

INVESCO PLC/LONDON/
Form DEF 14A
October 22, 2007

Table of Contents

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary proxy statement

- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

- Definitive Proxy Statement

- Definitive Additional Materials

- Soliciting Material Pursuant to § 240.14a-12

INVESCO PLC

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.

 - Fee computed below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:

 - (2) Aggregate number of securities to which transaction applies:

 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11. (Set forth the amount on which the filing fee is calculated and state how it was determined):

 - (4) Proposed maximum aggregate value of transaction:

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 - Fee paid previously with preliminary materials.

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 - (3) Filing Party: _____
 - (4) Date Filed: _____
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Table of Contents

THIS DOCUMENT IS IMPORTANT AND REQUIRES
YOUR IMMEDIATE ATTENTION

Proposed Scheme of Arrangement
to establish
INVESCO PLC
as a subsidiary of
Invesco Ltd.

Circular to INVESCO PLC Shareholders, the INVESCO PLC SV Shareholder,
INVESCO Inc. Exchangeable Shareholders and INVESCO PLC ADS holders

Table of Contents

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately about the Proposal from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000 or, if you are in a territory outside the United Kingdom, is an appropriately authorised independent financial advisor. Capitalised terms used throughout this document have the meanings set forth in Part VIII of this document.

If you are an INVESCO PLC Shareholder and/or an INVESCO PLC ADS holder and have sold or otherwise transferred all of your INVESCO PLC Shares and/or INVESCO PLC ADSs, please send this document and the accompanying documents at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold or otherwise transferred some of your INVESCO PLC Shares and/or INVESCO PLC ADSs, you should immediately consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The Invesco Ltd. Shares are intended to be quoted on the NYSE. The application is expected to become effective and trading in the Invesco Ltd. Shares on the NYSE is expected to commence at 9:30 a.m. (New York time) and 2:30 p.m. (London time) on the Effective Date which, subject to the approval of the Court, is expected to be 4 December 2007.

Dealings in INVESCO PLC Shares on the London Stock Exchange's main market for listed securities will be suspended with effect from start of trading on the Effective Date, currently expected to be 4 December 2007. The existing listing of INVESCO PLC Shares on the Official List and their admission to trading on the London Stock Exchange's main market for listed securities and the quotation of INVESCO PLC ADSs on the NYSE will be cancelled immediately prior to the commencement of dealings of Invesco Ltd. Shares on the NYSE.

Following implementation of the Proposal, the Takeover Code will not apply to acquisitions of shares in, or offers for shares of, Invesco Ltd.

INVESCO PLC
Proposed scheme of arrangement
(under section 425 of the Companies Act 1985)
to establish
INVESCO PLC
as a
subsidiary of
Invesco Ltd.

The distribution of this document and any of the accompanying documents in jurisdictions other than the United Kingdom or the United States may be restricted by law and therefore persons into whose possession this document or any of the accompanying documents comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdiction.

Notices of the Court Meeting and the Extraordinary General Meeting, each of which will be held on 14 November 2007, are set out on pages 64 to 68 of this document.

Your attention is drawn to the letter from the Chairman of INVESCO PLC on pages 14 to 15 of this document, recommending that INVESCO PLC Shareholders, holders of INVESCO PLC ADS and the INVESCO PLC SV Shareholder vote in favour of the scheme of arrangement (under section 425 of the Companies Act 1985) which is being proposed to enable INVESCO PLC Shareholders to exchange their INVESCO PLC Shares for ordinary shares in Invesco Ltd. which has its registered office in Hamilton, Bermuda, and which will be the new holding company of INVESCO.

INVESCO PLC Shareholders are asked to complete and return the relevant enclosed forms of proxy in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not later than 48 hours before the relevant meeting. If the form of proxy for the Court Meeting is not lodged by then, it may be handed to the chairman of the Court Meeting before the start of the Court Meeting.

INVESCO PLC ADS holders are asked to sign and return the ADS Voting Instruction Card in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by the Depository, at the address indicated on the ADS Voting Instruction Card, not later than 5:00 p.m. on 6 November 2007.

The action to be taken by INVESCO PLC Shareholders is detailed on page 29 of this document. The action to be taken by the INVESCO PLC ADS holders is also detailed on page 29 of this document. These materials are being sent to shareholders on or about 22 October 2007.

Apart from the responsibilities and liabilities, if any, which may be imposed on UBS Limited or JPMorgan Cazenove Limited by the Financial Services and Markets Act 2000 or the regulatory regime established thereunder, neither UBS Limited nor JPMorgan Cazenove Limited accepts any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by either of them, or on their behalf, in connection with INVESCO PLC, Invesco Ltd., the INVESCO PLC Shares, the INVESCO PLC ADSs, the Invesco Ltd. Shares or the Proposal. Each of UBS Limited and JPMorgan Cazenove Limited accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) which either of them might otherwise have in respect of this document or any such statement.

