



**Ricardo plc**

**18 November 2010**

### **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 30 June to the date of this release. Ricardo will announce its interim results for the six month period ending 31 December 2010 on 1 March 2011.

We continue to see positive momentum in the market place. Order intake at the end of October was 20% up on the same period last year. The order book at the end of October remained strong at £101m, the same level as at the end of June 2010 and continues to contain a good balanced portfolio. Revenues in the same 4 month period were up on last year.

Orders received in the period include engine design work for the automotive market, further defence work in the UK and strong commercial vehicle content for the US. Our partner, Force Protection is close to finalising an agreement with the MOD in relation to the programme for Ocelot vehicles. We await a confirmed order so we can provide an update on numbers of vehicles for the assembly programme.

In the period, we have successfully recruited a number of sector specialist directors with global market experience, to lead our diversification efforts into market sectors such as defence and commercial vehicles (on-highway and off-highway).

Within Technical Consulting, the UK division is very busy delivering a number of large contracts and utilisation levels are high. However, design, development and pre-production costs for a major engineering programme have been significantly higher than anticipated. As expected, Germany had a quiet order intake period over the summer months, similar to the same period in the prior year but the pipeline of new business is increasingly positive. The US division continues to perform well and order book levels remain strong.

Strategic Consulting also has had a good start to the financial year and profit performance at the end of October tracks ahead of the same period last year.

As our assembly activity increases, we intend to introduce a new reporting segment at our interim results in December 2010 called "Performance Products".

As previously communicated, the non core German exhaust manufacturing business sale to J Ebspächer GmbH & Co. KG completed on the 30 July.

As expected, net debt levels have increased since June 2010 due to working capital requirements on a number of current large programmes and as materials build to serve current assembly programmes. However, we continue to operate well within our committed facility headroom.

Dave Shemmans, CEO commented: "Order intake in the period has been encouraging, the order book strong and the market outlook is positive. Despite cost overruns on a small number of programmes we remain confident of further progress this year."

**Further enquiries:**

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