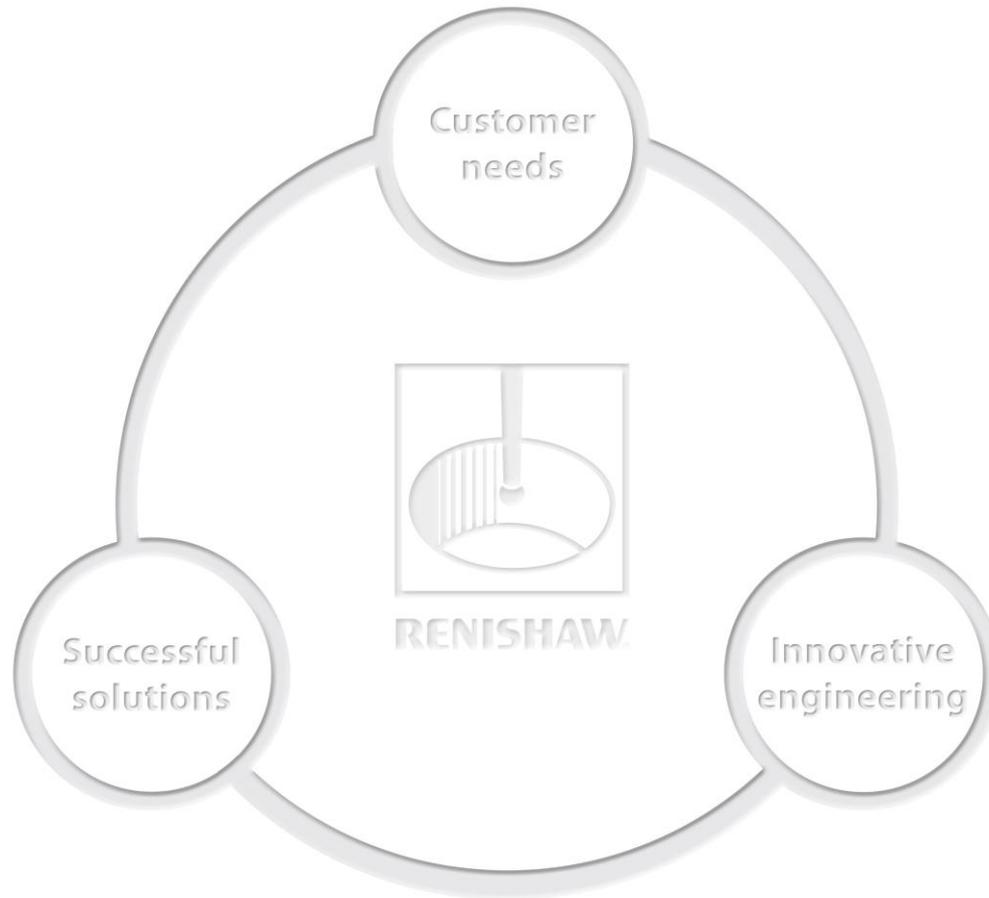


2014 results

23rd July 2014



Chairman's statement



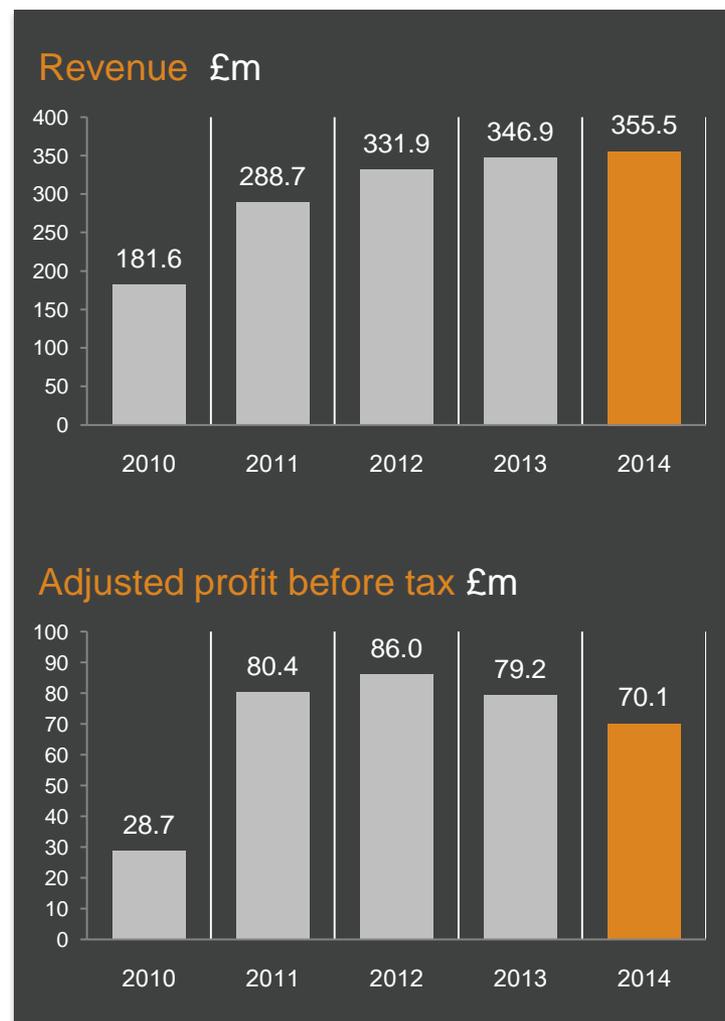
- Record revenue of £355.5m (2013: £346.9m), with a record quarterly revenue of £107.0m achieved in final quarter.
- Strong demand for our 3D metal additive manufacturing, measurement automation and encoder products.
- New product releases during the period include the SPRINT™ high speed contact scanning system for machine tools and ATOM™ encoder readhead.
- USA FDA clearance to market the neuromate® stereotactic robotic system.
- Capital expenditure of £39.2m, including construction of 153,000 sq ft at New Mills, purchase of buildings in Germany and in China.
- 17th Queen's Award for Raman inVia microscope.
- Sale of shareholding in Delcam plc for £32.0m.
- Strong balance sheet, with cash of £43.6m.
- Final dividend of 29.87p per share, giving a total for the year of 41.2p, a 3% increase.

