

Renishaw plc
Interim Management Statement
15th May 2012

Renishaw plc issues the following Interim Management Statement covering the period from 1st January 2012 to 14th May 2012. Financial information in this announcement relating to the current year is unaudited.

Group trading activity

Revenue for the third quarter ended 31st March 2012 was £81.6m, compared with £78.4m for the comparable period last year, an increase of 4%. Cumulative revenue for the 9 months to 31st March 2012 of £228.8m was 9% ahead of the £210.6m for the comparable period.

During the period we experienced growth in Europe, UK and the Americas. Sales to the USA, our biggest single market, are going well with revenue above the comparable period. In the Far East, our biggest geographical market, revenue in the third quarter was a little below the level of last year, however activity is picking up and we are expecting revenue for the full year to be ahead of last year.

Profit before tax for the third quarter amounted to £21.4m compared with £25.2m last year and for the 9 months to 31st March 2012 amounted to £52.6m compared with £60.5m last year. As stated in the half year report, this reflects the impact of continued investment in staff and infrastructure to support future growth.

Metrology

Revenue in the Group's metrology sector for the 9 months amounted to £211.7m compared with £196.3m for the comparable period last year, an increase of 8%. This business sector is benefiting from the global investment demand for production systems in the automotive, civil aviation, agriculture, energy and consumer electronics sectors, and is starting to experience growth in the wider electronics market. New products continue to be introduced into the market. The RESOLUTE™ absolute optical encoder is now compatible with Mitsubishi's Melservo-J4 range of servo amplifiers, which are regularly used in industries such as electronic assembly. An updated UCC2-2 CMM controller was also released along with the next software version of UCCsuite, version 4.8. In April 2012 we were pleased to receive the Queen's Award for Enterprise 2012 in the Innovations Category for the SP80 ultra-high accuracy analogue scanning probe. This is the Company's fifteenth Queen's Award.

Healthcare

In our healthcare business sector, revenue was £17.1m compared with £14.3m last year, an increase of 20%. Our Spectroscopy product line introduced the RA800-series of OEM benchtop instrument solutions providing research grade Raman microscopy performance with simple-to-use software for materials analysis solutions across a wide range of application areas.

Group developments

During this period the Group established a new subsidiary in Mexico to provide local support and to expand our marketing activities in this growing market. In February 2012 the Group acquired Thomas Engineering, a company based in Canada, which distributes products for the Group's subsidiary company Measurement Devices Ltd. In April 2012 the Group acquired R&R Sales LLC, a USA-based supplier of fixtures for the global measurement and inspection market. This will support the Group's increasing focus on metrology system sales to end users, such as its new Equator Gauge, which requires fixturing products. It also provides the opportunity for R&R to expand its revenue, which is currently mainly USA-based, through Renishaw's global marketing and distribution infrastructure. The aggregate cash consideration for these two acquisitions amounted to £3.2m plus additional amounts dependent on performance over future specified time periods.

Following the purchase of the property at Miskin, South Wales, the Group has completed the refurbishment of 62,500 sq ft and new machinery is currently being commissioned to commence production at the site. This provides for additional manufacturing capacity to accommodate growing demand for the Group's products, including additive manufacturing machines which are scheduled to commence production from the beginning of 2013.

Financial position

The Group maintains a strong balance sheet with net cash balances of £33.7m at 31st March 2012, which includes an escrow account of £11.3m relating to the provision of security for the Group's defined benefit pension scheme.

Outlook

Despite continuing global macroeconomic uncertainties, we have experienced good growth over the year to date and are starting to see signs of an upturn in the electronics market. The final quarter has started well with activity levels in April ahead of the comparable period last year. We currently expect that the Group's adjusted profit before tax for the year to 30th June 2012 will recover the year-to-date shortfall and should be a little higher than the adjusted profit before tax of £80.4m for the year to 30th June 2011. The Board continues to view the future with confidence.

Notes:

1. The 2011 figures as quoted have been restated to include the results of Measurement Devices Ltd.
2. Renishaw will be announcing its year end results to 30th June 2012 on 25th July 2012.

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

15th May 2012

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