This document does not constitute an offer or an invitation to any person to subscribe for or to purchase any securities in Invesco Ltd.

UBS Limited is acting as financial adviser to INVESCO PLC and Invesco Ltd. in connection with the Proposal and for no one other than INVESCO PLC or Invesco Ltd. and will not be responsible to anyone other than INVESCO PLC or Invesco Ltd. for providing the protections afforded to clients of UBS Limited or for providing advice in relation to the Proposal or the contents of this document.

JPMorgan Cazenove Limited is acting as financial adviser to INVESCO PLC and Invesco Ltd. in connection with the Proposal and for no one other than INVESCO PLC or Invesco Ltd. and will not be responsible to anyone other than INVESCO PLC or Invesco Ltd. for providing the protections afforded to clients of JPMorgan Cazenove Limited or for providing advice in relation to the Proposal or the contents of this document.

TABLE OF CONTENTS

<u>EXPECTED TIMETABLE</u>		5
<u>QUESTIONS AND ANSWERS ABOUT THE PROPOSAL</u>		7
<u>PART I</u>	LETTER FROM THE CHAIRMAN OF INVESCO PLC	14
<u>PART II</u>	EXPLANATORY STATEMENT	16
<u>PART III</u>	CHANGES IN THE RIGHTS OF INVESCO PLC SHAREHOLDERS AND LEGAL CONSEQUENCES	31
<u>PART IV</u>	CONDITIONS TO THE IMPLEMENTATION OF THE SCHEME	48
<u>PART V</u>	SCHEME OF ARRANGEMENT	49
<u>PART VI</u>	IMPORTANT INFORMATION FOR SHAREHOLDERS	54
<u>PART VII</u>	ADDITIONAL INFORMATION	56
<u>PART VIII</u>	DEFINITIONS	60
<u>NOTICE OF COURT MEETING</u>		64
<u>NOTICE OF EXTRAORDINARY GENERAL MEETING</u>		66

Table of Contents

EXPECTED TIMETABLE

ADS Record Date	Close of business in New York on 11 October 2007
Latest time for lodging of ADS Voting Instruction Cards	5:00 p.m. (New York time) ⁽¹⁾ on 6 November 2007
Latest time for lodging forms of proxy for the:	
Court Meeting	11:30 a.m. on 12 November 2007 ⁽²⁾
Extraordinary General Meeting	11:45 a.m. on 12 November 2007 ⁽³⁾
Court Meeting	11:30 a.m. on 14 November 2007
Extraordinary General Meeting	11:45 a.m. on 14 November 2007 ⁽⁴⁾
First Court Hearing to sanction the Scheme	3 December 2007
Second Court Hearing to confirm Capital Reduction	3 December 2007 ⁽⁵⁾
Redemption of any outstanding INVESCO Inc. Exchangeable Shares	3 December 2007 ⁽⁵⁾
Scheme Record Time	5:00 p.m. on 3 December 2007 ⁽⁵⁾
Suspension of dealings in INVESCO PLC Shares	8:00 a.m. on 4 December 2007 ⁽⁵⁾
Effective Date of the Scheme	4 December 2007 ⁽⁵⁾
Cancellation of listing of INVESCO PLC Shares	8:30 a.m. on 4 December 2007 ⁽⁵⁾
Effective time for the Share Capital Consolidation	2:00 p.m. on 4 December 2007 ⁽⁵⁾
Cancellation of listing of INVESCO PLC ADSs and commencement of trading on the NYSE in Invesco Ltd. Shares	9:30 a.m. (New York time) and 2:30 p.m. (London time) on 4 December 2007 ⁽⁵⁾

Notes:

- (1) References to time in this document are to London time, unless otherwise stated.
- (2) It is requested that forms of proxy for the Court Meeting be lodged at least 48 hours prior to the appointed time for the Court Meeting, although forms of proxy not so lodged may be handed to the chairman of the Court Meeting before the start of the Court Meeting.
- (3) Forms of proxy for the Extraordinary General Meeting must be lodged at least 48 hours prior to the Extraordinary General Meeting. Proxies for the Extraordinary General Meeting not submitted by this time will be invalid.
- (4) Or as soon thereafter as the Court Meeting shall have concluded or been adjourned.
- (5) These dates are indicative only and will depend, *inter alia*, on the date upon which the Court sanctions the Scheme.

ENCLOSURES

All INVESCO PLC Shareholders will find enclosed with this document:

a BLUE form of proxy for use at the Court Meeting; and

a WHITE form of proxy for use at the Extraordinary General Meeting;

The INVESCO PLC SV Shareholder will find enclosed with this document:

a PINK form of proxy for use at the Extraordinary General Meeting.

All INVESCO PLC ADS holders will find enclosed with this document:

an ADS Voting Instruction Card; and

a postage paid return envelope.

