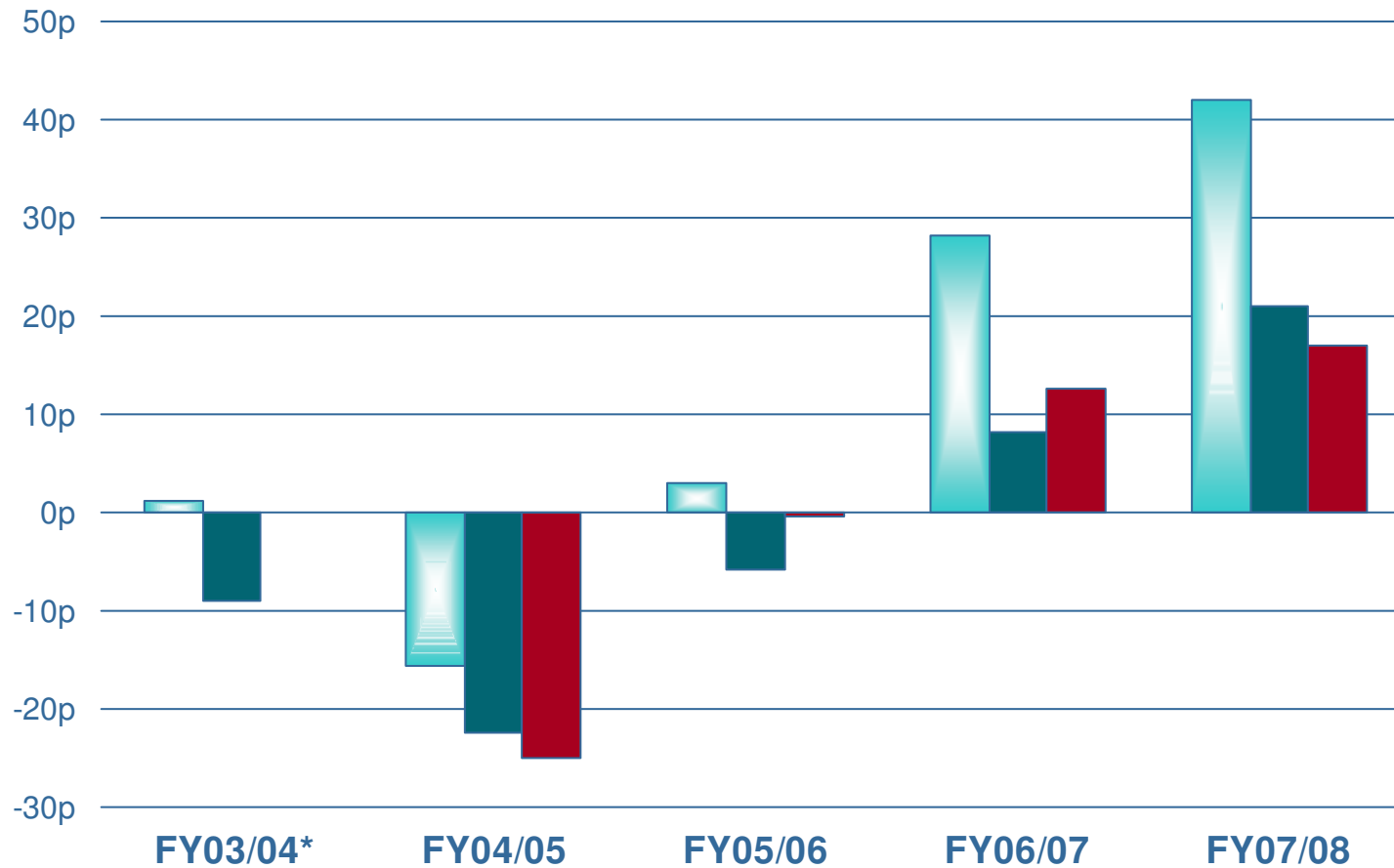


Building strong foundation, capabilities and portfolio for EPS growth and ROOC

Becoming a high performance leader where the Group's value is greater than the sum of the businesses

1. Basic EPS is calculated based on earnings for continuing operations after minority interests.
2. Underlying EPS is calculated by reference to earnings before exceptional finance costs, foreign exchange (losses)/gains and PPP settlement credit
3. Return on operating capital is calculated at comparable exchange rates as OPBIT divided by capital employed excluding goodwill, net pensions deficit, non-operating provisions and net taxation liabilities

