



10 January 2011

**Ricardo plc  
Trading Update**

Ricardo plc ('Ricardo' or 'the Company') – a market leading engineering and automotive consultancy, is today providing a trading update for the sixth month period to the end of December 2010. Ricardo will announce its interim results for the six month period ending 31 December 2010 on 1 March 2011 and we entered the close period on 31<sup>st</sup> December 2010.

We are pleased to see positive signs of recovery in the passenger car market and further progress of our diversification strategy which has resulted in strong order intake in the last 6 months. This level of order intake represents a substantial increase of around 25% compared to the same period of the prior year.

The order book has seen strong growth and is expected to close at around £115m (compared to £99m this time last year) and with a balanced portfolio of work.

Orders received in the period saw a return to multi-year development programmes being outsourced by clients. Key projects were secured in the automotive market, off highway sector and the defence vehicle order was formally awarded by Force Protection, for the set up and assembly of 200 vehicles, (formerly known as Ocelot, now Foxhound) with production commencing in July 2011.

Within Technical Consulting, the UK division remains very busy and the German market is now seeing signs of recovery. The US division continues to grow and deliver improved returns compared to the same period in the prior year.

Strategic Consulting had a good start to the financial year and continues to grow.

Our Performance Products segment to be reported for the first time in March, which includes our assembly activity, shows solid business growth driven by increasing business, largely from the defence sector in the main. The supercar engine programme has started producing customer engines and is planned to extend over a seven year period. The orderbook only reflects a rolling three month quantity, which at this time, is not material as we ramp up production.

Improved order wins brought in some cash advances which benefited our net debt balance at the end of December, and exceeded our expectations at this

time of the year, when the working capital traditional cycle tends to drive an increase to our net debt position. Net debt closed at similar levels to the financial year end at June 2010.

Overall, the market outlook continues to look positive with passenger car customers returning. We expect business growth for the half year and remain confident for further progress for the full year. Winning multi-year engineering programmes, commencing assembly of the supercar engine, and securing the Foxhound defence programme, all underpin longer term business.

**Further enquiries:**

Ricardo plc  
Dave Shemmans, Chief Executive  
Paula Bell, Group Finance Director

Tel: 01273 455611

Website: [www.ricardo.com](http://www.ricardo.com)

Kreab Gavin Anderson  
Fergus Wylie  
Michael Turner

Tel: 0207 074 1800