HELPLINES

Capita Registrars are providing a telephone helpline to answer questions which INVESCO PLC Shareholders may have prior to deciding what action to take. The number for callers dialling from within the UK is 0800 030 4452 and for callers dialling from outside the UK the number is +44 208 639 3314.

The Bank of New York Mellon is providing a telephone helpline to answer questions which INVESCO PLC ADS holders may have prior to deciding what action to take. The number for callers dialling from within the US is 877 277 9899 and for callers dialling from outside the US the number is +1 201 680 6686.

Helpline operators cannot provide financial or legal advice and will only be able to answer questions on the effect of the Proposal.

Helplines are open Monday to Friday during normal business hours.

Table of Contents

LEGAL NOTICES

Nothing contained in this document shall constitute an offer to sell or issue, or a solicitation of any offer to purchase or subscribe for, any shares in INVESCO PLC or Invesco Ltd., nor shall it form the basis of, or be relied upon in connection with, any contract for such purchase or subscription.

The Invesco Ltd. Shares to be issued pursuant to the Scheme will not be registered under the Securities Act, and will be issued in reliance upon the exemption from the registration requirements of the Securities Act provided by section 3(a)(10) thereof.

FORWARD-LOOKING STATEMENTS

This document may include statements that constitute forward-looking statements within the meaning of United States securities laws. These statements are based on the beliefs and assumptions of Invesco's management and on information available to Invesco's management at the time such statements were made. Forward-looking statements include information concerning possible or assumed future results of our operations, earnings, liquidity, cash flow and capital expenditures, industry or market conditions, assets under management, acquisition activities and the effect of completed acquisitions, debt levels and our ability to obtain additional financing or make payments on our debt, regulatory developments, demand for and pricing of our products and other aspects of our business or general economic conditions. In addition, when used in this document, words such as believes, expects, anticipates, intends, plans, estimates and future or conditional verbs such as will, may, could, should and would and any other that necessarily depends on future events, are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Although we make such statements based on assumptions that we believe to be reasonable, there can be no assurance that actual results will not differ materially from Invesco's expectations. Invesco cautions investors not to rely unduly on any forward-looking statements.

The following important factors, and other factors described in Invesco's Annual Report on Form 20-F, among others, could cause Invesco's results to differ materially from any results that Invesco may describe in any such forward-looking statements: (1) variations in demand for Invesco's investment products or services, including termination or non-renewal of Invesco's investment advisory agreements; (2) significant changes in net cash flows into or out of the accounts Invesco manages or declines in market value of the assets in, or redemptions or other withdrawals from, those accounts; (3) significant fluctuations in the performance of debt and equity markets worldwide; (4) the effect of political or social instability in the countries in which Invesco invests or does business; (5) the effect of terrorist attacks in the countries in which Invesco invests or does business and the escalation of hostilities that could result therefrom; (6) enactment of adverse state, federal or foreign legislation or changes in government policy or regulation (including accounting standards) affecting Invesco's operations or the way in which Invesco's profits are taxed; (7) war and other hostilities in or involving countries in which Invesco invests or does business; (8) adverse results in litigation, including private civil litigation related to market timing, mutual fund fees and mutual fund sales practices, and any similar potential regulatory or other proceedings; (9) exchange rate fluctuations, especially as against the US dollar; (10) the effect of economic conditions and interest rates in the US, UK or globally; (11) Invesco's ability to compete in the investment management business; (12) the effect of consolidation in the investment management business; (13) limitations or restrictions on access to distribution channels for our products; (14) Invesco's ability to attract and retain key personnel, including investment management professionals; (15) the investment performance of Invesco's investment products and Invesco's ability to retain Invesco's accounts; (16) Invesco's ability to acquire and integrate other companies into Invesco's operations successfully and the extent to which we can realise anticipated cost savings and synergies from such acquisitions;

(17) changes in regulatory capital requirements; (18) Invesco's substantial debt and the limitations imposed by our credit facility; (19) the effect of failures or delays in support systems or customer service functions, and other interruptions of our operations; (20) the occurrence of breaches and errors in the conduct of Invesco's business; and (21) the execution risk inherent in Invesco's current company-wide transformational initiatives. Other factors and assumptions not identified above were also involved in the derivation of these forward-looking statements, and the failure of such other assumptions to be realised, as well as other factors, may also cause actual results to differ materially from those projected.

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE PROPOSAL

The following is designed to assist your understanding of the Proposal. However, it should not be solely relied upon for a full and proper understanding of the Proposal and you are advised to read the whole of this document.

Holder of INVESCO Inc. Exchangeable Shares please refer to question no. 5.

Holder of INVESCO PLC ADSs should also read paragraph 9 of Part II of this document, which contains more particular information about the Proposal as it affects holders of INVESCO PLC ADSs.