EPS

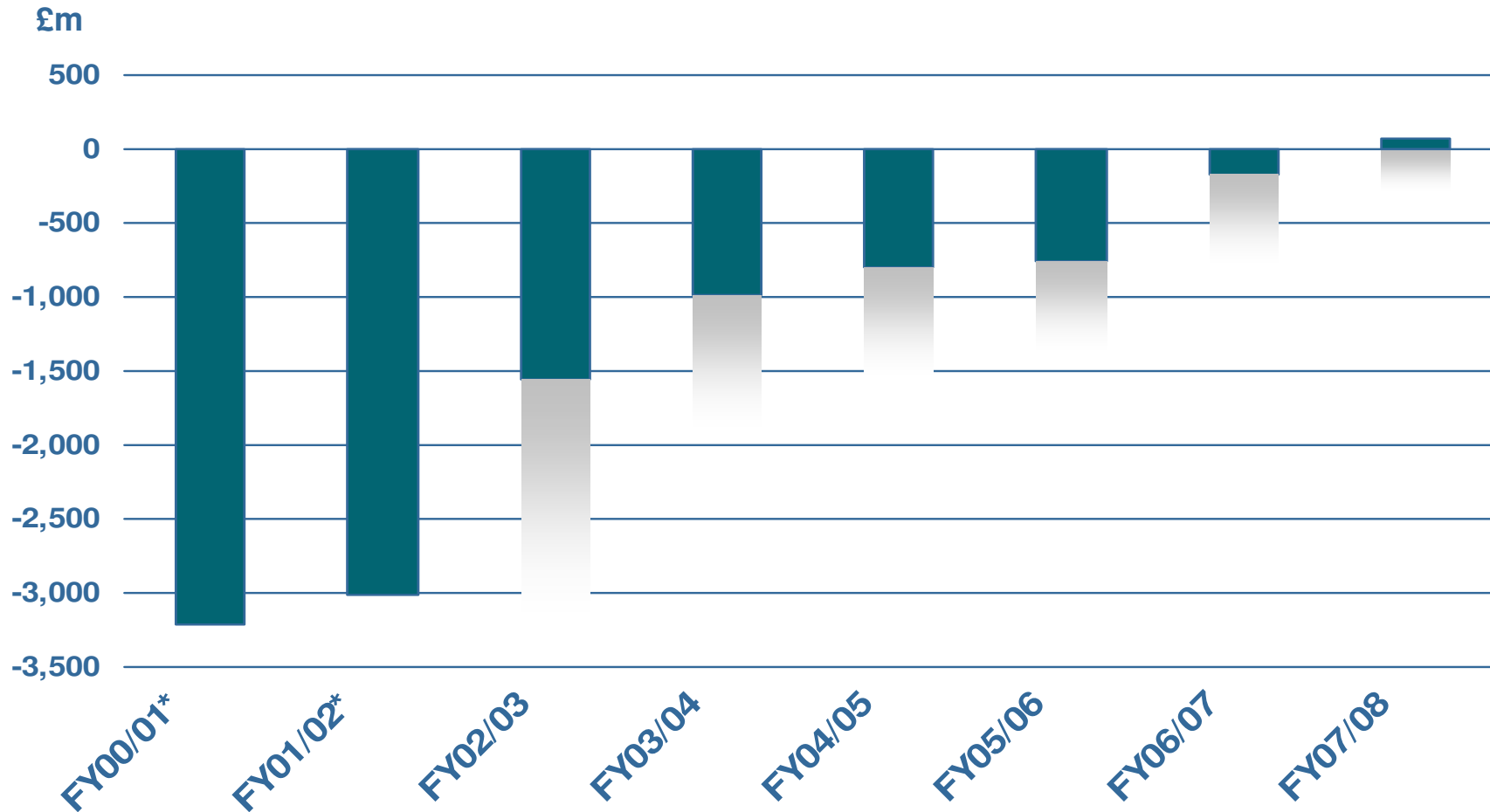


* UK GAAP – No comparable underlying EPS

■ Total Group basic
 ■ Continuing operations basic
 ■ Underlying

EPS growth ahead of plan

Debt, pension and other legacy liabilities



* Legacy liabilities not separately identified prior to FY02/03

■ Net cash/(debt) ■ Pension & other legacy liabilities

Debt reduction ahead of plan – effectively debt free at May 2008

Macro economic environment

GDP growth



Urbanisation



Productivity



Sustainability



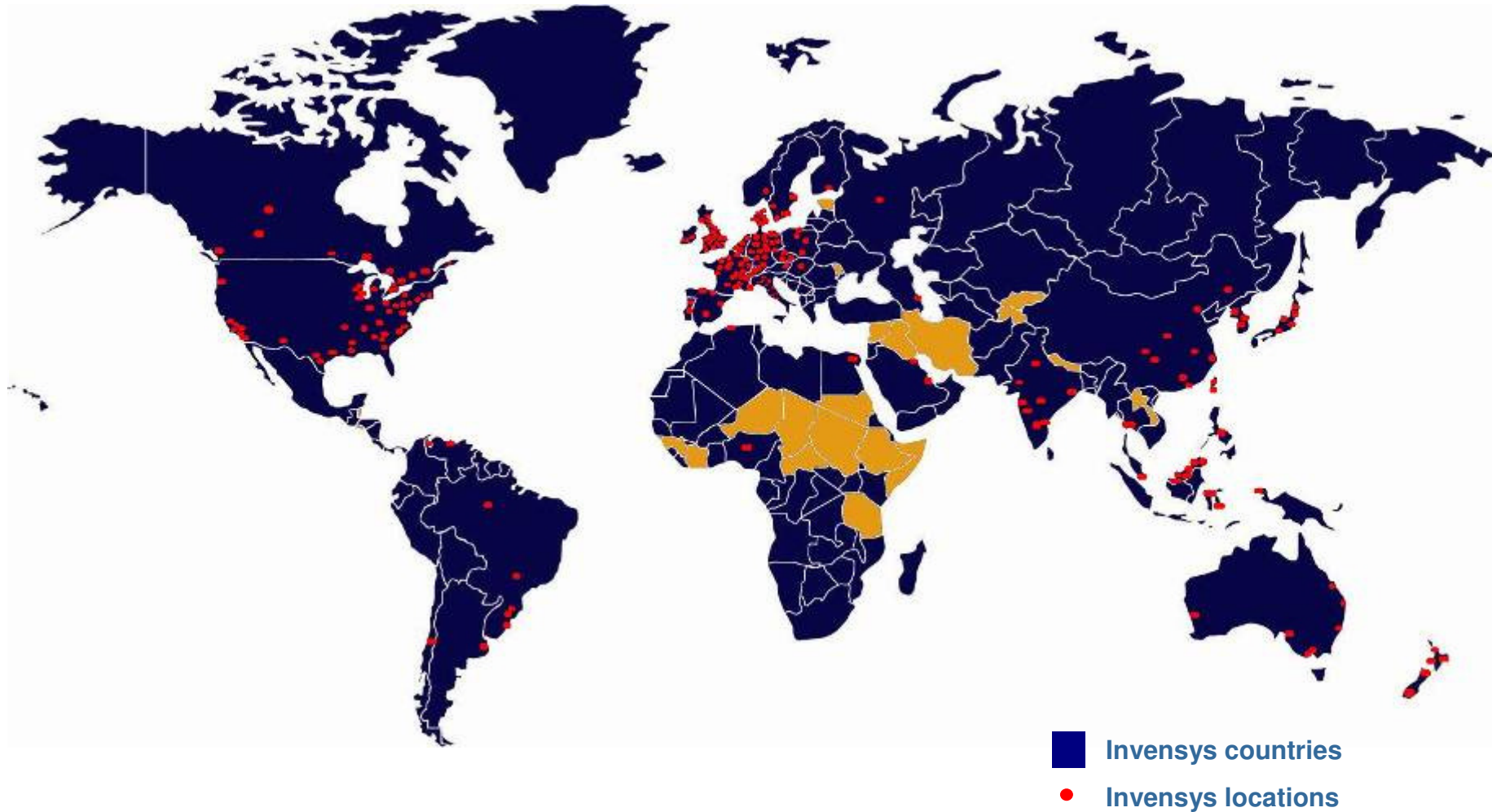
US recession

Financial crisis

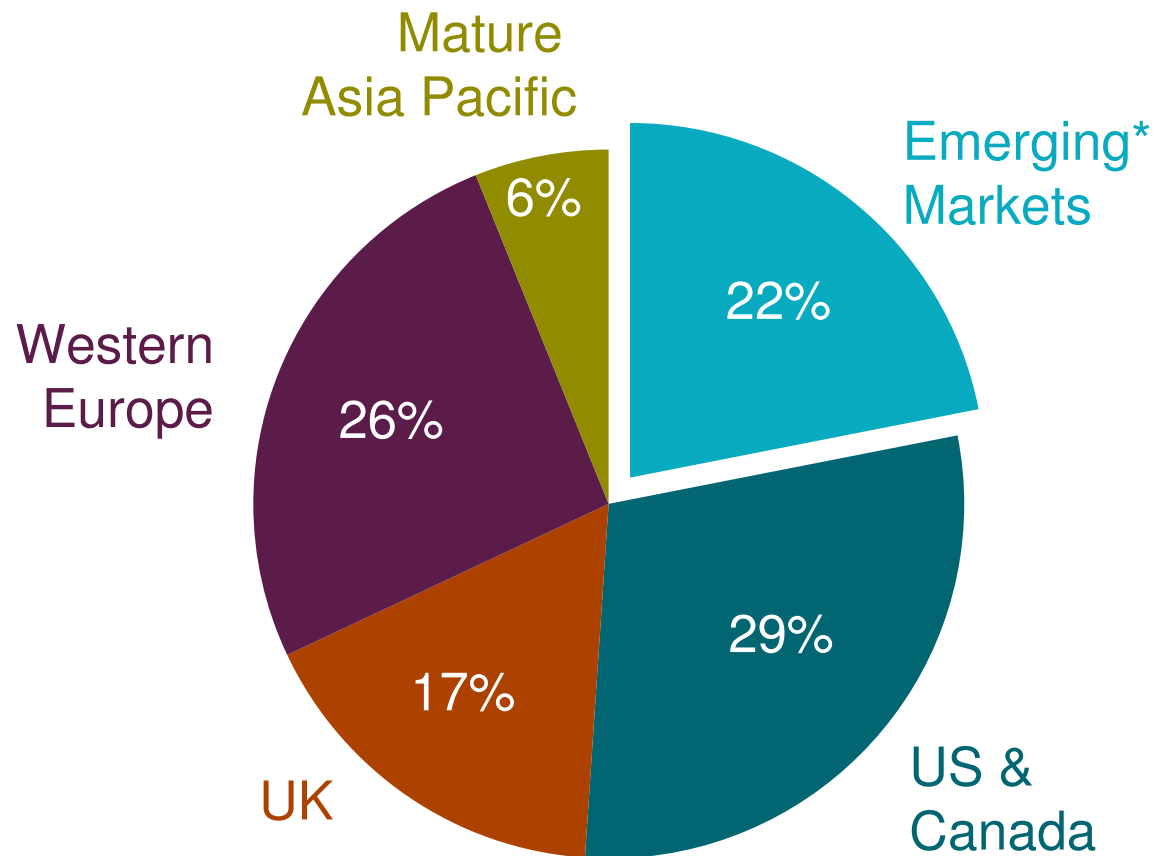
Proactively managing for the future by understanding the environment

We are a truly global company

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... 180 countries supported from locations in over 60 countries



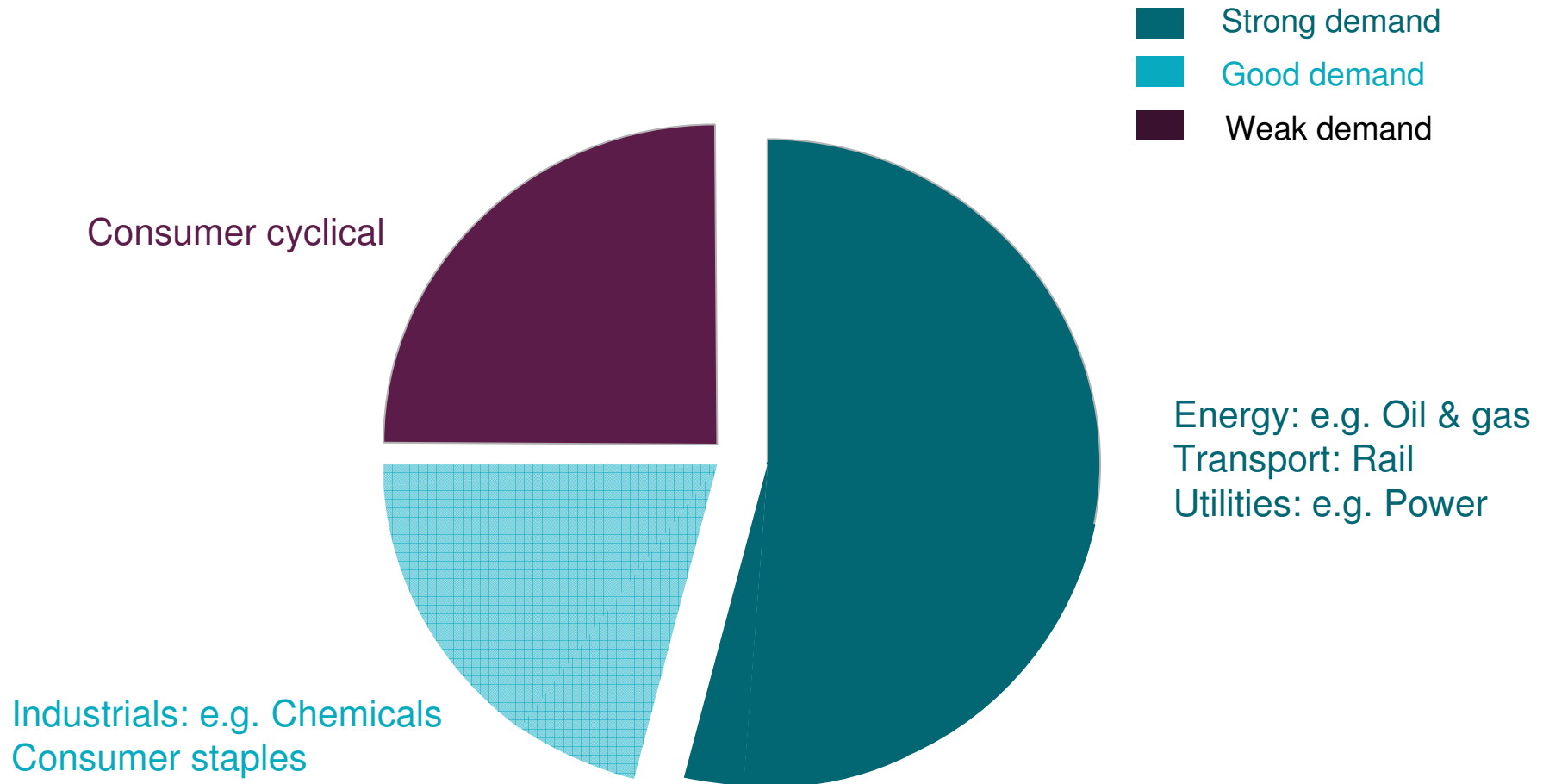
* Emerging Markets includes: Bulgaria, Czech Republic, Hungary, Poland, Slovakia, Russia, Mexico, South America, Bangladesh, China, India, Pakistan, Papua New Guinea, ASEAN, Africa & the Middle East