Financial highlights

	2014 £m	2013 £m	Change %
Revenue	355.5	346.9	+2%
Operating profit	70.4	79.1	-11%
Adjusted profit before tax	70.1	79.2	-11%
Tax	10.7	15.0	-29%
Adjusted profit after tax	59.4	64.2	-7%
Adjusted earnings per share	82.3p	88.9p	-7%
Dividend per share	41.2p	40.0p	+3%
STATUTORY			
Profit before tax	96.4	82.1	+17%
Earnings per share	118.4	92.9	+27%

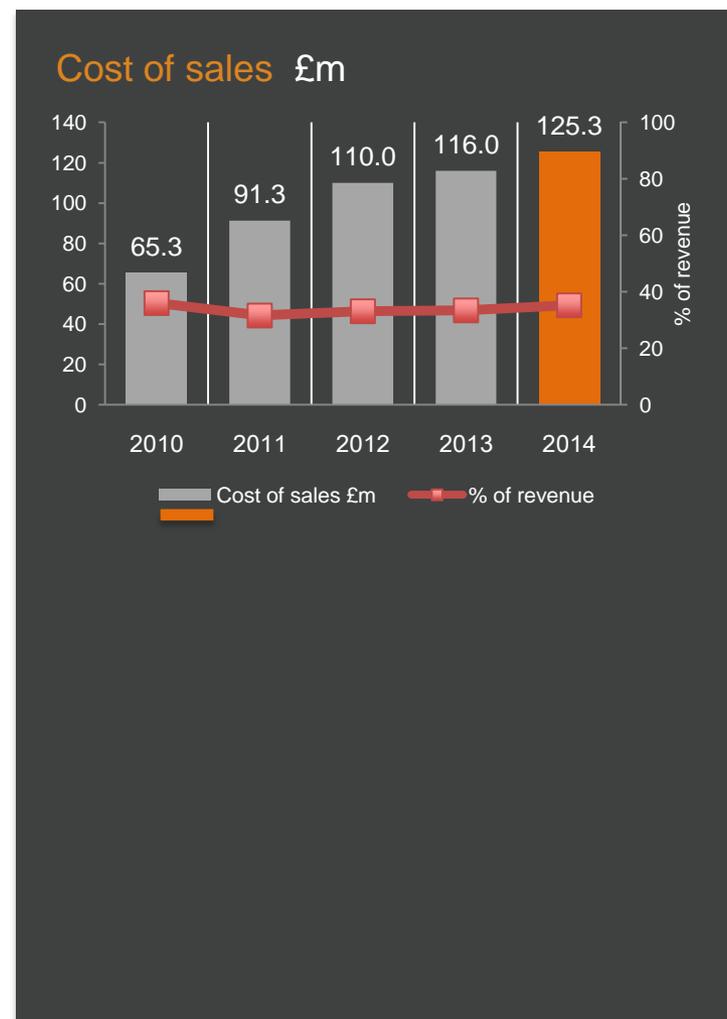
Adjusted figures exclude:
 2014 – gain on disposal of shareholding in Delcam plc (£26.3m) (not taxable).
 2013 - gain on an early settlement of deferred consideration (£2.9m) (not taxable).

2013 figures restated for IAS 19 revised – pension fund accounting.



Income statement

	2014		2013		Change
	£m	%	£m	%	
Revenue	355.5	100	346.9	100	+2%
Cost of sales	(125.3)	35	(116.0)	33	+8%
Engineering (inc. R&D)	(53.3)	15	(48.7)	14	+9%
Gross profit	176.9	50	182.2	53	-3%
Distribution costs	(75.3)	21	(69.4)	20	+9%
Administrative costs	(31.2)	9	(33.7)	10	-7%
Operating profit	70.4	20	79.1	23	-11%
Financial expense (net)	(1.1)	-	(0.9)	-	-
Profit from associates	0.8	-	1.0	-	-
Adjusted profit before tax	70.1	20	79.2	23	-11%



Income statement – Adjusted operating profit

Operating profit - segmental

	2014	2013	Change
	£m	£m	%
Metrology	74.4	84.5	-12%
Healthcare	(4.0)	(5.4)	-26%
Total operating profit	70.4	79.1	-11%

Adjusted operating profit £m



Income statement – Quarterly results

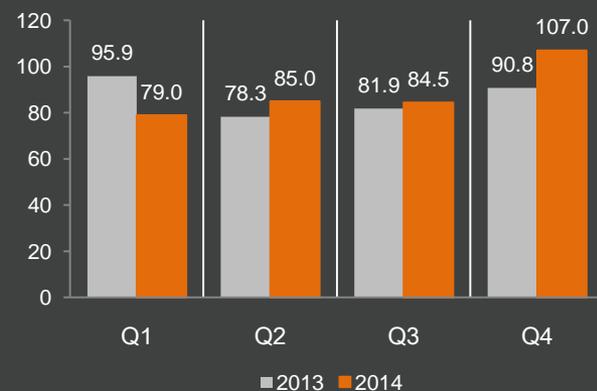
Revenue - quarterly

	2014 £m	2013 £m	Change %
Quarter 1	79.0	95.9	-18%
Quarter 2	85.0	78.3	+9%
Quarter 3	84.5	81.9	+3%
Quarter 4	107.0	90.8	+18%
Total	355.5	346.9	+2%

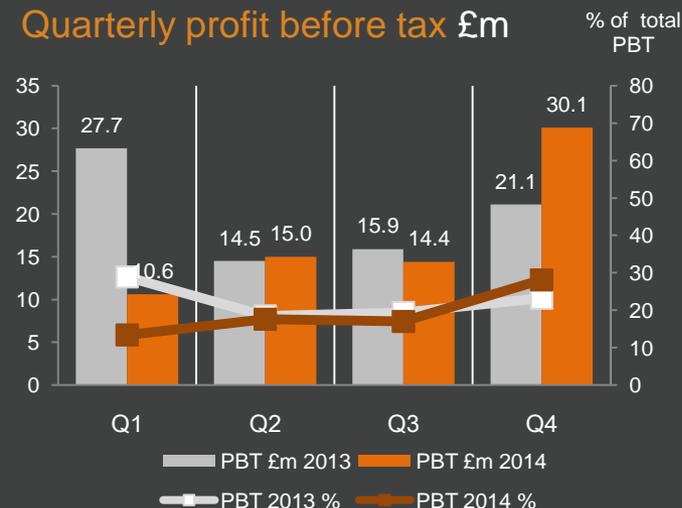
Profit before tax - quarterly

	2014 £m	2013 £m	Change %
Quarter 1	10.6	27.7	-62%
Quarter 2	15.0	14.5	+3%
Quarter 3	14.4	15.9	-9%
Quarter 4	30.1	21.1	+43%
Total	70.1	79.2	-11%

Quarterly revenue £m



Quarterly profit before tax £m



Income statement – Engineering costs

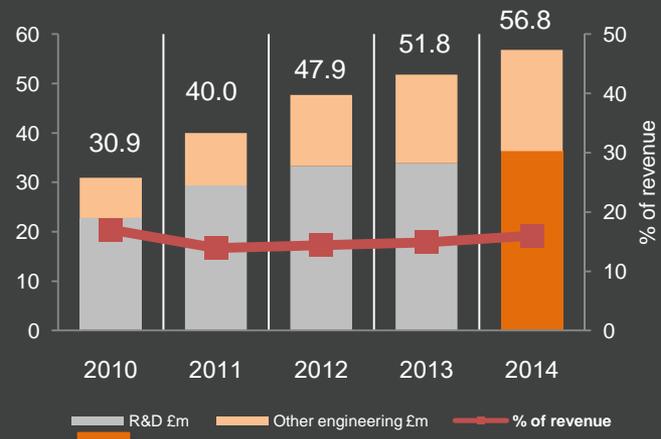
Engineering costs

	2014	2013	Change
	£m	£m	%
Total spend	56.8	51.8	+10%
Less capitalised	3.5	3.1	+13%
Income statement	53.3	48.7	+9%

