

Renishaw plc
Interim management statement

This statement has been prepared for the Group and relates to the three months ended 30th September 2011. It contains unaudited information that covers the first quarter and the period since.

Trading activity

Revenue for the three months to 30th September 2011 was £70.5m, an increase of 15.0% over the £61.3m for the first quarter of the previous year but below planned-for revenue. The previous year has been restated for the inclusion of Measurement Devices Limited from July 2010, which was initially accounted for as an associate company.

Geographically, Europe reported growth of 26% over the comparable period last year and the Americas a growth of 21%. The Far East, an area of significant growth last year, showed revenue for this quarter at a similar level to the corresponding quarter last year. By market sector, we have seen a slowdown in one of our product lines sold to the electronics industries.

Profit before tax for the first quarter amounted to £13.6m, compared with £15.1m last year.

The Group has increased its cost base compared with the comparable period last year, mainly by the addition of personnel to support its growing revenue and production demands, and investment in its research and development programmes. Headcount at the end of September 2011 was 2,745, an increase of 70 from the start of the financial year at 1st July 2011 and an increase of 538 over the 2,207 personnel at 30th September 2010.

Significant events and financial position

We are reviewing our healthcare business and have refocused part of the activities to a smaller number of projects, with some resources diverted to our metrology business.

The purchase of the Miskin premises, close to Cardiff in South Wales, was completed on 30th September 2011 and the Group also acquired premises for its Canadian and Italian subsidiaries. The aggregate cost of these acquisitions was £9.0m.

The Group continues to have a strong balance sheet with net cash balances at 30th September 2011 of £29.3m (30th June 2011 £34.6m).

I should like to thank our staff for their continuing efforts and support.

Outlook

It is still very early in the financial year and the Group traditionally has an order book of a little over one month's sales value. During the first quarter order intake has exceeded revenue and the Group has an order book of £31.9m at the end of September 2011.

Due to current uncertainties surrounding the global economy, the Board is closely monitoring the Group's costs and future recruitment strategy. Despite near-term challenges caused by the economic environment, we remain focused on positioning the Group for further long-term growth.

Sir David McMurtry CBE, RDI, FRS, FREng, CEng, FIMechE
Chairman and Chief Executive

13th October 2011

Renishaw plc	
Registered office	New Mills, Wotton-under-Edge, Gloucestershire, GL12 8JR
Registered number	1106260
Telephone number	01453 524524
Website	www.renishaw.com