FY07/08 revenue by destination

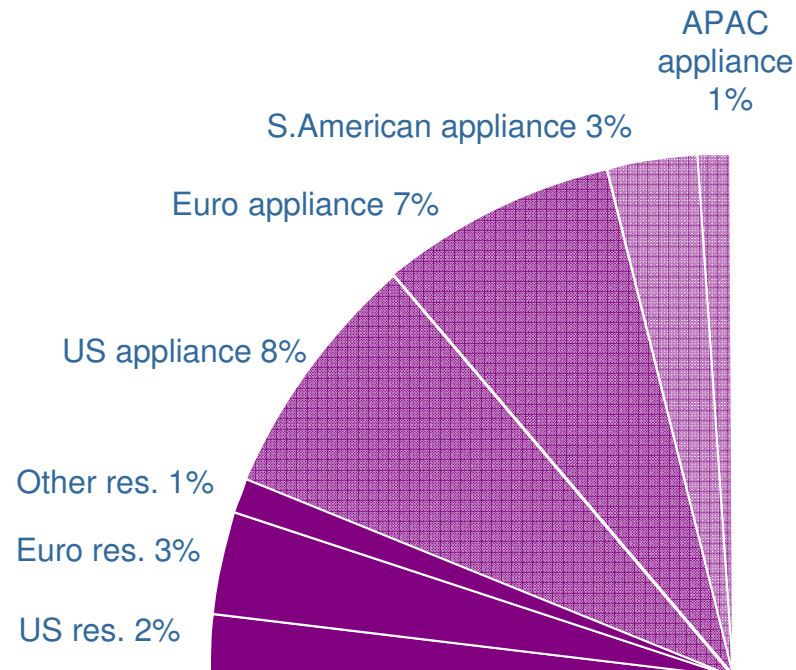
Industry coverage

| Industries | Wonderware | IPS | Eurotherm | Rail | Controls |
|------------------------|------------|-----|-----------|------|----------|
| Transport | | | | | |
| Energy | | | | | |
| Utilities | | | | | |
| Healthcare | | | | | |
| Basic Materials | | | | | |
| Industrials | | | | | |
| Technology | | | | | |
| Consumer Staples | | | | | |
| Consumer Cyclical | | | | | |
| Process Systems | | | | | |

Traditional business model

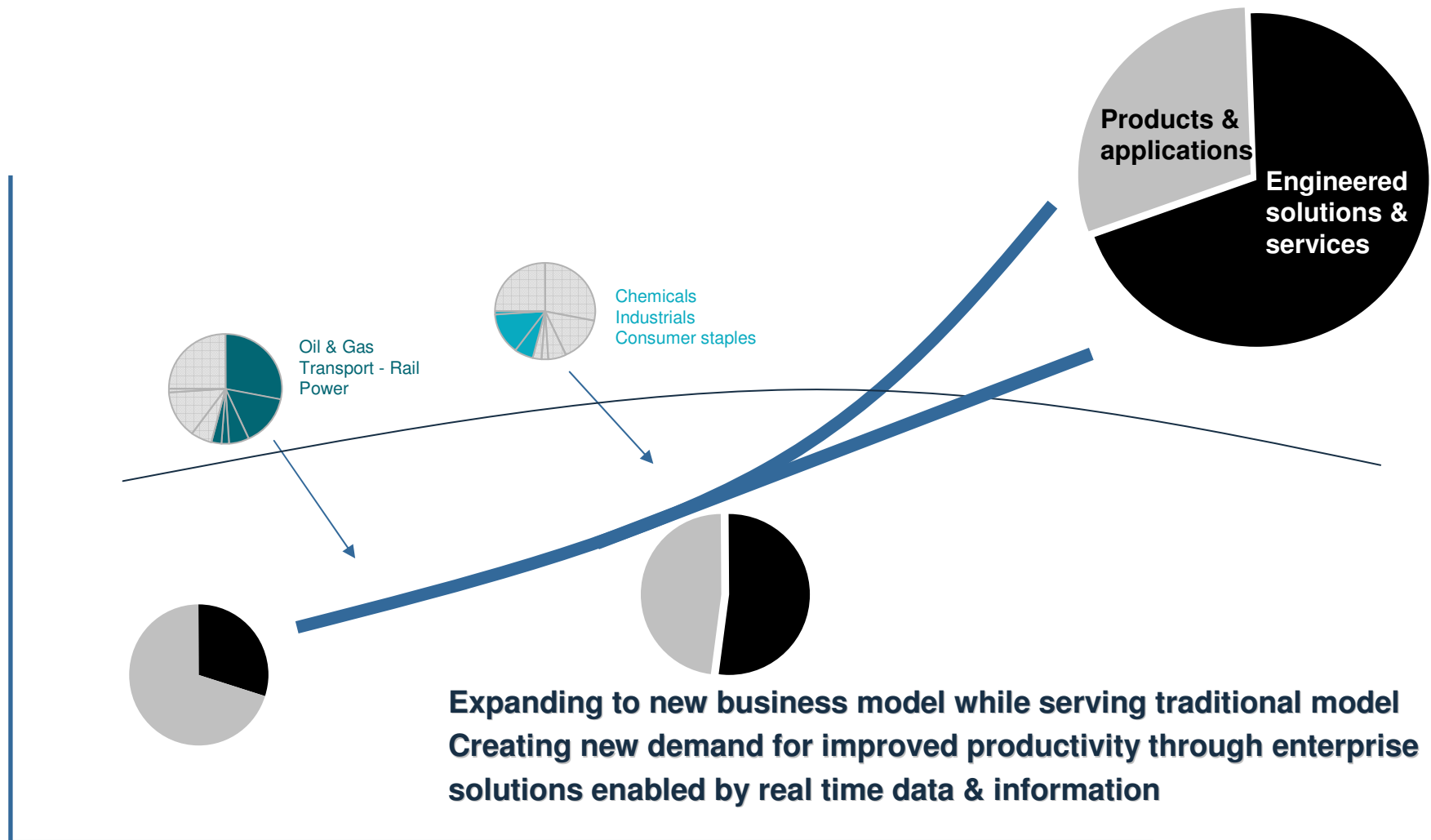


Our approach to managing Controls

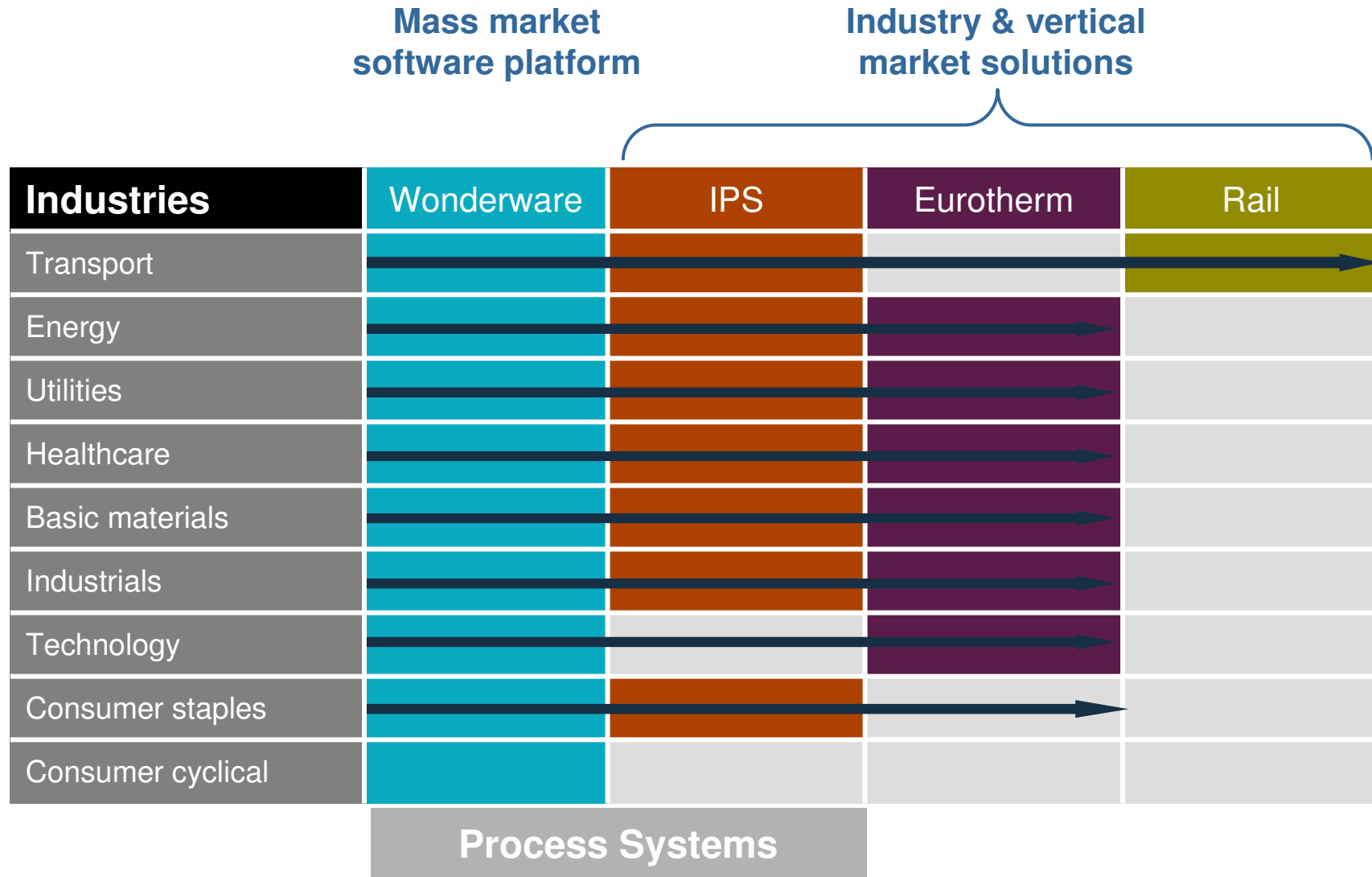


- Managed to minimise exposure to new construction
 - US 1.0%
 - Europe 2.5%
- Managing value through:
 - Portfolio focus:
 - Replacement and remodelling
 - Mid to high-end appliances
 - Primarily a direct OEM sales model
 - Productivity and cash