	2014	2013	Change
	£m	£m	%
Total spend segmental	56.8	51.8	+10%
Metrology	45.3	40.2	+13%
Healthcare	8.0	8.5	-6%

	2014	2013	Change
	£m	£m	%
New product spend	36.3	33.9	+7%

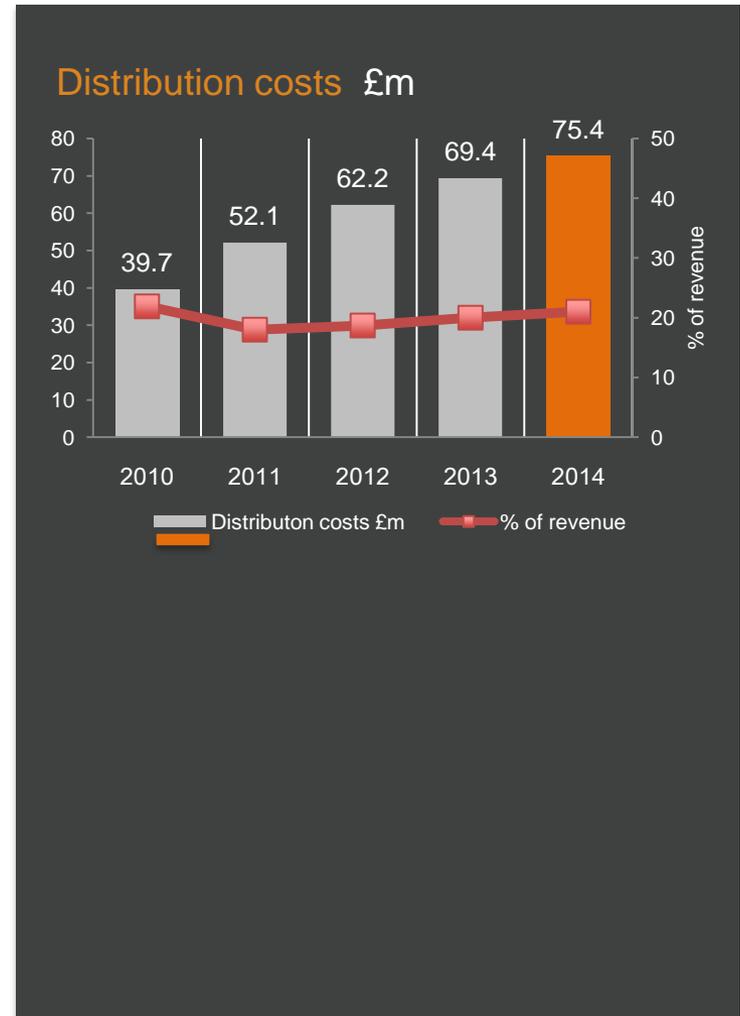
Engineering costs (total) £m



Income statement – Distribution costs

Distribution costs

- Expansion of global marketing and distribution infrastructure to support new and existing products with the recruitment of 108 sales, marketing and application engineering staff.
- Move to larger offices in Poland.
- Acquired and relocated to new premises in Shanghai, China.
- Further development of CRM system and website.



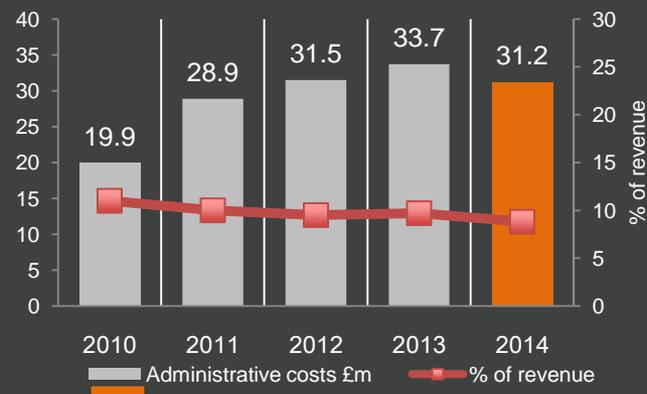
Income statement – Administrative costs and Group headcount

Group headcount (at June)

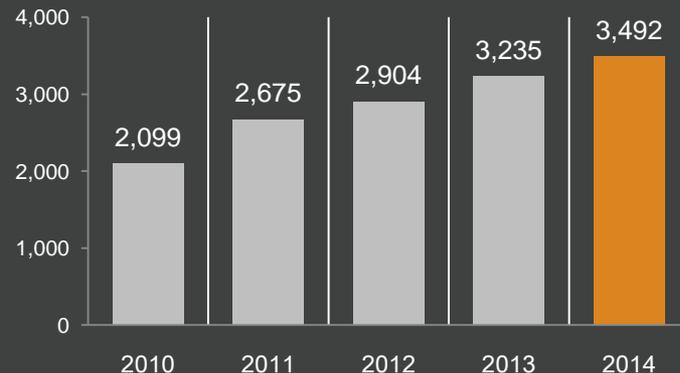
	2014 No.	2013 No.	Change No.
UK	2,314	2,157	+157
Overseas	1,178	1,078	+100
Total	3,492	3,235	+257

- Continued growth in headcount to support increased investment in new product development and expansion of marketing and support facilities.
- Headcount up 257 from June 2013.
- Increase in staff includes 43 apprentices and 59 graduates.
- Additionally we are sponsoring 35 students at UK universities mostly on engineering, science and software courses.
- Represents our commitment to the training and development of skilled staff across our engineering and commercial functions.

Administrative costs £m

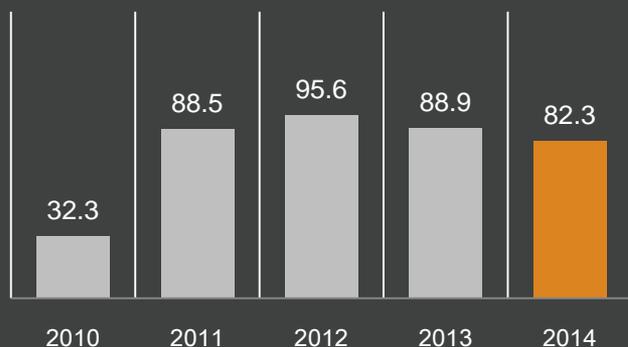


Group headcount (year end) No.