1 What is the Proposal?

Invesco Ltd. is a new company incorporated in Bermuda under the Bermuda Companies Act. INVESCO PLC is proposing to reorganise itself pursuant to a Court approved scheme of arrangement under the laws of England and Wales so that INVESCO PLC becomes a wholly-owned subsidiary of Invesco Ltd. and the former INVESCO PLC Shareholders and INVESCO PLC ADS holders become shareholders of Invesco Ltd.

Invesco is applying to list the Invesco Ltd. common shares to be issued under the Scheme on the NYSE. The application is expected to become effective and trading in Invesco Ltd. Shares is expected to commence shortly after the scheme of arrangement becomes effective. Simultaneously, the INVESCO PLC Shares will be delisted from the London Stock Exchange and the INVESCO PLC ADS programme will be terminated, with the Invesco Ltd. Shares underlying the INVESCO PLC ADSs being distributed to the holders of the INVESCO PLC ADSs upon surrender of the INVESCO PLC ADSs to the Depository.

As part of the Proposal, Invesco Ltd. intends to implement a reverse stock split on a two-for-one basis in respect of the Invesco Ltd. Shares issued under the Scheme. This is being proposed to help ensure that initially the Invesco Ltd. Shares trade at a value comparable to the trading value of the INVESCO PLC ADSs. The effect of the reverse stock split (described in this document as the Share Capital Consolidation) is that INVESCO PLC Shareholders will ultimately receive one Invesco Ltd. Share for every two INVESCO PLC Shares held before the Scheme becomes effective.

For the purposes of this document, references to the Proposal should be read as including all of the above-mentioned actions.

Finally, INVESCO PLC Shareholders are being asked to pass the resolutions necessary to enable a proposed intragroup reorganisation to take place after the scheme of arrangement becomes effective.

2 What will be the effect of the Proposal on Invesco PLC Shares?

If fully implemented, the Proposal will result in all the INVESCO PLC Shares being replaced by Invesco Ltd. Shares, on the following basis:

One Invesco Ltd. Share for every two INVESCO PLC Shares currently held.

You will not have to pay anything for the Invesco Ltd. Shares.

3 What are INVESCO PLC ADSs?

INVESCO PLC Shares are listed on the NYSE in the form of INVESCO PLC ADSs. Each INVESCO PLC ADS represents the right to receive two INVESCO PLC Shares.

4 What will be the effect of the Proposal on Invesco PLC ADSs?

If fully implemented, the Proposal will result in all INVESCO PLC ADSs being replaced by Invesco Ltd. Shares on the following basis:

One Invesco Ltd. Share for each INVESCO PLC ADS currently held.

You will not have to pay anything for the Invesco Ltd. Shares.

The ADS programme for INVESCO PLC ADSs will be terminated after the Proposal has been implemented.

5 What are INVESCO Inc. Exchangeable Shares and the INVESCO PLC SV Share?

INVESCO Inc. Exchangeable Shares are shares in INVESCO Inc., a corporation incorporated in Canada and an indirect subsidiary of INVESCO PLC. INVESCO Inc. Exchangeable Shares are generally exchangeable for

Table of Contents

INVESCO PLC Shares on a one-for-one basis at any time at the request of the relevant INVESCO Inc. Exchangeable Shareholder.

The INVESCO PLC SV Share is a share in INVESCO PLC which was issued in connection with the INVESCO Inc. Exchangeable Shares. It carries voting rights in INVESCO PLC and its holder exercises those voting rights in accordance with the instructions of the INVESCO Inc. Exchangeable Shareholders.

As announced on 22 October 2007, the Board of Directors of INVESCO Inc. has resolved that, if the Scheme is sanctioned at the First Court Hearing, the INVESCO Inc. Exchangeable Shares will be redeemed in accordance with their terms and each holder of INVESCO Inc. Exchangeable Shares will receive one INVESCO PLC Share for each INVESCO Inc. Exchangeable Share held on that date.

The INVESCO PLC Shares issued in respect of the INVESCO Inc. Exchangeable Shares will be subject to the Proposal and are therefore expected to be replaced with Invesco Ltd. Shares on the same basis as set out in paragraph 2 above.

Therefore, after implementation of the Proposal, the former holders of INVESCO Inc. Exchangeable Shares will be holders of Invesco Ltd. Shares and will enjoy the same rights and privileges as the former INVESCO PLC Shareholders. The INVESCO PLC SV Share will also be redeemed after the Scheme becomes effective.

Separate guidance to holders of INVESCO Inc. Exchangeable Shares has been sent with this document to holders of INVESCO Inc. Exchangeable Shares, and includes details on how to instruct the INVESCO PLC SV Shareholder to vote at the Extraordinary General Meeting.

If you hold INVESCO PLC Shares and/or INVESCO PLC ADSs only, you do not need to concern yourself with the description of the particular mechanics of the Proposal as it applies to the INVESCO PLC SV Share or the INVESCO Inc. Exchangeable Shares.