Expanding market potential and growth for Industrial Automation and Rail



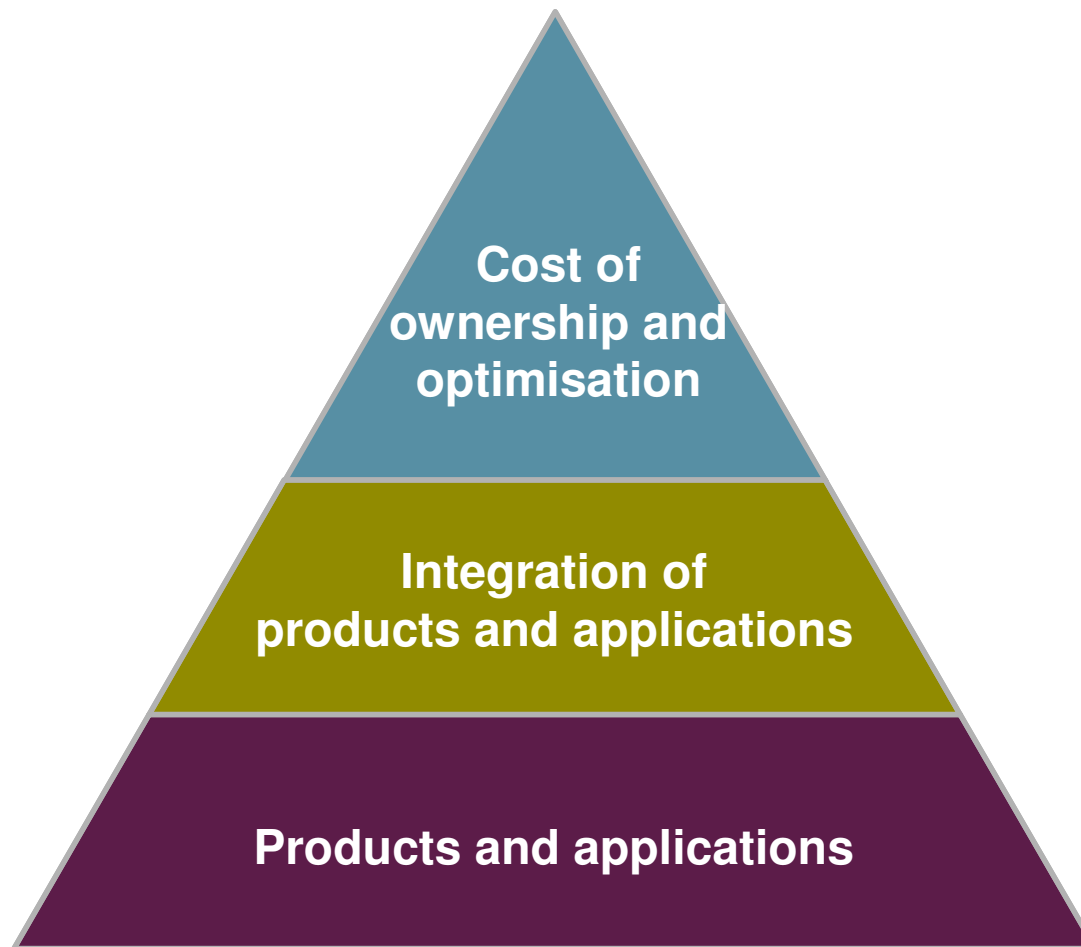
Industrial Automation and Rail



Industrial Automation and Rail

We sell ... efficiency, safety & ease of use

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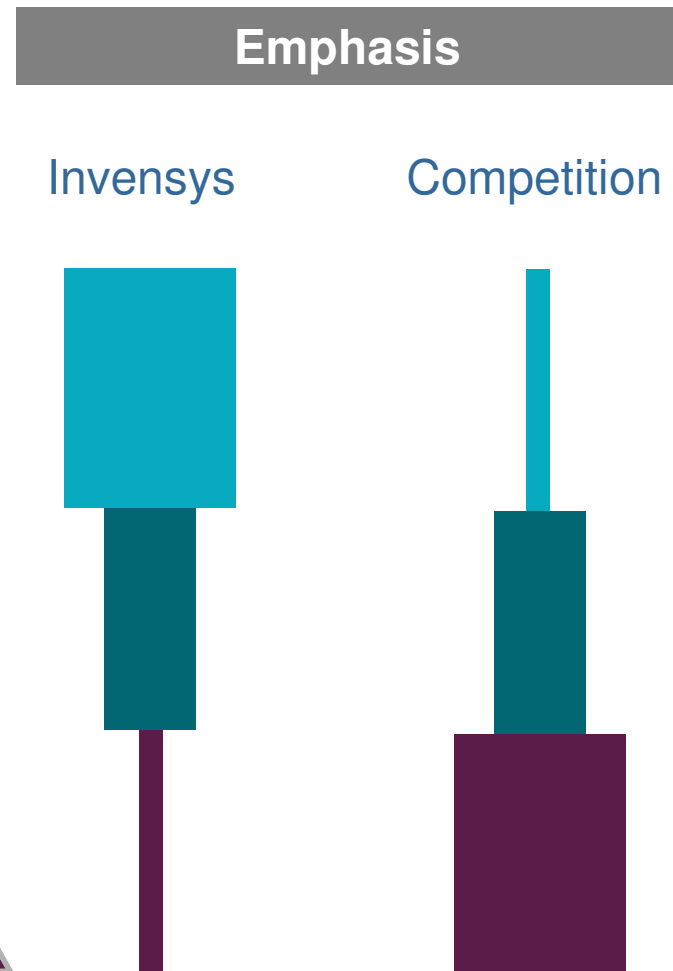
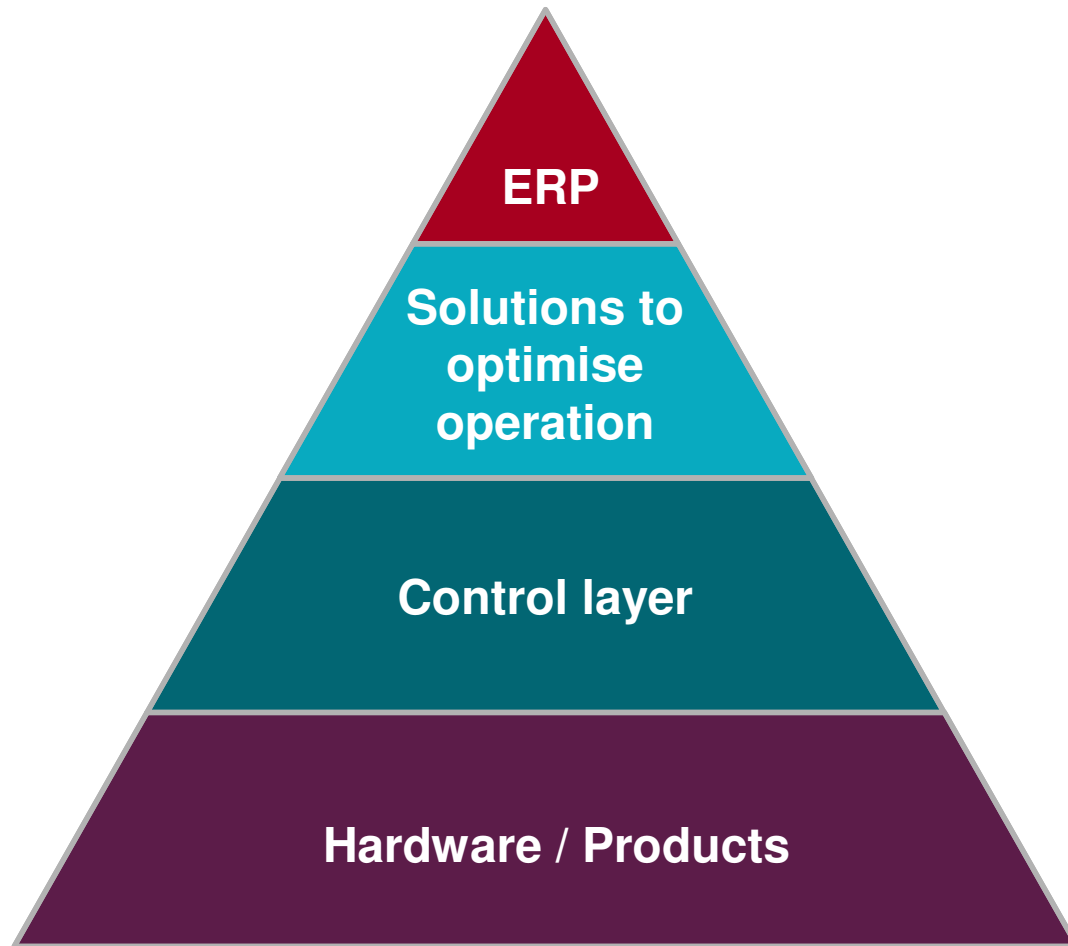
Different conversation with our customers as business model evolves



.... As a high performance software and solutions business

Industrial Automation and Rail

We are different from the competition



What are we doing now?

