RENISHAW plc

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank, solicitor, accountant, fund manager or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in Renishaw plc, please send this document together with the accompanying form of proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through or to whom the transfer was effected, for transmission to the purchaser or transferee.

RENISHAW plc

Proposal to sell land to Sir David McMurtry

Your attention is drawn to the letter from the Deputy Chairman of Renishaw plc set out in Part I of this document which contains your Board's recommendation to vote in favour of the Resolution to be proposed at the Extraordinary General Meeting referred to below.

A notice of an Extraordinary General Meeting of Renishaw plc to be held at New Mills, Wotton-under-Edge, Gloucestershire, GL12 8JR on Friday 12 October 2007 at 12.30pm or, if later, immediately following the conclusion or adjournment of the Annual General Meeting convened for 12.00 noon on the same day, is set out at the end of this document. A form of proxy is enclosed and should be returned as soon as possible, and in any event, so as to be received by Renishaw's registrars no later than 12.30pm on 10 October 2007. Completion and return of a form of proxy will not prevent a shareholder from attending and voting in person at the EGM.

RENISHAW plc

PART I
Letter from the Deputy Chairman

Renishaw plc
New Mills
Wotton-under-Edge
Gloucestershire
GL12 8JR

Registered Number: 1106260

20 September 2007

Dear Shareholder

Proposal to sell land to Sir David McMurtry

Background to proposal

Fifteen years ago the Company purchased a farmhouse and agricultural land adjacent to the New Mills headquarters (the "Land"). The Land was purchased to enable the extension of the Company's head office facilities.

Since that date, planning permission has been obtained and part of the Land has been used for a new access road which encloses the area permitted to be used for new buildings. The remainder has been let for agricultural use and has not been occupied or used by the Company for its own benefit. The current annual rental income from the Land is £9,460.

The Board is now of the opinion that the Land beyond the access road is surplus to requirements.

Valuation

A valuation of the Land, comprising approximately 140 acres, was obtained from David James and Partners, a local firm of rural chartered surveyors, dated 18 September 2007. The valuation of the Land is £1,165,000 subject to a farm business tenancy of 40 acres. A copy of the executive summary from the valuation report is set out in Part II of this document.

David James and Partners has consented to the executive summary being included in this document in the form in which it has been included.

Proposed sale

Sir David McMurtry has offered to purchase the Land at a purchase price of £1,165,000. The offer is subject to contract which has yet to be negotiated, but the Company anticipates requiring provisions being included to allow the Company to share in any increase in the value of the Land should the Land be sold on with the benefit of planning consents for development.

As Sir David is a director of the Company, such a transaction requires shareholders' consent pursuant to the Companies Act 2006.

Action to be taken

The Notice of EGM to be held on 12 October 2007 set out at the end of this document sets out a resolution to approve the sale of the Land to Sir David McMurtry. Sir David has confirmed to the Company that he will not vote on the resolution and has undertaken to take all reasonable steps to ensure that his associates will not vote on the resolution.

The Proxy Form includes the resolution to be voted upon at the EGM. If you do not intend to be present at the EGM, please complete, sign and return the Proxy Form as soon as possible (and, in any event, so as to be received not later than 12.30pm on 10 October 2007) and in accordance with the instructions printed on it. Completion of the Proxy Form will not preclude you from attending and voting in person if you so wish.

Copies of the valuation report will be available for inspection at the Company's registered office during usual business hours on week days (Saturdays and public holidays excluded) until the conclusion of the EGM, and will also be available for inspection at the EGM from at least 30 minutes prior to the commencement of the EGM until its conclusion.

Recommendation

The Directors (excluding Sir David who has not taken part in the consideration of the matter) consider the sale of the Land to be fair and reasonable so far as the shareholders are concerned.