6 What is the Share Capital Consolidation?

As part of the Proposal, Invesco Ltd. intends to implement a reverse stock split on a two-for-one basis in respect of the Invesco Ltd. Shares issued under the Scheme. This is being proposed to help ensure that initially the Invesco Ltd. Shares trade at a value comparable to the trading value of the INVESCO PLC ADSs. The reverse stock split (described in this document as the Share Capital Consolidation) will be effected by Invesco Ltd. Shareholders receiving one Invesco Ltd. Share for every two INVESCO PLC Shares held before the scheme of arrangement becomes effective.

Subject to fractional interests, discussed in the next question, INVESCO PLC Shareholders and holders of INVESCO PLC ADSs will own the same relative proportion of Invesco Ltd. following the Share Capital Consolidation as they did of INVESCO PLC immediately prior to the Scheme becoming effective.

7 Will I receive fractional interests in Invesco Ltd. Shares in connection with the Share Capital Consolidation?

You will not receive a fractional interest in Invesco Ltd. Shares in connection with the Share Capital Consolidation. Since the Share Capital Consolidation is proposed to take place on a two-for-one basis, the fractional interest, if any, which an Invesco Ltd. Shareholder would be entitled to will be equivalent to one half of an Invesco Ltd. Share. To the extent that you are entitled to a fractional interest in Invesco Ltd. Shares such fractional interest will be aggregated with other fractional interests and sold in the market and the cash despatched to you.

8 Why are you doing this?

As a result of INVESCO PLC losing its foreign private issuer status in the United States in July 2007, INVESCO PLC immediately became subject to the full requirements of two primary securities regulators, the SEC in the United States and the FSA in the United Kingdom and to two differing accounting standards, US GAAP and IFRS. Without any action, the differing regulatory and accounting standards may produce conflicts which may impede full compliance with either primary regulator and create potential confusion for the shareholders. The Board of Directors of INVESCO PLC believes having a US primary listed entity is the most practical way to return to supervision by a single primary regulator and minimise the possible disruption and cost associated with dual regulatory and accounting standards.

A US primary listing on the NYSE will better align Invesco Ltd. with the current shareholder base since US shareholders now constitute a majority of shareholders. Invesco Ltd. is expected to benefit from being situated amongst a more appropriate public company peer group which will provide improved visibility and direct

Table of Contents

comparability with this peer group of large, global asset managers. Consistent with Invesco's Anglo-American heritage and culture, Invesco Ltd. intends to continue to encourage UK share ownership and investment with a secondary listing on the London Stock Exchange, which it intends to establish early in 2008.

A change of domicile of INVESCO PLC to the United States would have caused adverse tax consequences. Bermuda is a well established jurisdiction for companies traded on US stock exchanges and will minimise the impact on shareholders by allowing Invesco to maintain legal, regulatory capital and financial positions consistent with those of INVESCO PLC today.

9 Why is Court approval needed?

The Scheme, if approved, is binding on all INVESCO PLC Shareholders when it becomes effective, thereby providing certainty and equality of treatment for INVESCO PLC Shareholders. However, the implementation of the Scheme must satisfy certain legal requirements for the protection of INVESCO PLC Shareholders and creditors and therefore requires the approval of the Court and certain regulatory approvals (including the approval of the FSA).

10 What will actually happen to my INVESCO PLC Shares?

The key steps are as follows:

all INVESCO PLC Shares will be cancelled;

INVESCO PLC will issue new shares to the new holding company, Invesco Ltd.;

Invesco Ltd. will issue to the previous holders of INVESCO PLC Shares one Invesco Ltd. Share for every INVESCO PLC Share held by them before the Scheme becomes effective; and

every two Invesco Ltd. Shares issued under the Scheme will be replaced with one Invesco Ltd. Share as a result of the Share Capital Consolidation.

The above actions if fully implemented will result in INVESCO PLC Shareholders receiving one Invesco Ltd. Share for every two INVESCO PLC Shares held previously.

11 When will the Proposal occur?

Holdings of INVESCO PLC Shares recorded in the share register at the Scheme Record Time (which is expected to be on 3 December 2007) will determine the entitlements to Invesco Ltd. Shares. Assuming the necessary Court and INVESCO PLC Shareholder approvals are obtained, it is expected that the Invesco Ltd. Shares will be listed on the NYSE on 4 December 2007. The expected timetable of principal events to give effect to the Proposal is set out on page 5 of this document.

12 When and how will I receive my new shares?

(i) Holders of Certificated INVESCO PLC Shares

If you are a Certificated Holder, your entitlement to Invesco Ltd. Shares will be issued directly to you in book entry form under the direct registration system which exists in the United States. Written notification of the relevant holding in book entry form will be sent to the Certificated Holders after the Effective Date.

INVESCO PLC currently operates a share dealing facility for its UK resident INVESCO PLC Shareholders. Details of this share dealing facility can be found at <http://www.invesco.com/invest/csds.html>. Invesco Ltd. expects to put in place a similar dealing facility operated by The Bank of New York Mellon as Invesco Ltd.'s US transfer agent. Details of this facility will be made available at www.invesco.com after the Scheme has become effective.