- Continue to improve execution capability - rigour
- Technology: Investment for Integrated Solutions, Applications and Platforms
- Sales & Marketing: Capacity and enhancement of capabilities
- Proactively managing value of Controls business to minimise impact of changing markets
- Leveraging central functions for cost and effectiveness

- Turnaround Invensys
- Transformation ahead of plan
 - Basic EPS 21.1p and underlying EPS 17.0p
 - ROOC 53%
 - £73m of net cash at year end; now around £200m
 - Effectively debt free
- Tightly and with rigour managing transformation
- Managing value adapted to business uniqueness
- Creating growth platforms for competitive differentiation

Overall we expect the Group to make further progress in the new financial year.

The global energy and infrastructure markets for Process Systems and Rail Group remain strong and we expect them to continue to grow.

At Controls, we expect at least to maintain its operating profit and cash flow performance despite continued softness in some of its markets.

Q&A

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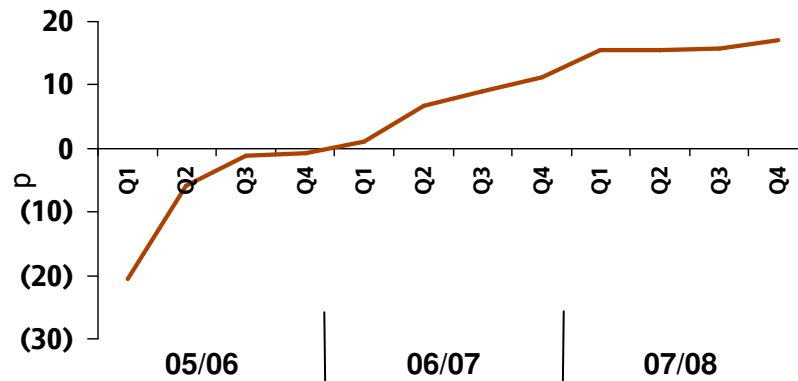
APPENDICES

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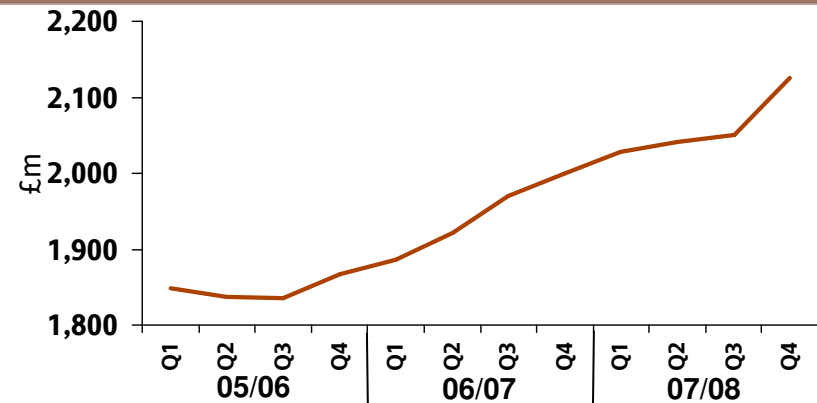
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Growth

Underlying⁽¹⁾ EPS trend *

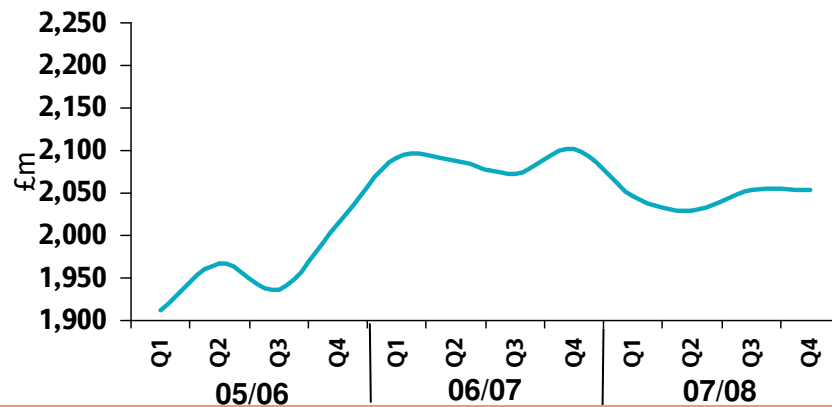


Revenue trend *

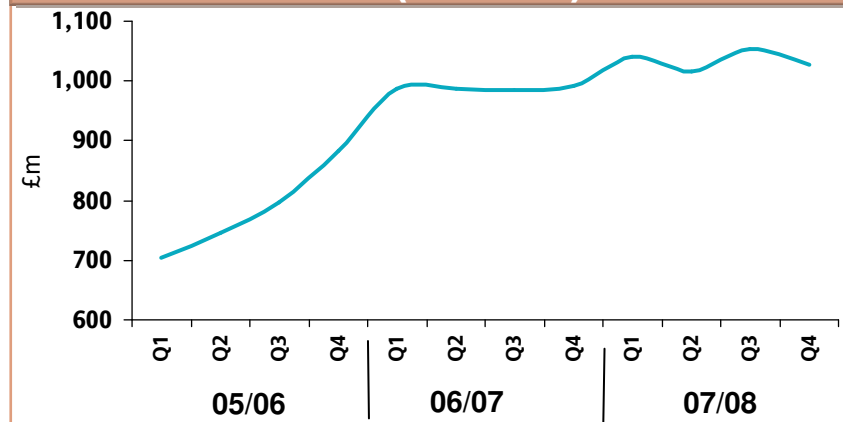


(1) Underlying EPS is calculated by reference to earnings before exceptional finance costs, foreign exchange (losses)/gains, and PPP settlement credit

Orders trends *

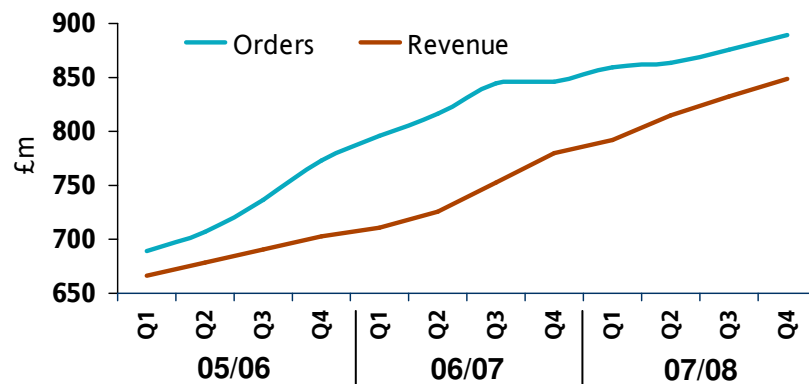


Order book (ex PPP) trend *

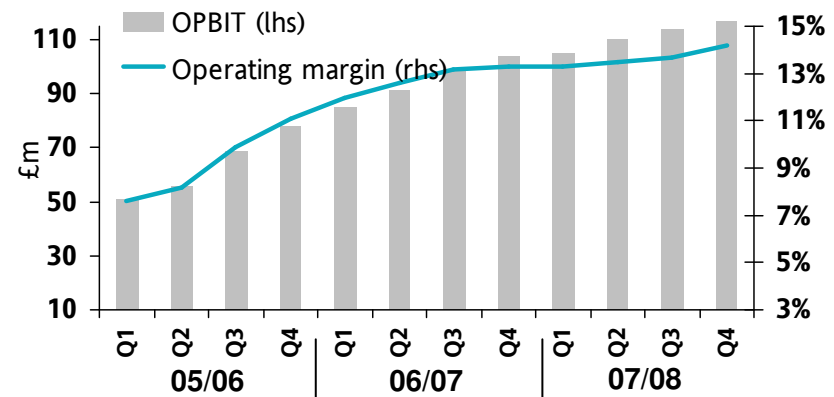


Process Systems

Orders & revenue trend *



OPBIT & operating margin trend *



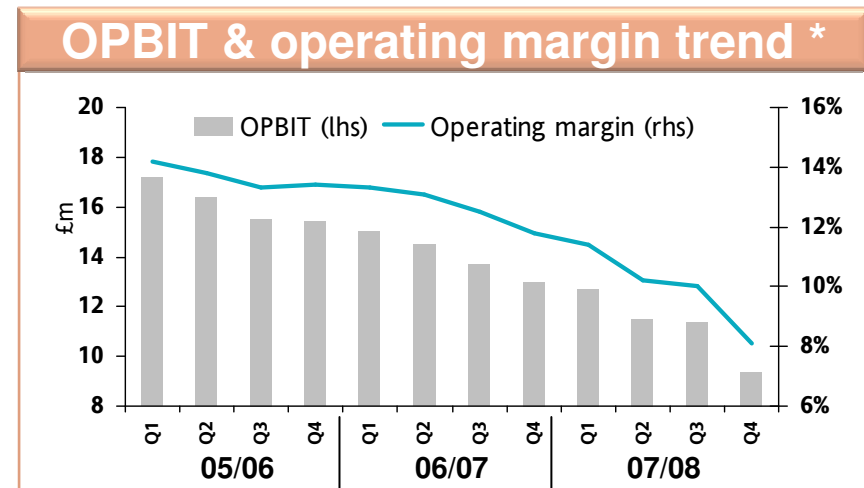
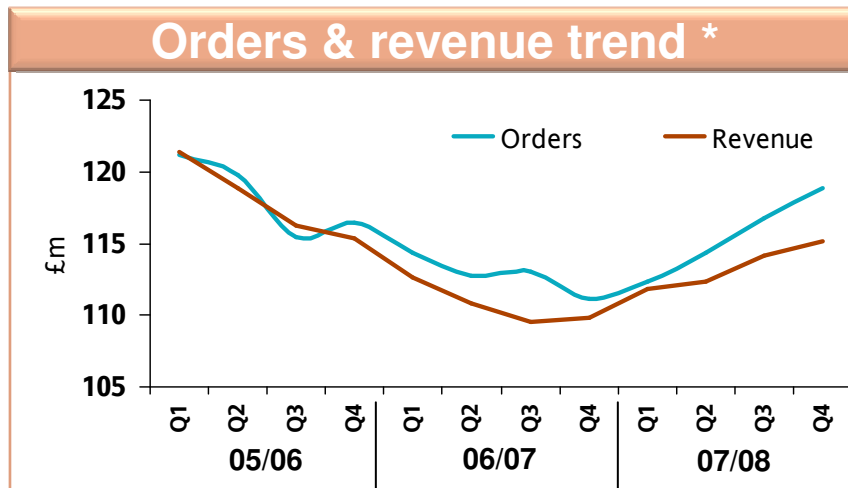
Process Systems