The Directors (excluding Sir David) considers the sale of the Land to be in the best interests of the Company and its shareholders as a whole. Accordingly the Directors (excluding Sir David) recommend you to vote in favour of the resolution to be proposed at the EGM, as they (excluding Sir David) intend to do in respect of their own beneficial holdings of shares, which together amount to 12,554,252 shares representing approximately 17.25% per cent of the Company's entire issued share capital on 18 September 2007.

Yours faithfully

D J Deer
Deputy Chairman

PART II

Executive summary from David James and Partners valuation report

DAVID JAMES & PARTNERS

Rural Chartered Surveyors

Country House Agents

EXECUTIVE SUMMARY

of

Land At

Burrough Hill, Huntingford & Charfield, Wotton-Under Edge, Gloucestershire

Valuation date 18th September 2007

1. **Description:** The property comprises of 99.78 acres of arable and pasture land shown edged red on the attached plan together with Lower Barns Farm extending to 40 acres and edged blue. Both properties are situate to the north east of Charfield and approx 3 miles from Junction 14, M5. Bristol and Gloucester are approx. 15 miles distant.

2. **Planning:** The land is situate in open countryside and outside the settlement boundary as identified within the Stroud Local Plan.

3. **Capital value:** It is considered the property will perform strongly when compared with others in the locality.

Capital value	
99.78 acres of arable and pasture land with vacant possession	£415,000
Lower Barns Farm with vacant possession	£800,000
Lower Barns Farm subject to tenancy	£750,000

SIGNED David James & Partners

STEWART WATERS MRICS FAAV

David James & Partners
Hartley House, Badminton Road
Old Sodbury, South Gloucestershire
BS37 6LX

DATED 9th September 2007

Hartley House, Badminton Road, Old Sodbury, South Glos BS37 6LX. Telephone: (01454) 320144 Fax: (01454) 320155
Barley Wood Stables, Long Lane, Wrington, North Somerset BS40 5SA. Telephone: (01934) 864300 Fax: (01934) 863733

RENISHAW plc

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of shareholders of Renishaw plc (the "Company") will be held at New Mills, Wotton-under-Edge, Gloucestershire, GL12 8JR on Friday 12 October 2007 at 12.30pm or, if later, immediately following the conclusion or adjournment of the Annual General Meeting convened for 12.00 noon on the same day at which the following ordinary resolution will be considered:

That, pursuant to section 190 of the Companies Act 2006, the sale by the Company of agricultural land adjacent to the Company's New Mills headquarters comprising approximately 140 acres for a sum of no less than £1,165,000 to Sir David McMurtry, a director of the Company, be approved.

By Order of the Board
A C G Roberts,
FCA Company Secretary
20 September 2007

Registered Office:
New Mills
Wotton-under-Edge
Gloucestershire
GL12 8JR

Registered Number: 1106260

NOTES

(a) The Company pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company as at 6pm on 10th October 2007 shall be entitled to attend or vote at the aforesaid annual general meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after 6pm on 10th October 2007 shall be disregarded in determining the rights of any person to attend or vote at the meeting.

(b) A member entitled to attend and vote is entitled to appoint a proxy or proxies to exercise the member's rights to attend and to speak and vote at the meeting. A proxy need not be a member of the Company and the appointment of a proxy will not preclude a member from attending and voting at the meeting. A form of proxy is enclosed for this purpose.

(c) If the Chairman of the meeting, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast, and the voting rights in respect of those discretionary proxies, when added to the voting rights in the Company already held by the Chairman, result in the Chairman having a notifiable obligation under the Financial Services Authority's Disclosure Rules and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Services Authority. As a result, any member holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Rules and Transparency Rules, need not make a separate notification to the Company and to the Financial Services Authority.

(d) The following documents will be available for inspection at the registered office of the Company during normal business hours (8.00am until 4.15pm) and at the place of the meeting from 11.30am until the meeting closes:

- register of directors' interests;
- copies of the executive directors' service contracts and letters of appointment of non-executive directors; and
- David James and Partners valuation report dated 18 September 2007.