



Ricardo plc

16 May 2012

Interim Management Statement

Ricardo plc ('Ricardo' or 'the Company') – a market leading engineering and automotive consultancy, is today providing an Interim Management Statement in respect of the period 1 January 2012 to the date of this release. Ricardo will announce its full year results for the twelve month period ending 30 June 2012 on 20 September 2012.

Orders in the period included further work from our major UK passenger car client to develop their global product range, engine design work for agricultural vehicles, an engine programme for power generation, continued orders for a German motorcycle manufacturer, and a rail transmission design programme for a Malaysian client. The pipeline remains solid and includes further supercar niche engine assembly work and design programmes for the defence and passenger car industries. Total orders received for the four months tracked slightly behind the same period last year, however orders for the ten month period are in line with last year.

Revenue in the period was up 3% on the same period last year.

The order book at the end of April remains strong at £106m compared to £104m this time last year.

Our Technical Consulting business has delivered improved operating margins for the financial year to date, with revenue levels similar to the same period last year. This has been achieved through a strong mix of orders and improved project delivery and efficiency in the UK division. The UK activity has more than offset weaker performances from the smaller divisions.

In Germany market conditions have remained challenging with delays to order placement, rescoping of client programmes and tight control of clients' external spend which will impact revenues in the second half of the financial year.

Although the US saw encouraging order intake from defence and commercial sector clients at the beginning of 2012, we still wait to see placement of significant orders from some of the traditional US passenger car OEMs to meet the upcoming CO₂ legislation. As a result, trading performance in the period has remained challenging.

Strategic Consulting has benefitted from the implementation of cost reduction plans since December, whilst revenue performance has been broadly stable since the first half of the financial year.

The Performance Products segment continues to be busy with delivery volumes increasing across engines, transmissions and vehicles for the motorsport, super car and defence sectors. We continue the assembly and supply of 200 tranche 1 Foxhound vehicles and have just concluded negotiations with General Dynamics

Land Systems – Force Protection Europe for the follow on tranche 2 programme for 100 vehicles.

The net cash balance remains positive as working capital continues to be carefully managed, maintaining a strong balance sheet.

Dave Shemmans CEO commented: “We are pleased with the progress of the UK business, which has built a stronger resilience through the addition of the niche assembly programmes and a portfolio of multi-year engineering programmes. Our new marine, rail and clean energy sectors are adding additional high quality orders with Asia, and in particular Japan, being a good source of business. The US and German markets however, remain challenging and we have seen a return to some cautious order placement in recent months. Overall the order book and pipeline remains healthy and we remain confident of further progress for the full year.”

Further enquiries:

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