Adjusted earnings per share and Dividend per share

Adjusted earnings per share p



Dividend per share p



■ Interim ■ Final ■ Total

Full year dividend increase	+127%	+99%	+10%	+4%	+3%
Full year dividend cover	1.8	2.5	2.5	2.3	2.0

Group revenue analysis

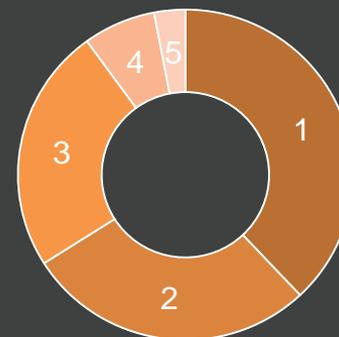
Changes in geographic area

	Change at actual fx %	Change at constant fx %
Far East	-3%	+2%
Europe	+4%	+5%
Americas	+8%	+13%
UK & Ireland	+15%	+15%
Total	+2%	+6%

Revenue by major countries

	2014 £m	2013 £m
USA	71.0	66.4
China	66.6	75.2
Germany	43.0	41.1
Japan	39.2	35.7

Revenue by region £m



	2014 £m	2014 %	2013 £m
1 Far East	134.6	38	138.8
2 Continental Europe	100.2	28	96.0
3 Americas	85.6	24	79.2
4 UK	23.8	7	20.7
5 Other regions	11.3	3	12.2
Total	355.5	100	346.9

Group revenue analysis

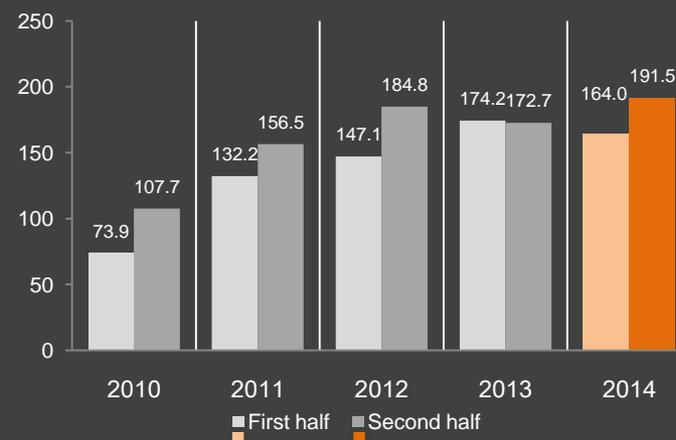
Revenue

	2014 £m	2013 £m	Change %
Metrology	326.6	317.9	+3%
Healthcare	28.9	29.0	-1%
Total	355.5	346.9	+2%

- Record revenue, up 2% at actual exchange rates, despite tough comparators.

- Revenue would have been £11.2m higher when restated at previous year's exchange rates.

Revenue – 1st & 2nd half £m



Year-on-year changes:

First half	+79%	+11%	+18%	-6%
Second half	+45%	+18%	-7%	+11%

Group revenue analysis - Metrology

Revenue

	2014 £m	2013 £m	Change %
Metrology	326.6	317.9	+3%

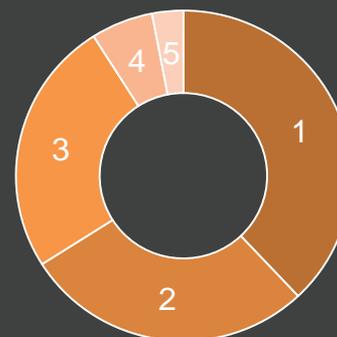
Changes in geographic area

	Change %
Far East	-3%
Europe	+5%
Americas	+8%
UK & Ireland	+12%

Results

	2014 £m	2013 £m
Operating profit	74.4	84.5

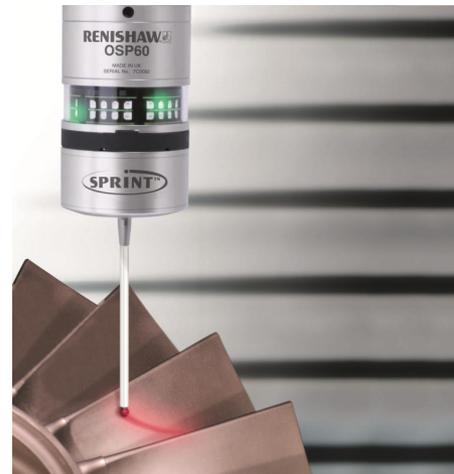
Revenue by region £m



	2014 £m	2014 %	2013 £m
1 Far East	124.8	38	128.7
2 Continental Europe	91.8	28	87.3
3 Americas	80.1	25	74.5
4 UK	20.3	6	18.1
5 Other regions	9.6	3	9.3

Metrology highlights

- Good growth in 3D metal additive manufacturing, measurement automation and encoder product lines.
- Increased R&D investment.
- Introduction of SPRINT™ high speed contact scanning system for machine tools.
- Launch of ultra-compact ATOM™ readhead, an innovative optical linear and rotary incremental encoder system.
- Purchase of Advanced Consulting & Engineering, Inc, a USA-based supplier of dimensional measurement products and services focused on the automotive industry.
- At the MWP Awards event, which took place during the MACH Exhibition at the beginning of April 2014 and which is the largest awards programme for UK metalworking and associated industries, with entry open to any worldwide manufacturer with a UK representative, the new Renishaw Fixtures line was Winner of the 'Best Workholding and Fixturing' category and the new SPRINT™ scanning probe system was Highly Commended in the 'Best Quality Control Equipment' category.



New product releases / Metrology

PH10M-iQ PLUS probe head – new version of PH10 with “inferred qualification”, ideal for “body in white” inspection.



UCCsuite 4.6 & 4.7 – latest releases of motion control software with enhanced PH20 metrology, new “orbital” joystick mode, control system for a light stack (beacons) and support for new range of CMM controllers.

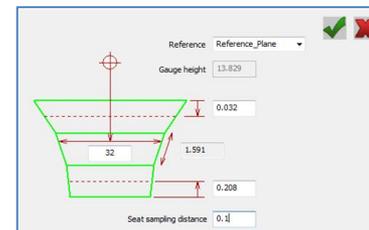
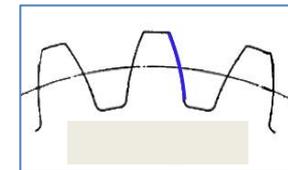


SPA3 – high powered, compact CMM amplifier.

RSP2 V2 – new improved version of the REVO 2D scanning probe with lower laser classification.



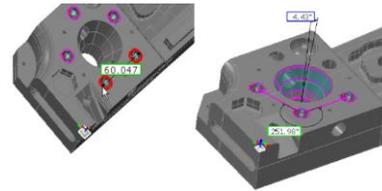
MODUS 1.6 – latest release of measurement software with surface finish measurement and scanning enhancements, and improved analysis of airfoil sections, gears and valve seats.



