

Renishaw plc
Interim management statement

This statement has been prepared for the Group and relates to the three months ended 30th September 2012. It contains unaudited information that covers the first quarter and the period since.

Trading activity

I am pleased to report that as we expected there was strong growth for the three months to 30th September 2012, with revenue achieving a first quarter record of £95.9m, an increase of £25.4m, or 36%, over the £70.5m for the first quarter of the previous year.

By business segment, our metrology business reported revenue growth of 38% ahead of last year reflecting major sales to the consumer electronics industry and our healthcare revenue was at a similar level to the comparable period last year.

Geographically, the Far East, specifically China, more than doubled its revenue for this quarter compared to the corresponding period last year. Revenue for Europe and the Americas were broadly in line with last year and the UK, a smaller geographical area in terms of revenue, showed a 27% increase.

The Group cost base has continued to increase with additional, mainly engineering, staff to support its growing revenue and demand for production resource, along with increasing investment in its research and development programmes. Group headcount at the end of September 2012 was 3,018, an increase of 114 from the 2,904 at the start of the financial year at 1st July 2012.

Profit before tax for the first quarter amounted to £28.3m, compared with £13.6m last year, an increase of £14.7m, or 108%.

Significant events and financial position

On 10th October 2012, the Company held the official opening of its manufacturing facility at Miskin, South Wales, where 68,500 square feet has been refurbished and is operational.

There has been no significant capital expenditure or any other significant events during the period.

The Group balance sheet remains strong with net cash balances, excluding the escrow account relating to security for the UK defined benefit pension scheme, at 30th September 2012 of £18.4m (30th June 2012 £21.1m).

As David Snowden and Terry Garthwaite have each completed nine years on the Board, they will not be seeking re-election at the AGM today. The Board is very grateful for their considerable contributions to the Group.

As announced on 10th October 2012 Carol Chesney, a chartered accountant and company secretary at the manufacturing group Halma plc, will be joining the Board on 19th October 2012 as non-executive director and chair of the Audit Committee. Dr David Grant has been appointed the chair of the Remuneration Committee in place of David Snowden.

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

Outlook

We have had a strong start to the year, however it is still very early in our financial year and the order book remains at approximately one month's revenue. There is still much uncertainty surrounding worldwide economic growth rates. With the Group's broad geographical market coverage however and focus on global investment in production systems and processes, the Board remains confident of a further year of progress.

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

18th October 2012

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