(ii) Holders of Uncertificated INVESCO PLC Shares

To facilitate holding and trading of Invesco Ltd. Shares in uncertificated form for those INVESCO PLC Shareholders who hold INVESCO PLC Shares in a stock account in CREST at the Scheme Record Time, it is intended that the Invesco Ltd. Shares to which they will be entitled will be delivered, held and settled in CREST by means of the CREST International Settlement Links Service, and in particular Euroclear UK's established link with DTCC, the US settlement and clearance system. This link operates via the services of CREST International Nominees, which is a participant in DTCC. Under the CREST International Settlement Links Service, CREST Depository Limited, a subsidiary of Euroclear UK, issues dematerialised depository interests representing entitlements to non-UK securities such as Invesco Ltd. Shares, called CDIs. CDIs are independent securities constituted under English law, which may be held and transferred through CREST.

Table of Contents

Accordingly, the Invesco Ltd. Shares to which INVESCO PLC Shareholders will be entitled will be delivered to CREST International Nominees account at DTCC, and CREST Depository Limited will then issue Invesco Ltd. CDIs through CREST to the appropriate stock account in CREST of the INVESCO PLC Shareholder concerned. The stock account concerned will be an account under the same participant ID as the relevant INVESCO PLC Shareholder currently has. **Following distribution of the Invesco Ltd. CDIs, such holders will be entitled to arrange for the transfer of their Invesco Ltd. CDIs to other CREST holders, or the underlying Invesco Ltd. Shares to another participant in DTCC, if they so wish.**

As from the Effective Date, INVESCO PLC Shares held within CREST will be cancelled.

The crediting of Invesco Ltd. CDIs through CREST will take place as soon as reasonably practicable after the Effective Date and in any event after the Share Capital Consolidation. Statements of entitlement detailing the holding of Invesco Ltd. CDIs will be despatched no later than 14 days after the Effective Date.

INVESCO PLC Shareholders should note that they will have no rights in respect of Invesco Ltd. Shares or Invesco Ltd. CDIs held through CREST against Euroclear UK or its subsidiaries. Normal CREST procedures (including timings) apply in relation to any INVESCO PLC Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form prior to the Effective Date.

A nominal custody fee, as determined by Euroclear UK from time to time, will be charged to users for the use of Invesco Ltd. CDIs.

Following issue of the Invesco Ltd. CDIs, holders of the Invesco Ltd. CDIs will, at their option, be able to effect the cancellation of their Invesco Ltd. CDIs in CREST in order to hold their underlying Invesco Ltd. Shares directly by sending an instruction to CREST to that effect and will be entitled to arrange for the transfer of their Invesco Ltd. Shares (as represented by their holding of Invesco Ltd. CDIs) either into the direct registration service in the United States or into a shareholding account with a depository financial institution which is a participant in DTCC. Certain transfer fees will be payable by a holder of Invesco Ltd. CDIs who makes such a transfer.

(iii) Holders of INVESCO PLC ADSs

In respect of holders of INVESCO PLC ADSs, the Invesco Ltd. Shares will be issued to them in book entry form either (i) under the direct registration system which exists in the United States or (ii) if appropriate account details are provided to The Bank of New York Mellon by 26 November 2007, to a participant in DTCC. The relevant accounts will be credited as more fully set out on page 23.

13 Who is entitled to vote?

Only INVESCO PLC Shareholders registered in the register of members of INVESCO PLC at 6:00 p.m. on 12 November 2007 are entitled to attend and vote at the INVESCO PLC Meetings.

The INVESCO PLC SV Shareholder is entitled to vote only at the Extraordinary General Meeting.

INVESCO PLC ADS holders should refer to questions 17, 18 and 25 below and to paragraph 9 of Part II of this document for details of how they can vote or have their votes represented at the INVESCO PLC Meetings.

14 Why are there two shareholder meetings?

The two meetings are for different purposes. The Court Meeting has been convened by order of the Court so that the Court will have the authority to sanction the Scheme if approved by INVESCO PLC Shareholders. The Extraordinary General Meeting is being held for INVESCO PLC Shareholders and the INVESCO PLC SV Shareholder to authorise the implementation of the Proposal.

The meetings are to be held at the offices of UBS Limited at 1 Finsbury Avenue, London EC2M 2PP from 11:30 a.m. on 14 November 2007. The formal notices are set out on pages 64 to 68 of this document. INVESCO PLC Shareholders who are unable to attend the INVESCO PLC Meetings are encouraged to vote by completing and returning the enclosed forms of proxy in accordance with the instructions thereon.