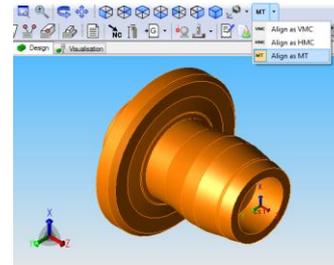
New product releases / Metrology



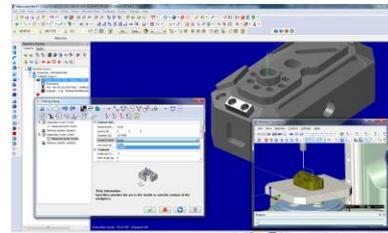
Completely new on-machine scanning for high-speed, high-accuracy in-process control applications.



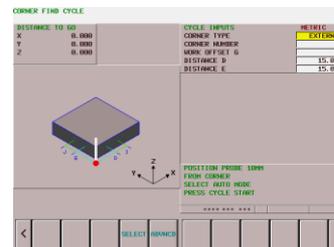
On-machine verification software – updated to improve reporting of GD&T and sections.



Process control software - updated to include support for Multi-Task Machines.



Launch of new offering in conjunction with CNC Software – integration of Productivity+ into MasterCAM.



OEM integrated probing software for users of Fanuc controllers – updated to improve support for more OEMs.

New product releases / Metrology



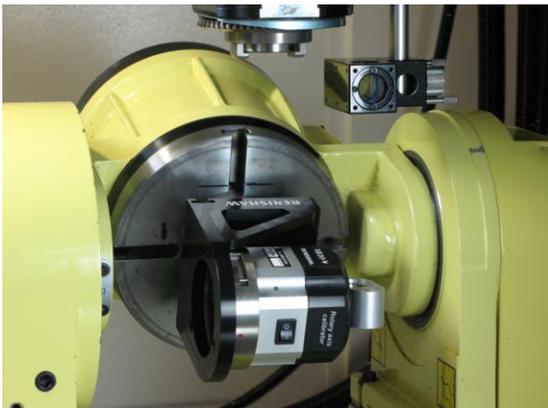
ATOM linear and rotary systems.



Laser encoder RLI20 interface.



XCal-View analysis software.



XR20-W 90 degree bracket.



Quarryman® Pro laser scanner.

Group revenue analysis - Healthcare

Revenue

	2014 £m	2013 £m	Change %
Healthcare	28.9	29.0	-1%

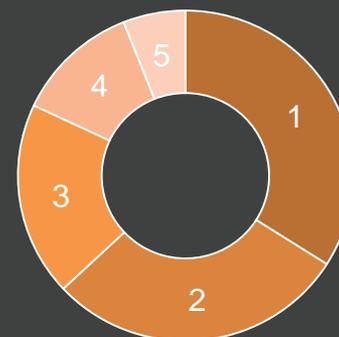
Changes in geographic area

	Change %
Far East	-3%
Europe	-3%
Americas	+17%
UK & Ireland	+35%

Results

	2014 £m	2013 £m
Operating loss	(4.0)	(5.4)

Revenue by region £m



	2014 £m	2014 %	2013 £m
1 Far East	9.8	34	10.1
2 Continental Europe	8.4	29	8.7
3 Americas	5.5	19	4.7
4 UK	3.5	12	2.6
5 Other regions	1.7	6	2.9

Healthcare highlights

- Further sales of the neuromate® surgical robot.
- In the USA, the US Food and Drug Administration (FDA) issued clearance to market the neuromate frameless Gen II stereotactic robotic system. The USA is the largest global market for medical devices and their clearance to market the neuromate robotic system will therefore open up new sales opportunities.
- Product registration for the neuromate has been granted by the Saudi Food and Drug Administration where a system is now in use.
- The Company is manufacturing an investigational drug delivery system to the specifications required by an NHS Trust, which is conducting a clinician-led clinical trial for a therapy for the treatment of Parkinson's disease. The system, which delivers therapies directly into the brain, is also on trial by the Trust to deliver a chemotherapy drug for the treatment of brain tumours.



Neuromate® surgical robot.



David Cameron, UK Prime Minister, with Sir David McMurtry, during his recent visit to the Group's Woodchester site.

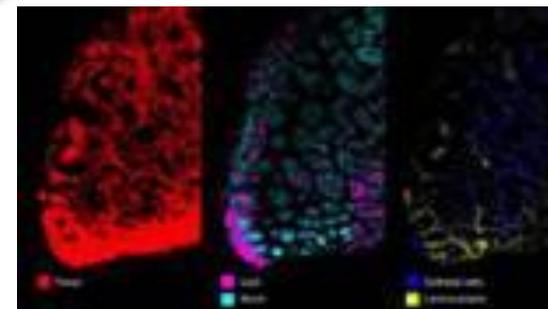
Healthcare highlights

•Potential healthcare applications of surface enhanced Raman scattering (“SERS”) – the detection method behind Renishaw Diagnostics Limited's RenDx® technology – have recently been described in two high profile UK publications. The papers, which have attracted national media interest, highlight the application of SERS technology to the diagnosis of two potentially life threatening fungal diseases.

•On 21st April 2014, Renishaw received a Queen's Award for Enterprise 2014 in the Innovations category for its inVia Raman microscope. This prestigious Award was granted for the continuous development of the inVia, with ultra-fast Raman imaging, which enables the rapid generation of high definition 2D and 3D chemical images for material analysis. This is the Company's seventeenth Queen's Award since the Company was set up in 1973 and its eighth in just eleven years.



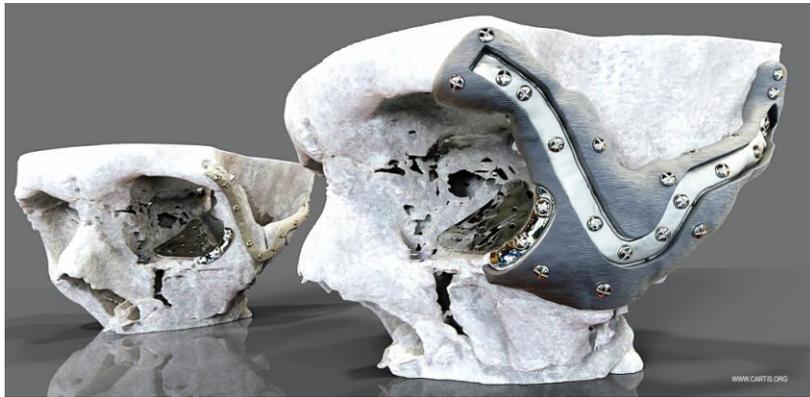
inVia Raman microscope.



A chemical image of human oesophageal tissue, showing cells, lipids and protein, using StreamLineHR™ Rapide and WiRE 4.1 software for inVia Raman microscopes. Sample courtesy of Catherine Kendall, Gloucestershire Hospitals NHS Foundation Trust, UK.