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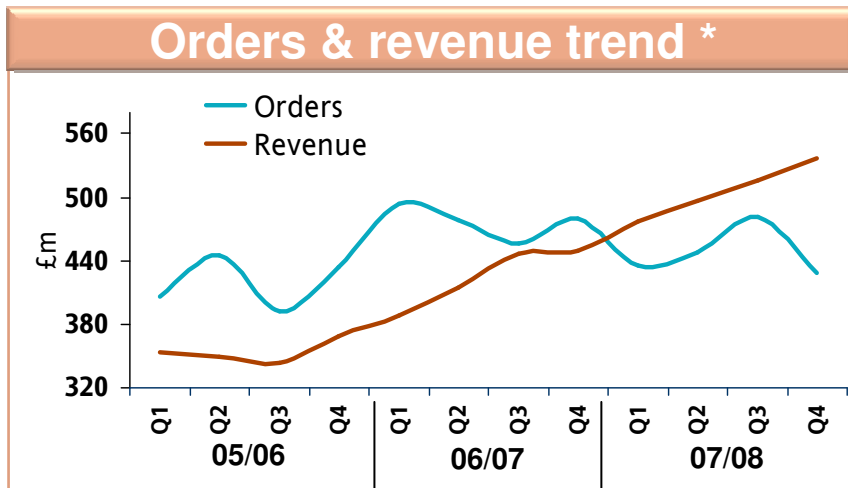
£ million

| | Q4 07/08 | Q3 07/08 | Q2 07/08 | Q1 07/08 | Q4 06/07 | Q3 06/07 | Q2 06/07 | Q1 06/07 |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Orders | 236 | 227 | 200 | 207 | 217 | 218 | 205 | 205 |
| Revenue | 237 | 214 | 205 | 174 | 216 | 200 | 190 | 173 |
| OPBIT | 40 | 31 | 26 | 20 | 33 | 28 | 23 | 20 |
| <i>Operating margin %</i> | 16.9% | 14.5% | 12.7% | 11.5% | 15.3% | 14.0% | 12.1% | 11.6% |
| Operating cash flow | 52 | 37 | 25 | (14) | 55 | 14 | 23 | 2 |
| <i>Cash conversion %</i> | 130% | 119% | 96% | (70)% | 167% | 50% | 100% | 10% |
| Restructuring charge | 1 | 3 | - | - | - | - | - | 1 |
| Capex – P,P&E | 3 | 3 | 3 | 1 | - | 3 | 3 | 3 |
| Capex – intangible | 2 | 1 | 2 | 1 | 7 | 1 | 3 | 2 |
| Depreciation | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Amortisation | 2 | 2 | 3 | 1 | 1 | 2 | - | 1 |

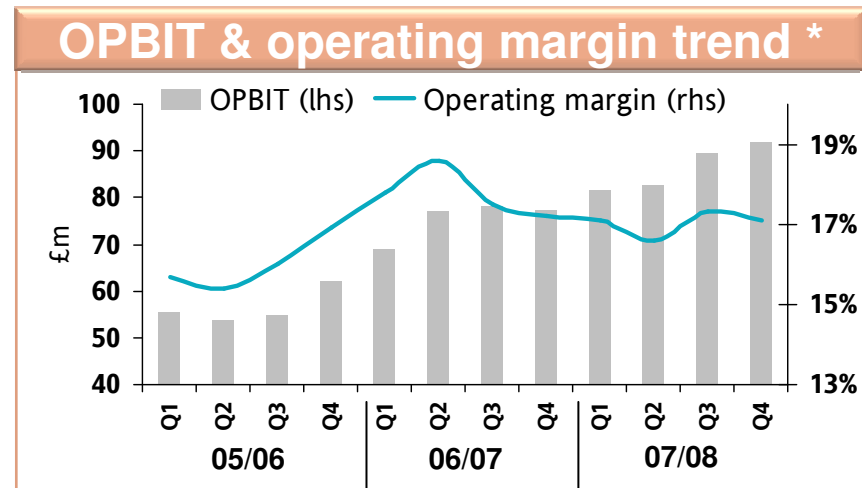


| £ million | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
|---------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 07/08 | 07/08 | 07/08 | 07/08 | 06/07 | 06/07 | 06/07 | 06/07 |
| Orders | 32 | 30 | 29 | 28 | 28 | 28 | 27 | 28 |
| Revenue | 32 | 29 | 27 | 27 | 29 | 27 | 27 | 26 |
| OPBIT | 3 | 2 | 2 | 2 | 5 | 2 | 3 | 3 |
| <i>Operating margin %</i> | 9.4% | 6.9% | 7.4% | 7.4% | 17.2% | 7.4% | 11.1% | 11.5% |
| Operating cash flow | 3 | - | 3 | - | 3 | 2 | 3 | 4 |
| <i>Cash conversion %</i> | 100% | - | 150% | - | 60% | 100% | 100% | 133% |
| Restructuring charge | - | - | - | - | - | - | - | - |
| Capex – P,P&E | 1 | - | 1 | - | 1 | 1 | - | - |
| Capex – intangible | - | - | - | - | - | - | - | - |
| Depreciation | 1 | - | - | 1 | 1 | - | 1 | - |
| Amortisation | - | - | - | - | - | - | - | - |

Orders & revenue trend *



OPBIT & operating margin trend *



Note: Comparatives restated following reclassification of Burco to discontinued operations

*MAT at CER

Rail Group

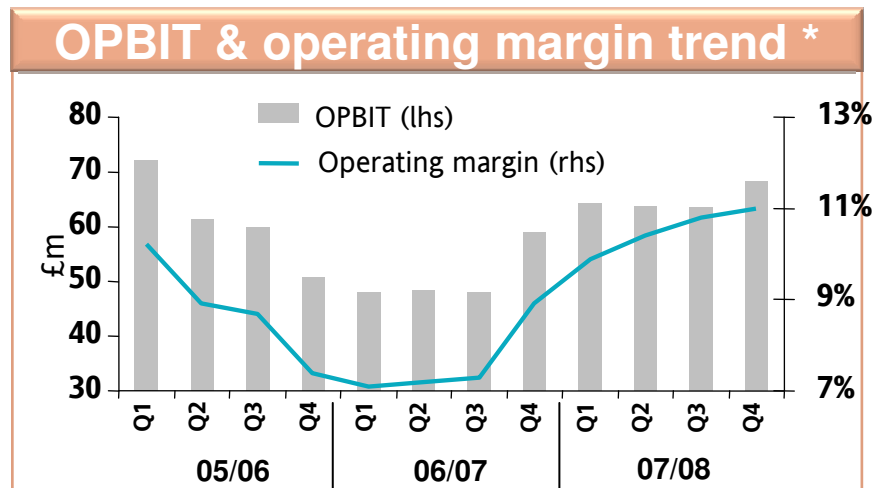
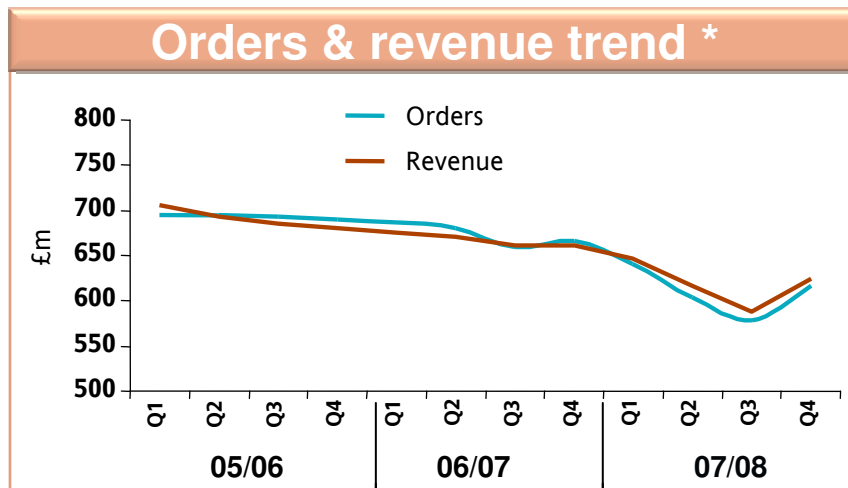
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| £ million | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
|---------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 07/08 | 07/08 | 07/08 | 07/08 | 06/07 | 06/07 | 06/07 | 06/07 |
| Orders | 76 | 131 | 105 | 117 | 127 | 95 | 94 | 163 |
| Revenue | 145 | 138 | 128 | 128 | 120 | 117 | 110 | 102 |
| OPBIT | 25 | 26 | 21 | 21 | 22 | 18 | 21 | 16 |
| <i>Operating margin %</i> | 17.2% | 18.8% | 16.4% | 16.4% | 18.3% | 15.4% | 19.1% | 15.7% |
| Operating cash flow | 17 | 24 | 10 | 42 | 21 | 27 | 47 | 38 |
| <i>Cash conversion %</i> | 68% | 92% | 48% | 200% | 95% | 150% | 224% | 238% |
| Restructuring charge | - | - | - | - | - | - | - | - |
| Capex – P,P&E | 2 | 2 | - | 2 | 3 | 1 | 1 | 1 |
| Capex – intangible | 3 | 3 | 2 | 3 | 3 | 2 | 3 | 3 |
| Depreciation | 1 | 2 | 1 | 1 | 1 | 1 | 1 | 1 |
| Amortisation | 3 | 3 | 2 | 3 | 2 | 1 | 4 | 2 |