15 How do I vote if my INVESCO PLC Shares are registered in my name?

If you are an INVESCO PLC Shareholder, forms of proxy for your use in connection with the INVESCO PLC Meetings are enclosed with this document. Whether or not you propose to attend the INVESCO PLC Meetings, you should complete and sign the attached forms of proxy in accordance with the instructions on them. Completed forms

Table of Contents

of proxy should be returned to INVESCO PLC's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

INVESCO PLC Shareholders are requested to lodge BLUE forms of proxy, for use at the Court Meeting, at least 48 hours before the time appointed for the Court Meeting. BLUE forms of proxy not lodged by such time may be handed to the chairman of the Court Meeting immediately prior to the start of the meeting.

WHITE forms of proxy, for use at the Extraordinary General Meeting, must be lodged at least 48 hours before the time appointed for the Extraordinary General Meeting. WHITE forms of proxy not lodged by such time will be invalid.

16 If my broker is the registered holder of my INVESCO PLC Shares, will my broker vote my shares for me?

If you are not the registered holder of your INVESCO PLC Shares, the registered holder may be entitled to vote your INVESCO PLC Shares if you provide that holder with instructions on how to vote. You should instruct your broker to vote your INVESCO PLC Shares, following the directions provided to you by your broker.

If your broker has not received instructions from you and does not vote your INVESCO PLC Shares, your shares will not be counted towards the number of shares considered present at the meetings and will not have an effect on the outcome of the vote.

17 How do I vote if my INVESCO PLC ADSs are registered in my name?

If you are an INVESCO PLC ADS holder, you should use your ADS Voting Instruction Card to direct the manner in which the Depository should vote your underlying INVESCO PLC Shares at the INVESCO PLC Meetings. Completed ADS Voting Instruction Cards should be returned to The Bank of New York Mellon, as Depository, in the return envelope provided as soon as possible and in any event to be received not later than 5:00 p.m. (New York time) on 6 November 2007.

18 If my broker is the record holder of my INVESCO PLC ADSs, will my broker vote the underlying shares for me?

If you hold INVESCO PLC ADSs through a broker in the United States, you must rely on the procedures of the bank, broker or financial institution through which you hold your INVESCO PLC ADSs.

19 Do I need to vote?

Your vote is important. In particular, the Court needs to be satisfied that there is a fair representation of the opinion of INVESCO PLC Shareholders at the Court Meeting.

INVESCO PLC Shareholders are therefore urged to complete, sign and return BOTH forms of proxy as soon as possible. This will not preclude INVESCO PLC Shareholders from attending the INVESCO PLC Meetings in person. The BLUE form of proxy is for the Court Meeting and the WHITE form of proxy is for the Extraordinary General Meeting.

INVESCO PLC ADS holders are also urged to complete, sign and return their ADS Voting Instruction Cards before 5:00 p.m. (New York time) on 6 November 2007.

20 What should I do with my INVESCO PLC Share or INVESCO PLC ADS certificate?

On the Effective Date (which is expected to be 4 December 2007) your INVESCO PLC Share certificate will cease to be valid. Once written notifications relating to the holdings of Invesco Ltd. Shares in book entry form have been issued, certificates for the INVESCO PLC Shares should be destroyed. It is expected that written notifications of the holdings of Invesco Ltd. Shares in book entry form will be sent out by 18 December 2007.

In addition, on the Effective Date, the INVESCO PLC ADSs will represent the right to receive the appropriate number of Invesco Ltd. Shares on the basis of one Invesco Ltd. Share for each INVESCO PLC ADS surrendered. After the Effective Date, the ADS programme for INVESCO PLC ADSs will be terminated and the Depositary will transfer INVESCO PLC ADS holders the relevant number of Invesco Ltd. Shares.

21 What if I am resident outside of the United Kingdom or the United States?

If you are resident outside the United Kingdom or the United States, or a national or citizen of jurisdictions outside the United Kingdom or the United States, you should read paragraph 12 of Part II of this document.

Table of Contents

22 Are there any taxation consequences of this Proposal?

UK resident individual shareholders are currently entitled to a non-payable tax credit on dividends that they receive from INVESCO PLC. Such shareholders will not be entitled to a non-payable tax credit on dividends that they receive from Invesco Ltd. until the tax year 2008/2009 (when it is expected that they will be entitled to such a tax credit for the first £5,000 of non-UK dividends in each tax year). UK resident corporate shareholders (and shareholders who are taxed in the same manner as a UK corporate taxpayer) are in general currently exempt from tax on dividends that they receive from INVESCO PLC. Such shareholders will be taxed on dividends that they receive from Invesco Ltd. However, INVESCO PLC understands that the UK government is currently considering the tax treatment of portfolio dividends received by UK tax resident companies with a view to achieving parity of treatment between UK and foreign portfolio dividends. Please refer to paragraph 11 of Part II of this document for a more detailed description of the tax consequences for UK and US resident INVESCO PLC Shareholders and INVESCO PLC ADS holders. For all other jurisdictions, you should consult your professional adviser.