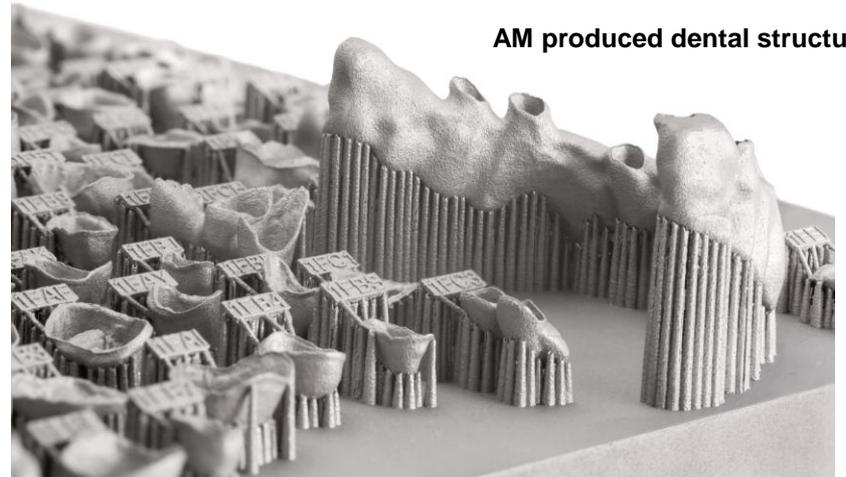
Healthcare highlights

- Encouraging interest in our 3D metal additive manufacturing system for dental applications and maxillofacial restorations.



AM produced maxillofacial guides and implants.
Image courtesy of PDR.

Realistic translucent zirconia - high translucency allows full contour designs to be created without the extra cost of porcelain application.

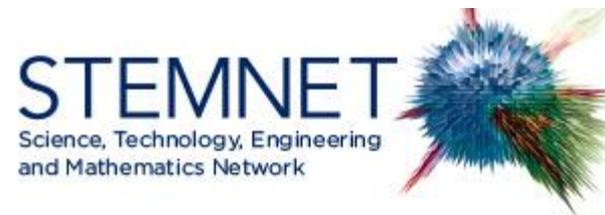


Other awards

•Renishaw was amongst the first five businesses to achieve the new Carbon Trust Waste Standard, which was launched on 5th November 2013. The world's first international standard for organisational waste reduction, it is awarded to businesses able to demonstrate that they are measuring, managing and reducing waste year on year.

•Renishaw has been named as Gloucestershire's STEM Company of the Year. The award which recognises the Company's work to enthuse students about Science, Technology, Engineering and Mathematics (STEM) was presented on 17th October 2013 at a special STEM Ambassadors' Reception held at Gloucester City Museum and Art Gallery.

•Sir David McMurtry, Chairman and Chief Executive, has been awarded the Callendar Medal by the UK Institute of Measurement and Control. The award, which commemorates renowned physicist Professor HL Callendar FRS, is presented annually to an engineer or scientist who has made a significant contribution to the art of instruments or measurement. Sir David was honoured at a special ceremony that took place at the home of the Worshipful Company of Scientific Instrument Makers in London, during October 2013.



Other awards

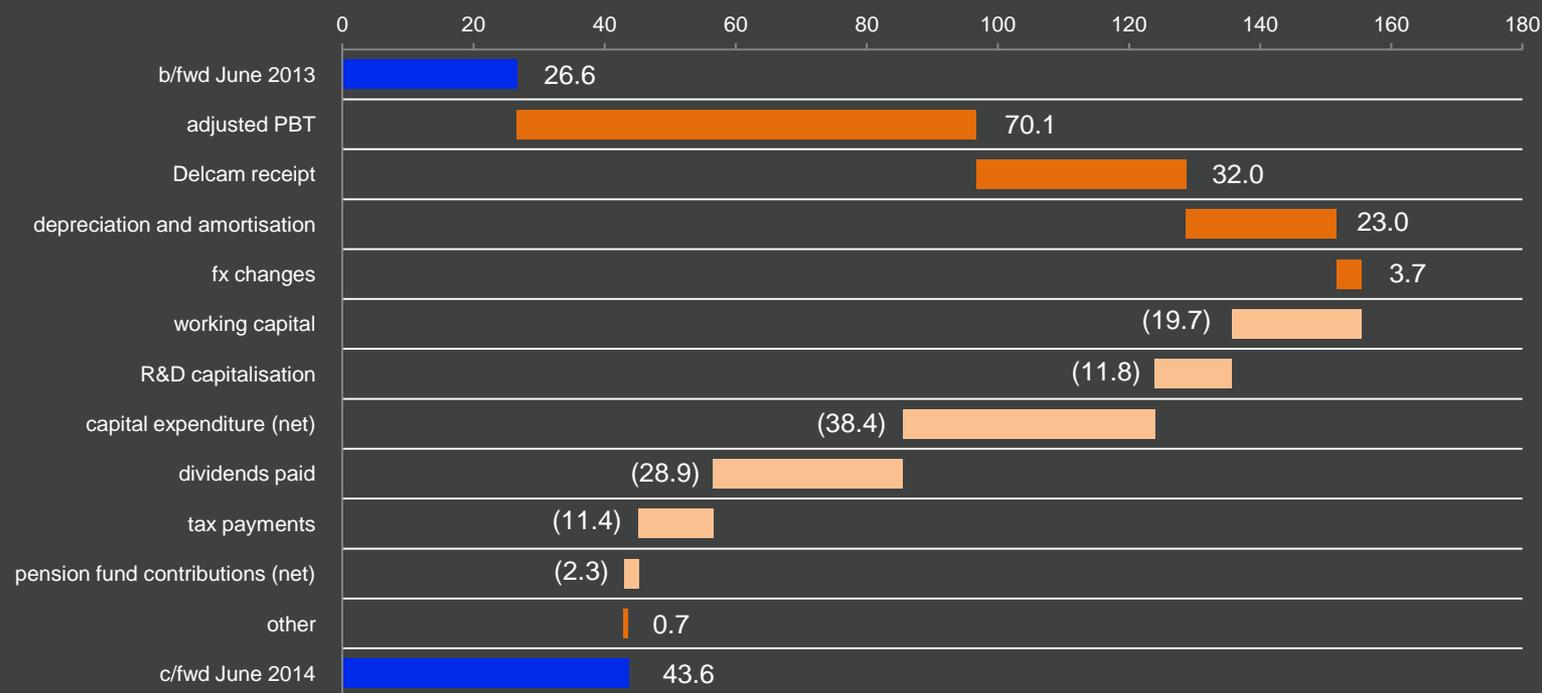
- Sir David McMurtry received The Daily Telegraph Award for a Decade of Excellence in Business at the 2013 UK National Business Awards, held at London's Grosvenor House Hotel on Tuesday 12 November 2013. Sir David was the unanimous choice of the Advisory Board for this prestigious award which recognises the business personality who best represents achievement and longevity, and is synonymous with their business sector in the UK. Sir David is the first head of an engineering business to be honoured.

- As part of the MWP Awards, this year the organisers created a new 'Lifetime Achievement Award' which would be awarded to an individual who has made a significant contribution to the manufacturing industry. The winner of this inaugural award was Sir David.



