

**Renishaw plc**  
**Trading update**  
**13th October 2016**

Ahead of the AGM being held at noon today, we are providing a short trading update as follows:

Renishaw plc, the global high-precision metrology and healthcare manufacturer, publishes this trading update for the three months ended 30th September 2016. It contains unaudited information that covers the first quarter and the period since.

**Trading activity**

Revenue for the first quarter of the current financial year was £112.8m, compared with £98.2m for the corresponding period last year, with growth of 15%. There was growth in all regions, especially the Far East at 22% (9% at constant exchange rates) and Europe at 13% (3% at constant exchange rates).

By business sector, revenue in our metrology business increased by 16% to £108.8m compared with £93.7m last year, with underlying growth at constant exchange rates of 7%. Revenue in our healthcare business was £4.0m compared with £4.5m last year.

Profit before tax for the first quarter amounted to £14.1m (including a currency benefit of £3.7m) compared with £16.3m last year.

The Group's cost base reflects investments made in the previous year, including an increase in labour costs supporting global marketing expansion, further strategic investment in our research and development programmes and investment in skills for future growth. Across the Group, we continue to focus on our operating costs. Exchange rate movements have given rise to higher overseas operating costs in Sterling terms.

**Renishaw Diagnostics Limited ("RDL")**

Following an extensive review of the business, the Board has decided to discontinue operations at RDL, resulting in the 33 staff directly employed by RDL now being on notice of redundancy. Significant efforts have been made to find a collaboration or acquisition partner, however there have been no acceptable offers to date that could take RDL forward as a going concern. We continue to look at opportunities for the sale of RDL assets and to support employees in finding alternative employment. We would like to express our thanks to the employees of RDL for their considerable efforts since the company was formed in 2007. The full carrying value of assets on the consolidated balance sheet which are at risk of impairment loss, along with estimated cessation costs, is expected to be in the region of £4.9m. The resultant costs, net of proceeds from asset disposals, will be reflected in the half year results. The operating costs of RDL in the 2016 financial year were £3.2m.

**Financial position**

The Group balance sheet remains strong with net cash balances of £27.8m as at 30th September 2016 (30th June 2016: £21.3m), excluding the escrow account of £15.3m (30th June 2016: £15.3m) which provides additional security for the UK defined benefit pension scheme.

**Outlook**

The Board remains confident in the future prospects of the Group and, as stated in my statement in July 2016, we continue to anticipate growth in both revenue and profit in this financial year.

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

13th October 2016

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