Note: Comparatives restated following reclassification of Burco to discontinued operations

Controls



Controls

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| £ million | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
|---------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 07/08 | 07/08 | 07/08 | 07/08 | 06/07 | 06/07 | 06/07 | 06/07 |
| Orders | 165 | 144 | 150 | 159 | 173 | 150 | 171 | 172 |
| Revenue | 158 | 152 | 155 | 159 | 168 | 163 | 169 | 162 |
| OPBIT | 21 | 16 | 16 | 16 | 21 | 14 | 15 | 9 |
| <i>Operating margin %</i> | 13.3% | 10.5% | 10.3% | 10.1% | 12.5% | 8.6% | 8.9% | 5.6% |
| Operating cash flow | 25 | 18 | 14 | 11 | 26 | 24 | (1) | (4) |
| <i>Cash conversion %</i> | 119% | 113% | 88% | 69% | 124% | 171% | (7)% | (44)% |
| Restructuring charge | 3 | 4 | 4 | 5 | 8 | - | 3 | - |
| Capex – P,P&E | 4 | 4 | 4 | 3 | 9 | 4 | 8 | 5 |
| Capex – intangible | 1 | - | - | - | 1 | - | - | - |
| Depreciation | 6 | 6 | 6 | 7 | 6 | 8 | 6 | 7 |
| Amortisation | - | - | - | - | - | - | - | - |

Orders at Constant Exchange Rates (CER) Q4 and FY

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£ million

| | Process Systems | Eurotherm | Rail Group | Controls | Continuing Operations |
|-------------------------------|-----------------|-----------|------------|----------|-----------------------|
| Q4 | | | | | |
| Q4 06/07 | 217 | 28 | 127 | 173 | 545 |
| Exchange | 6 | 2 | 5 | 7 | 20 |
| Q4 06/07 adjusted base | 223 | 30 | 132 | 180 | 565 |
| CER movement | 13 | 2 | (56) | (15) | (56) |
| Q4 07/08 | 236 | 32 | 76 | 165 | 509 |
| CER movement % ⁽¹⁾ | 6% | 7% | (42)% | (8)% | (10)% |
| FY | | | | | |
| FY 06/07 | 845 | 111 | 479 | 666 | 2,101 |
| Exchange | (19) | - | 5 | (2) | (16) |
| FY 06/07 adjusted base | 826 | 111 | 484 | 664 | 2,085 |
| CER movement | 44 | 8 | (55) | (46) | (49) |
| FY 07/08 | 870 | 119 | 429 | 618 | 2,036 |
| CER movement % ⁽¹⁾ | 5% | 7% | (11)% | (7)% | (2)% |

Note:

1. CER movement % calculated using £000's.

Revenue at Constant Exchange Rates (CER) **Invensys**[®]

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Q4 and FY

£ million

| | Process Systems | Eurotherm | Rail Group | Controls | Continuing Operations |
|-------------------------------|-----------------|------------|------------|------------|-----------------------|
| Q4 | | | | | |
| Q4 06/07 | 216 | 29 | 120 | 168 | 533 |
| Exchange | 5 | 3 | 4 | 7 | 19 |
| Q4 06/07 adjusted base | 221 | 32 | 124 | 175 | 552 |
| CER movement | 16 | - | 21 | (17) | 20 |
| Q4 07/08 | 237 | 32 | 145 | 158 | 572 |
| CER movement % ⁽¹⁾ | 7% | 4% | 17% | (10)% | 4% |
| FY | | | | | |
| FY 06/07 | 779 | 109 | 449 | 662 | 1,999 |
| Exchange | (17) | 1 | 2 | (3) | (17) |
| FY 06/07 adjusted base | 762 | 110 | 451 | 659 | 1,982 |
| CER movement | 68 | 5 | 88 | (35) | 126 |
| FY 07/08 | 830 | 115 | 539 | 624 | 2,108 |
| CER movement % ⁽¹⁾ | 9% | 5% | 20% | (5)% | 6% |

Note:

1. CER movement % calculated using £000's.

OPBIT at Constant Exchange Rates (CER) Q4 and FY

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Q4

| | Process Systems | Eurotherm | Rail Group | Controls | Corporate | Continuing Operations |
|-------------------------------|-----------------|-----------|------------|-----------|------------|-----------------------|
| Q4 06/07 | 33 | 5 | 22 | 21 | (10) | 71 |
| Exchange | 1 | - | 1 | - | - | 2 |
| Q4 06/07 adjusted base | 34 | 5 | 23 | 21 | (10) | 73 |
| CER movement | 6 | (2) | 2 | - | 1 | 7 |
| Q4 07/08 | 40 | 3 | 25 | 21 | (9) | 80 |
| CER movement % ⁽¹⁾ | 20% | (41)% | 12% | 1% | - | 11% |

FY

| | | | | | | |
|-------------------------------|------------|----------|-----------|-----------|-------------|------------|
| FY 06/07 | 104 | 13 | 77 | 59 | (37) | 216 |
| Exchange | (3) | - | 1 | - | - | (2) |
| FY 06/07 adjusted base | 101 | 13 | 78 | 59 | (37) | 214 |
| CER movement | 16 | (4) | 15 | 10 | 3 | 40 |
| FY 07/08 | 117 | 9 | 93 | 69 | (34) | 254 |
| CER movement % ⁽¹⁾ | 16% | (27)% | 19% | 17% | (9)% | 19% |

Note:

1. CER movement % calculated using £000's.

Earnings per share

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Profit from continuing operations after minority interests

Earnings per share (p) (basic)

Profit from continuing operations after minority interests

Adjust: foreign exchange losses/(gains)

Add back: exceptional finance costs

Less: PPP settlement credit

Add back: Tax charge generated by PPP settlement credit

Profit before exceptional finance costs, foreign exchange (losses)/gains and PPP settlement credit

Underlying earnings per share (p) (basic)

| | Q4 07/08 | Q4 06/07 | FY 07/08 | FY 06/07 |
|--|----------|----------|----------|----------|
| | 95 | 35 | 168 | 60 |
| | 11.9p | 4.4p | 21.1p | 8.2p |
| | 95 | 35 | 168 | 60 |
| | 8 | 4 | 21 | (35) |
| | 36 | - | 36 | 67 |
| | (95) | - | (95) | - |
| | 5 | - | 5 | - |
| | 49 | 39 | 135 | 92 |
| | 6.2p | 4.9p | 17.0p | 12.6p |

Note: Based on weighted average number of shares of 795 million for the full year and quarter (FY 2007: 733 million, Q4 2007: 796 million)

IAS 19 pension charge

£ million

| | Q4 07/08 | Q4 06/07 | FY 07/08 | FY 06/07 | |
|---------------------------------------|-------------|-------------|-------------|-------------|--|
| Service cost ⁽¹⁾ – current | 8 | 9 | 36 | 37 | <i>Operating profit – continuing</i> |
| – current | - | 1 | 2 | 3 | <i>Profit – discontinued operations</i> |
| – past | - | 2 | - | 19 | <i>Other operating exceptional items</i> |
| IAS 19 finance charges | 3 | 2 | 15 | 10 | |
| Total | 11 | 14 | 53 | 69 | |

Note:

1. Includes defined contribution charge of £11 million for the full year and £3 million for the quarter (FY 2007: £8 million; Q4 2007: £2 million).

