

News release

13 January 2012

Invensys plc, the technology group, is today publishing the following Interim Management Statement covering the period since 30 September 2011:

INTERIM MANAGEMENT STATEMENT

Q3 performance

The performance of the substantial majority of the Group continues to be in line with management expectations. However a number of operational issues relating to certain projects within Invensys Operations Management and Invensys Rail will affect performance for the current year. We now expect that our reported operating profit¹ for the full year will be significantly below last year.

Invensys Operations Management maintained momentum with growth in revenue supported by continued market strength and its large order book. However a review has been carried out of the engineering requirements and associated costs for the three contracts to install and commission control and safety systems into eight nuclear reactors under construction in China. This review has concluded that there will be a delay in delivery and the need for additional engineering to be carried out on the first contract and, whilst some of this engineering will be reused on the later contracts, this will impact the division's performance this year by around £40 million.

At Invensys Rail, the division has achieved notable recent successes in winning orders in Saudi Arabia, Turkey and the UK. However detailed reviews of a small number of contracts have identified the need to delay revenue recognition and provide for additional costs, which will result in the division's performance for the year being around £20 million less than expected.

At Invensys Controls, the appliance markets in North America and Europe remained weak which was partially offset by continued strength in the commercial and wholesale markets.

Going forward, we remain confident about the prospects for the Group.

Financial position

Net cash at 31 December 2011 was £159 million (30 September 2011: £192 million), reflecting working capital fluctuations and the payment of the interim dividend.

Note 1. References to operating profit and operating margin are arrived at before exceptional items.

Conference call

Wayne Edmunds, CEO, and David Thomas, CFO, will be hosting a conference call for analysts and fund managers at 8.00 a.m. GMT this morning:

Dial-in details (please note that the passcode is required).

UK: +44 (0)20 7136 2050

US: +1 646 254 3364

France: 0805 631 579

Germany: 0800 589 2674

Italy: 800 089 737

Spain: 800 600 525

Confirmation Code: 4911247

A recording will be available shortly after the completion of the call until 20 January 2012:

Tel: +44 (0) 20 7111 1244

Access code: 4911247#

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.

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