Ricardo plc

16 May 2013

Interim Management Statement

Ricardo plc ("Ricardo" or "the Group"), a market leading engineering, automotive and environmental consultancy, is today releasing an Interim Management Statement in respect of the period 1 January 2013 to the date of this release. Ricardo will announce its full year results for the twelve month period ending 30 June 2013 on 9 September 2013.

Since the announcement of Interim Results on 28 February 2013, the business has continued in line with plan. Overall customer activity has improved leading to a good pipeline across the Group. New contract wins include the start of multi-year programmes for volume car manufacturers.

The order book at the end of April remains strong at £130m. Excluding Ricardo-AEA, the order book was £101m comparable to £106m at the same time last year. Revenue in the eight months to April was up by 15% on the corresponding period last year (up 3% excluding the benefit of Ricardo-AEA acquired in November 2012). Our German business is improving after a difficult start to the year, the US is also recovering while operations in the UK continue to perform well.

We are pleased to report that activity in Technical Consulting is increasing driven by a broad range of projects for major car companies around the world. The "Detroit 3" have placed a number of smaller contracts and we are continuing to win new orders from and work on existing major programmes for passenger car companies in the UK, Russia and the Far East. Although demand in continental Europe remains subdued, business and prospects remain strong in Japan.

Outside the passenger car market we have had notable successes in winning and executing large engine projects for power generation and rail applications. We are also seeing increasing customer interest in alternative fuel applications. For example, we are advising Canadian National Railways on the potential use of natural gas as a fuel for their locomotive engines.

Ricardo-AEA has performed well and in line with our expectations. The integration with Ricardo is complete and synergies are being generated by leveraging the enlarged Group's purchasing power. New orders in the period included a three year contract to monitor air quality in Riyadh, Saudi Arabia and a regional consortium contract to provide advice to Scottish organisations on how to reduce energy, water and raw material costs.

The Performance Products segment continues to perform well with a new order for a further 76 Foxhound military vehicles. This adds to established programmes to supply engines, transmissions and components to motorsport, super car and transportation customers such as Bugatti, McLaren and Scomi and a new programme for the supply of transmissions for the Porsche Cup.

Cash generation across the Group remains strong. Net cash at the end of April was £11.3m compared to net debt of £2.7m at 31 December 2012.

Dave Shemmans, CEO, commented:

“We are encouraged by the overall progress of the business and are seeing evidence of recovery in automotive markets outside continental Europe. Our strategy of exploiting adjacent markets such as rail, energy and motorcycles is additionally broadening the scope of Ricardo’s activities. Ricardo-AEA has met all of its targets since it joined the Group. Its order book is strong and growing, expected cost reductions have been achieved and sales channels through the Ricardo Group are being opened. Overall, the Group order book and pipeline are strong and we remain confident of further progress for the full year.”

Further enquiries:

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