Net finance costs

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£ million

| | Income statement | | | |
|----------------------------------|------------------|-----------|-----------|------------|
| | Q4 | Q4 | FY | FY |
| | 07/08 | 06/07 | 07/08 | 06/07 |
| Bank debt | 3 | 2 | 12 | 14 |
| Capital market debt | 8 | 10 | 33 | 48 |
| Bonding | 2 | 1 | 7 | 11 |
| Amortisation of facility fees | 2 | 1 | 6 | 7 |
| Other | 3 | - | 5 | 2 |
| Finance income | (8) | (3) | (18) | (16) |
| Net finance costs | 10 | 11 | 45 | 66 |
| Exceptional finance costs | 36 | - | 36 | 67 |
| Total net finance costs | 46 | 11 | 81 | 133 |

| | Cash flow | | | |
|--|-----------|-----------|-----------|------------|
| | Q4 | Q4 | FY | FY |
| | 07/08 | 06/07 | 07/08 | 06/07 |
| | 6 | 2 | 13 | 30 |
| | 17 | 17 | 34 | 51 |
| | 2 | 2 | 6 | 11 |
| | - | - | - | - |
| | 1 | 1 | 2 | - |
| | (7) | (4) | (16) | (18) |
| | 19 | 18 | 39 | 74 |
| | 18 | - | 18 | 38 |
| | 37 | 18 | 57 | 112 |

Facility fees capitalised within prepayments (2006 Refinancing)

| | | | |
|---|---|---|----|
| - | - | - | 15 |
|---|---|---|----|

Memo:

Facility fees capitalised within net debt (2006 Refinancing)

| | | | |
|---|---|---|---|
| - | - | - | 4 |
|---|---|---|---|

Balance sheet

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| | 31 Mar 08 | 31 Dec 07 | 30 Sep 07 | 30 Jun 07 | 31 Mar 07 |
|--|--------------|--------------|--------------|--------------|--------------|
| Property, plant and equipment | 282 | 274 | 271 | 305 | 314 |
| Intangible assets – goodwill | 215 | 212 | 208 | 205 | 206 |
| Intangible assets – other ⁽¹⁾ | 92 | 90 | 88 | 90 | 90 |
| | 589 | 576 | 567 | 600 | 610 |
| Net trading assets | 61 | 17 | 49 | 56 | 29 |
| Deferred taxation | 6 | 1 | 1 | 1 | 1 |
| Other legacy liabilities | (67) | (83) | (87) | (91) | (95) |
| Net pension liability | (218) | (237) | (301) | (525) | (522) |
| | 371 | 274 | 229 | 41 | 23 |
| Net assets held for sale | 2 | 1 | 91 | 3 | 3 |
| | 373 | 275 | 320 | 44 | 26 |
| Shareholders' funds/(deficit) – equity | 377 | 266 | 71 | (182) | (200) |
| Minority interests | 69 | 64 | 62 | 59 | 60 |
| Total equity | 446 | 330 | 133 | (123) | (140) |
| Net (cash)/debt | (73) | (55) | 187 | 167 | 166 |
| | 373 | 275 | 320 | 44 | 26 |

Note:

1. Includes intangible development costs of £81 million (31 Dec 07: £79 million; 30 Sep 07: £74 million, 30 Jun 07: £75 million, 31 Mar 07: £76 million).

Movement in legacy liabilities

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| £ million | | | | | | Pensions |
|---------------------------------|----------|------------------------------|--------------------------------------|-------------|-----------|------------|
| | Taxation | Litigation/ Environmental | Transition/ Surplus properties | Discounting | Sub total | |
| At 31 March 2003 | 256 | 140 | 100 | 204 | 700 | 931 |
| At 31 March 2004 | 134 | 107 | 64 | - | 305 | 606 |
| At 31 March 2005 | 58 | 71 | 40 | - | 169 | 574 |
| At 31 March 2006 | 30 | 60 | 32 | - | 122 | 489 |
| At 31 March 2007 | 16 | 50 | 29 | - | 95 | 522 |
| Cash | (4) | (5) | (6) | - | (15) | (129) |
| Charge/(release) ⁽¹⁾ | (7) | 6 | (4) | - | (5) | 42 |
| Curtailments/disposals | - | - | - | - | - | (7) |
| Reclassified | (5) | (7) | - | - | (12) | - |
| Market movements | - | - | - | - | - | (218) |
| Discounting | - | 1 | 1 | - | 2 | - |
| Exchange | - | 1 | 1 | - | 2 | 8 |
| At 31 March 2008 | - | 46 | 21 | - | 67 | 218 |

Notes:

1. The pension income statement charge comprises current and past service costs/credits, and finance charges/credits for defined benefit schemes only.

Reconciliation of free cash flow to IAS 7 net cash flow from operating activities

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Free cash flow

Remove: Finance income

Facility fees capitalised within prepayments

Net capital expenditure

Include: Disposal of continuing operations

Pension contributions from disposal of operations

Disposal of other financial assets

Net cash flow from operating activities (IAS 7)

| | Q4 | Q4 | FY | FY |
|--|-----------|------------|-----------|------------|
| | 07/08 | 06/07 | 07/08 | 06/07 |
| Free cash flow | 32 | 90 | 64 | 111 |
| Remove: Finance income | (7) | (4) | (16) | (18) |
| Facility fees capitalised within prepayments | - | - | - | 15 |
| Net capital expenditure | 17 | 26 | 58 | 75 |
| Include: Disposal of continuing operations | - | - | - | 6 |
| Pension contributions from disposal of operations | (13) | - | (55) | (18) |
| Disposal of other financial assets | - | (7) | - | (10) |
| Net cash flow from operating activities (IAS 7) | 29 | 105 | 51 | 161 |

Movement in net cash/(debt)

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| | Q4 07/08 | Q4 06/07 | FY 07/08 | FY 06/07 |
|--|-------------|--------------|--------------|--------------|
| Opening net cash/(debt) | 55 | (249) | (166) | (757) |
| Free cash flow | 32 | 90 | 64 | 111 |
| Dividends paid to minorities | - | (1) | (1) | (3) |
| Acquisition costs | - | - | (12) | (1) |
| Issue of shares (net of expenses) | - | - | - | 323 |
| Net divestment proceeds | 10 | - | 295 | 152 |
| Net (cash)/debt divested | - | - | (19) | 3 |
| Pension contributions from disposal proceeds | (13) | - | (55) | (18) |
| Amortisation of facility fees within debt ⁽¹⁾ | (9) | (1) | (11) | (25) |
| Purchase of Invensys plc shares by Employee Share Trust | - | - | (9) | - |
| Purchase of shares on vested share awards | - | - | (4) | - |
| Currency movement | (2) | (5) | (9) | 49 |
| Closing net cash/(debt) | 73 | (166) | 73 | (166) |

Notes:

1. Including exceptional write-off of facility fees (FY 2008: £6 million; Q4 2008: £6 million; FY 2007: £21 million; Q4 2007: £nil)

Free cash flow

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| | Q4 07/08 | | | FY 07/08 | | |
|--|-----------|-------------|-----------|------------|-------------|------------|
| | Operating | Legacy | Total | Operating | Legacy | Total |
| Operating profit - continuing | 80 | - | 80 | 254 | - | 254 |
| Operating profit - discontinued | - | - | - | 14 | - | 14 |
| Depreciation | 11 | - | 11 | 47 | - | 47 |
| Amortisation | 5 | - | 5 | 19 | - | 19 |
| Net capital expenditure | (11) | - | (11) | (37) | - | (37) |
| - P, P & E | | | | | | |
| - intangibles | (6) | - | (6) | (21) | - | (21) |
| Share based payments | 2 | - | 2 | 8 | - | 8 |
| IAS 19 pension cost | 8 | - | 8 | 38 | - | 38 |
| Pension contributions | (8) | (9) | (17) | (38) | (47) | (85) |
| Working capital movement | 17 | - | 17 | (37) | - | (37) |
| Restructuring costs | (9) | - | (9) | (31) | - | (31) |
| Transition costs | - | (2) | (2) | - | (6) | (6) |
| Environmental & litigation settlements | - | (1) | (1) | - | (5) | (5) |
| Operating cash flow | 89 | (12) | 77 | 216 | (58) | 158 |
| Net finance costs | (19) | - | (19) | (39) | - | (39) |
| Exceptional finance costs | (18) | - | (18) | (18) | - | (18) |
| Taxation paid | (7) | (1) | (8) | (33) | (4) | (37) |
| Free cash flow | 45 | (13) | 32 | 126 | (62) | 64 |

Cash/debt financing

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| | Effective Rate Cash (%) ⁽¹⁾ | 31 Mar 08 Drawn Cash £ million | 31 Dec 07 Drawn Cash £ million |
|---|---|--------------------------------------|--------------------------------------|
| USD Bonds 2011 | | - | (89) |
| EUR Bonds 2011 | | - | (254) |
| USD Bonds 2010 | 6.500% | (6) | (6) |
| Term Loans | L + 2.0%-2.375% ⁽²⁾ | (155) | (150) |
| Other debt | | (1) | (1) |
| Total gross debt (before costs & discount) | | (162) | (500) |
| Debt issuance costs | | - | 9 |
| Total gross debt (after costs & discount) | | (162) | (491) |
| Cash | | 235 | 546 |
| Net cash | | 73 | 55 |

1. L+ = margin over LIBOR applicable to amounts drawn at March 2008

2. USD borrowings at L + 2.0%, EUR borrowings at L + 2.375%

NB: The Group has a revolving credit facility of £130 million (31 Dec 07: £130 million) and bonding facilities of £395 million (31 Dec 07: £397 million) of which £246 million (31 Dec 07: £247 million) was utilised for the issuance of guarantees

Currency of net cash

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| | Facility Size | Fixed/ Variable | Drawn at 31 March 2008 Effective currency | | | | | Total |
|---------------------------------|------------------|--------------------|--|-------------|-----------|-----------|-----------|-----------|
| | | | USD | EURO | JPY | GBP | Other | |
| USD Bonds 2010 | 6 | Fixed | (6) | - | - | - | - | (6) |
| Term Loans | 155 | Variable | (95) | (60) | - | - | - | (155) |
| Cash/other | | | 95 | 40 | 5 | 45 | 49 | 234 |
| Net (debt)/cash | | | (6) | (20) | 5 | 45 | 49 | 73 |
| FX swaps | | | (2) | (47) | 13 | 32 | 3 | (1) |
| Economic net (debt)/cash | | | (8) | (67) | 18 | 77 | 52 | 72 |

Exchange rates

| | Period ends | | | | | Averages | | | |
|------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Mar 2008 | Dec 2007 | Sep 2007 | Jun 2007 | Mar 2007 | FY 07/08 | Q4 07/08 | FY 06/07 | Q4 06/07 |
| US\$ | 1.99 | 2.00 | 2.04 | 2.00 | 1.97 | 2.01 | 1.96 | 1.89 | 1.95 |
| €uro | 1.26 | 1.36 | 1.43 | 1.48 | 1.47 | 1.42 | 1.33 | 1.47 | 1.47 |