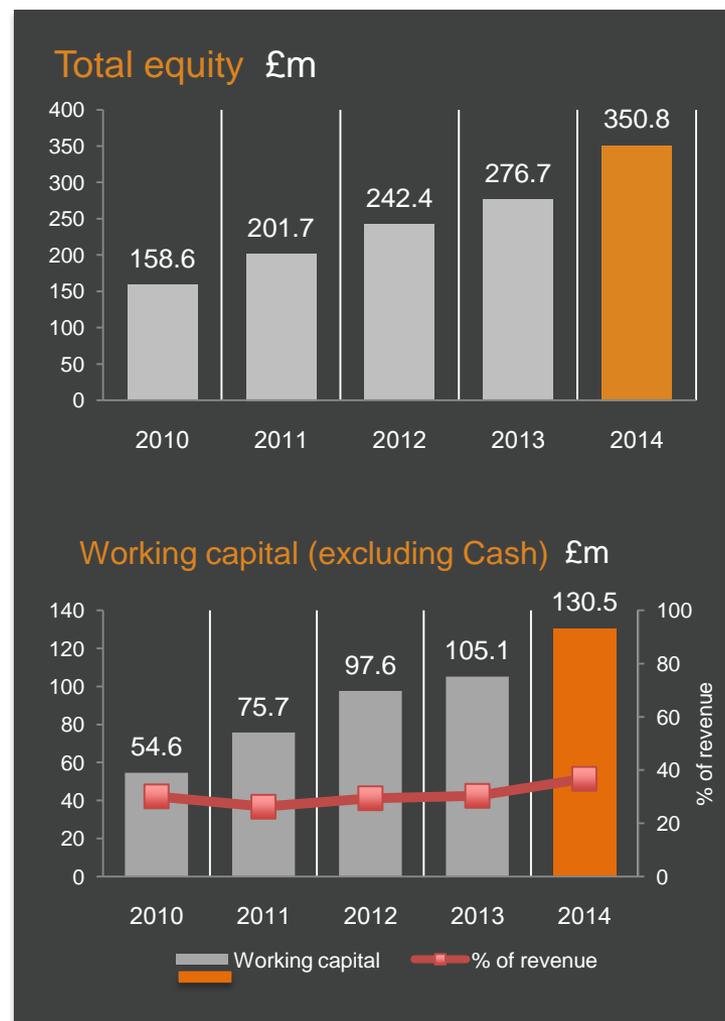
Cash flow

Change in cash balance for the period £m



Balance sheet

£m	June 2014	June 2013	Change %
Property, plant & equipment	140.9	117.9	+20%
Intangible assets & investments	58.8	63.5	-7%
Deferred tax assets	16.2	18.3	-11%
Derivatives	18.6	8.0	+132%
Total non-current assets	234.5	207.7	+13%
Inventory	63.0	65.3	-4%
Debtors	107.7	83.7	+29%
Pension fund cash escrow	9.5	11.0	-14%
Cash	43.6	26.6	+64%
Creditors (current)	(40.2)	(43.9)	-8%
Net current assets	183.6	142.7	+29%
Deferred tax liability	(23.4)	(20.0)	+17%
Pension fund deficit	(43.1)	(41.7)	+3%
Other payables	(0.8)	(12.0)	-93%
Net assets, equal to Total equity	350.8	276.7	+27%



Capital expenditure

	2014 £m	2013 £m
Capital expenditure	39.2	28.0

•Property

- Nearing-completion of 153,000 sq ft building at New Mills.

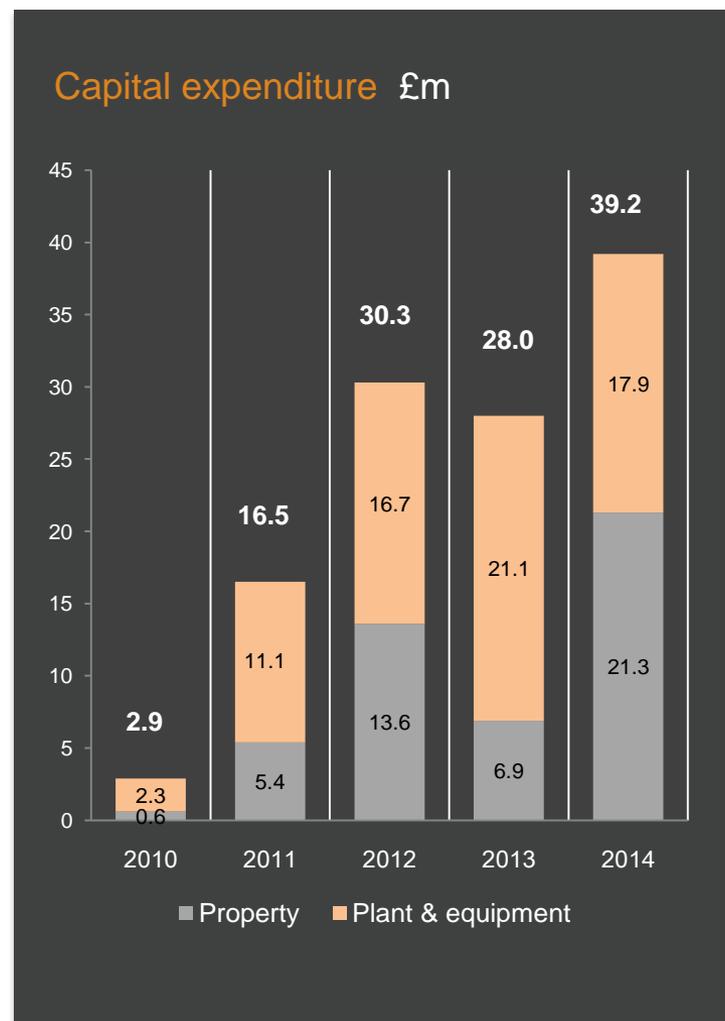
- Purchase of adjoining premises at Renishaw GmbH, Germany, giving an additional 116,000 sq ft.

- Purchase of property in Shanghai as head office function for operations in China.

•Plant & equipment

- Plant and machinery for continuing expansion of Miskin facility.

- Further investment in the Group's IT infrastructure.



Capital expenditure - property



Renishaw plc, New Mills.



Capital expenditure - property



Acquired properties in Germany.



Acquired offices in Shanghai.

Miskin plans



Renishaw has submitted a planning application for 1.74 million sq ft of development in South Wales. The proposal has the potential to create hundreds of jobs, generated by Renishaw's own expansion and the new businesses that would be attracted to the 77 hectare site.

The site in Miskin, near Cardiff, was allocated as a strategic employment site by the Vale of Glamorgan Council in 2012. Renishaw intends to occupy 19 hectares of the site and 58 hectares may be put out for sale to fund the further expansion of activities on Renishaw's retained land.

The plan outlines proposals which include a 1 million sq ft warehouse and a new business park. The space could include manufacturing, research and development, office and distribution and will target engineering and logistics firms and their supply chains.