23 What if I participate in the INVESCO PLC Share Plans?

You will be written to separately. It is intended that options and awards in respect of INVESCO PLC Shares will continue as rights to acquire Invesco Ltd. Shares on the same terms. There will therefore be no changes to the operation of the INVESCO PLC Share Plans for existing options and awards.

Appropriate adjustments will be made to options and awards to take account of the Share Capital Consolidation. Where necessary, such adjustments will be approved by HM Revenue. Participants holding restricted shares will, as beneficial owners of such shares, take part in the Scheme and the Share Capital Consolidation.

24 Will I be paid a dividend by Invesco Ltd. in pounds sterling or US dollars?

Invesco Ltd. intends to adopt a dividend policy in line with the current policy of INVESCO PLC. If dividends are declared, Invesco Ltd. Shareholders will be paid dividends in US dollars. Invesco Ltd. is exploring the feasibility of permitting Invesco Ltd. Shareholders to elect to receive their dividends in pounds sterling. If implemented, details of this facility will be made available to Invesco Ltd. Shareholders in due course.

25 Will I be able to trade my INVESCO PLC Shares or INVESCO PLC ADSs during the time between the date of this document and the Effective Date of the Scheme?

Yes, you will be able to trade your INVESCO PLC Shares or Invesco PLC ADSs during the time between the date of this document and the close of business on the date before the Effective Date. The last date for dealings in the INVESCO PLC Shares and the INVESCO PLC ADSs is therefore expected to be 3 December 2007.

Certificated Holders of INVESCO PLC Shares should note, however, that, if they intend to trade their INVESCO PLC Shares between the date of this document and the Effective Date, they must ensure that the relevant trade has completed (i.e. settled) by no later than the Scheme Record Time, which is expected to be 6:00 p.m. on 3 December 2007. If any trades in certificated INVESCO PLC Shares have not settled by this time, the relevant INVESCO PLC Shareholder will be required to make arrangements with his financial adviser and/or broker to ensure that the trade is satisfied by the transfer of Invesco Ltd. Shares.

If Certificated Holders of INVESCO PLC Shares are in any doubt as to what action they should take, they should seek advice from their financial adviser and/or broker.

As noted above, Invesco is applying to list the Invesco Ltd. Shares to be issued under the Scheme on the NYSE, and it is expected that you will be able to trade your Invesco Ltd. Shares on the New York Stock Exchange from the Effective Date onwards.

The Effective Date is expected to be on or about 4 December 2007.

26 What if I still have questions?

Please call one of the helplines shown below. The helplines will not provide advice on the merits of the Proposal or give any financial or taxation advice. For financial or taxation advice, you will need to consult an independent financial adviser.

Table of Contents

FOR FURTHER INFORMATION

Helplines are available during normal business hours, Monday to Friday:

For INVESCO PLC Shareholders:

For callers dialling from within the UK, the helpline number is 0800 030 4452.

For callers dialling outside the UK, the helpline number is +44 208 639 3314.

For INVESCO PLC ADS Holders:

For callers dialling from within the US, the helpline number is 877 277 9899.

For callers dialling from outside the US, the helpline number is +1 201 680 6686.

Table of Contents

**PART I
LETTER FROM THE CHAIRMAN OF INVESCO PLC**

Registered Office

30 Finsbury Square
London
EC2A 1AG

22 October 2007

Dear INVESCO PLC Shareholders, INVESCO PLC ADS holders, the INVESCO PLC SV Shareholder and INVESCO Inc. Exchangeable Shareholders

Introduction

INVESCO PLC has continued to pursue its strategy of being a leading global independent retail and institutional asset manager by creating a business with a broad spectrum of products and a strong international presence in key markets. As a result of the successful execution of our strategy, the operations and client base of INVESCO PLC have undergone significant change over the past several years. Concurrently, strong demand for INVESCO PLC's shares has resulted in a significant increase in share ownership in the US.

On 18 July 2007, INVESCO PLC announced that it had lost its foreign private issuer status in the United States chiefly as a result of US share ownership exceeding fifty percent of our issued share capital. As a result of this we immediately became subject to the full requirements of two primary securities regulators, the SEC in the United States and the FSA in the United Kingdom, and to two different accounting standards, US GAAP and IFRS. Different regulatory and accounting standards of these regulators place the company in an untenable position that may produce supervisory conflicts that may impede full compliance with the requirements of either primary regulatory scheme and create confusion for the shareholders.

The Proposal

INVESCO PLC announced on 25 September 2007 that, in response to these events, the Board of Directors of INVESCO PLC unanimously approved a series of inter-related proposals to be put before its shareholders, namely:

to move our primary listing from the London Stock Exchange to the NYSE;

to reorganise pursuant to a court approved scheme of arrangement so that INVESCO PLC becomes a wholly-owned subsidiary of Invesco Ltd., a new company incorporated in Bermuda, and the former holders of INVESCO PLC Shares become shareholders of Invesco Ltd.;