

News release

28 July 2010

Invensys plc, the technology company, is today publishing the following Interim Management Statement ahead of its Annual General Meeting which will be held at 11.00am this morning at the Park Plaza Victoria London, 239 Vauxhall Bridge Road, London SW1V 1EQ:

INTERIM MANAGEMENT STATEMENT

Outlook and Q1 2010/11 performance

Based upon our performance in the first quarter and our current views of our markets and exchange rates and as detailed in our Annual Report and Accounts 2010, we continue to expect the Group to deliver improved performance in the current year.

Invensys Operations Management

Invensys Operations Management produced a solid performance in the first quarter. We have continued to see the expected recovery in our measurement and instrumentation and Eurotherm equipment business, especially in North America and Europe, and in advanced applications.

Our base control and safety business has experienced solid order growth in emerging markets as we have continued to win large and complex greenfield projects, particularly in the power generation sector. We continue to expect improvements later in the year based upon our order book and strong pipeline of order prospects.

Invensys Rail

At Invensys Rail, underlying operating margins in the first half of the year will be in line with our medium term target of 17-18% before provisions for additional implementation costs of around £13 million arising in respect of three mass transit contracts, two of which are in the later stages of delivery. We expect that operating margins in the second half will be at least in line with target levels.

Looking forward, Invensys Rail's large order book, with 46% relating to projects in new markets, should help towards offsetting any revenue implications arising from the outcome of various spending reviews by the UK and Spanish governments.

Invensys Controls

Invensys Controls produced a good performance in the first quarter, in line with our expectations. We have seen increases in volumes as markets in North America and South America have improved and we have seen some early signs of improvement in Europe.

As volumes recover, we continue to expect margins to improve as Invensys Controls benefits from the impact of prior restructuring.

Financial Position

At 30 June 2010, the Group had net cash totalling £296 million. The £67 million reduction in the quarter was due to a range of factors including a £19 million deficit reduction payment into the UK Main Pension Scheme accelerated from September 2010 to take advantage of interest rate differentials, some delayed contract receipts at Invensys Rail, the acquisition of Skelta Software for a cash consideration of £6 million, restructuring spend and the effect of changes in exchange rates.

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Safe harbor

This announcement contains certain statements that are forward-looking. These statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Forward-looking statements are not guarantees of future performance. The Group's actual results of operations, financial condition and liquidity, and the development of the industries in which the Group operates, may differ materially from those made in or suggested by these statements and a number of factors could cause the results and developments to differ materially from those expressed or implied by these forward-looking statements.