Renishaw completed the purchase of the 461,000 sq ft facility and surrounding land in September 2011 and has refurbished and brought into use 154,000 sq ft. The Company has future plans to build an additional 400,000 sq ft of manufacturing, research and development facilities for its further expansion.

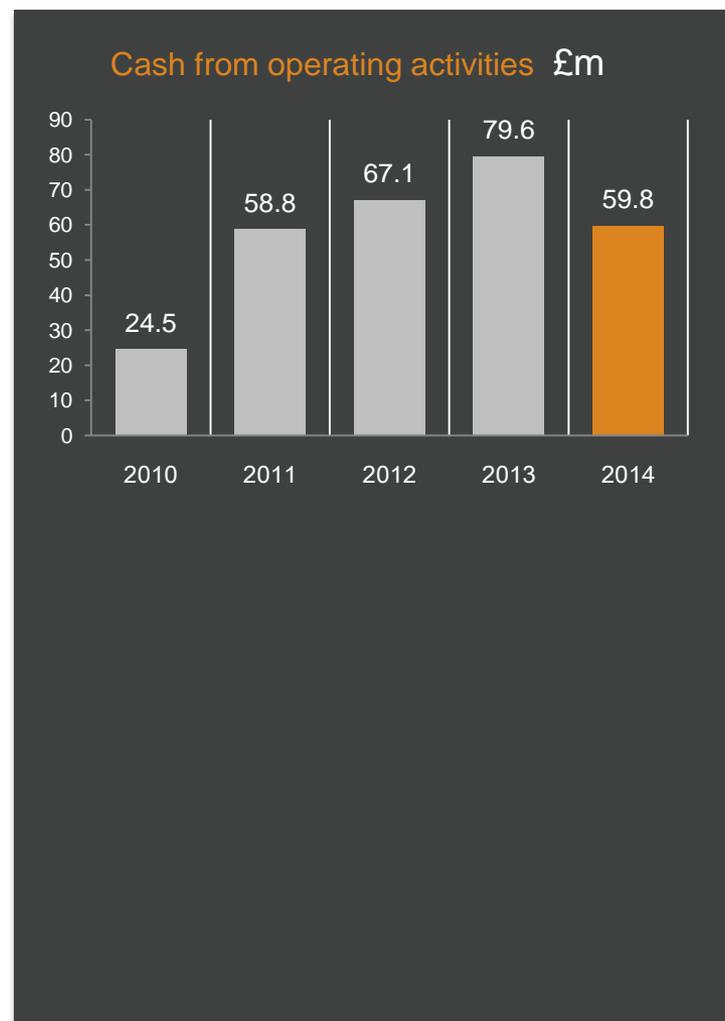
Outlook

The new financial year has started well and, with the ever growing range of products, processes and applications and our skilled and experienced employees, your directors remain confident in the prospects for the Group.

Questions ?

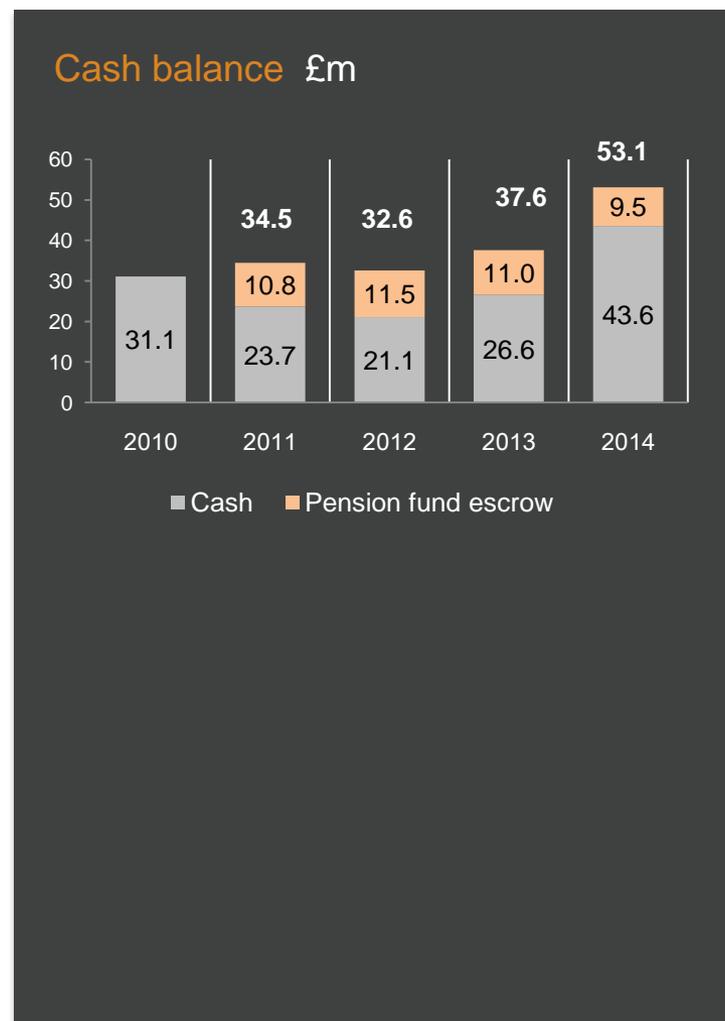
Cash flow from operating activities

	2014 £m	2013 £m
Adjusted profit before tax	70.1	79.2
Depreciation and amortisation	23.0	21.1
Financial income and expenses	1.1	0.9
Share of profits from associates	(1.0)	(1.3)
Decrease/(increase) in inventory	2.3	(11.3)
Decrease/(increase) in debtors	(19.1)	15.3
(Decrease)/increase in creditors	(2.9)	(6.1)
Total movement in working capital	(19.7)	(2.1)
DB pension contributions	(2.3)	(2.5)
Income taxes paid	(11.4)	(15.7)
Cash from operating activities	59.8	79.6



Cash flow

	2014 £m	2013 £m
Cash from operating activities	59.8	79.6
Interest received less paid	0.5	0.8
Dividends paid less received	(28.9)	(28.5)
Fixed assets purchased (net)	(38.4)	(27.7)
Intangible assets acquired	(1.3)	(1.2)
Deferred consideration payments	-	(7.5)
Development costs capitalised	(11.8)	(10.6)
Delcam receipt	32.0	-
Net movement in escrow account	1.4	0.5
Net cash flow	13.3	5.4
Cash at 1st July	26.6	21.1
Effect of exchange rate changes	3.7	0.1
Cash at 30th June	43.6	26.6



Disclaimer

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These forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors of Renishaw plc. They involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person to be materially different from any results, performance or achievements expressed or implied by such statements. They are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. All subsequent oral or written forward-looking statements attributable to Renishaw plc or any of its shareholders or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements included in this document speak only as of the date they were made and are based on information then available to Renishaw plc. Investors should not place undue reliance on such forward-looking statements, and Renishaw plc does not undertake any obligation to update publicly or revise any forward-looking statements.

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