

RENISHAW plc

Trading update

Following the exceptional adverse trading conditions reported for the year ended 30th June 2009, the Board of Renishaw has continued to monitor progress closely. Since the year end, order intake has improved, be it from a low base, and is currently running ahead of sales output. In September the Group expects to achieve revenue of approximately £12 million, some 15% ahead of the average run rate for the last five months. Order backlog has increased and currently stands at between 5 and 6 weeks of planned shipments.

In view of the improved performance the Board is restoring half the previously announced voluntary 20% reduction in salaries which has been in force since February 2009. This will take effect from 1st October until 31st December 2009 at which time salaries will be fully restored. Provision will be made for further payment, which may take employees back up to full salary for part of the period, depending upon group performance up to 31st December 2009. This provision will be paid within the January 2010 payroll.

A further trading update will be made within the Interim Management Statement on 15th October 2009, the date of the Company's annual general meeting.

I am pleased to announce these changes as all employees in the Renishaw Group have responded magnificently to all the challenges and hardships they have faced.

My thanks go to them all for their contribution and support.

Sir David R McMurtry, CBE, RDI, FREng, CEng, FIMechE
Chairman & Chief Executive

29th September 2009

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