



10 January 2012

**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 six month period ending 31 December 2011. Ricardo will announce its interim results on 29 February 2012.

Since our Interim Management Statement issued in November 2011, we have seen a strong level of order intake across multiple geographies into all of our key divisions. This includes orders for commercial vehicle engine development from Germany, agricultural engine development from the UK and Asia, motorcycle development from Europe, high performance engine manufacturing from the UK, supercar transmissions design and manufacturing from Europe, defence business from the UK and US, as well as orders in the rail and wind farm sectors.

As a result, the order book remains strong, and is expected to close higher than that reported a year ago of £117m. Notwithstanding the current economic backdrop, the profile and robustness of our order intake demonstrates the value of our sector and geographic diversification strategy.

We are experiencing a strong trading performance in our Technical Consulting business, particularly in the UK division and Germany continues to make gradual progress. The US division in comparison, has seen a marked slowdown in activity.

The Strategic Consulting business, representing approximately 5% of total revenue, has found market conditions challenging with less demand for strategic services as clients are moving to smaller operational focused activities.

The Performance Products business has continued to deliver an increasing volume of supercar engines and motorsport transmissions. Furthermore, we are delivering Foxhound vehicles for the UK Ministry of Defence and are currently in negotiation for the publicly announced additional 100 vehicles for tranche two.

Continued focus on working capital management has maintained a positive cash balance at the end of December 2011 compared to a net debt balance of £6.7m this time last year despite busy assembly operational activity.

Dave Shemmans, CEO, commented: “We are encouraged by the continued order intake levels. The strong order book provides momentum into the second half of the financial year. We remain encouraged to see clients placing work with Ricardo to achieve CO₂ reduction and emissions legislation targets and that our strategic partnerships continue to develop. Despite a relative lull in the US market for the majority of the period, we remain very busy across the company. Strong financial management of our costs and cash flow continues and we have maintained a strong balance sheet. We remain confident of our progress for the full year.”

Further enquiries:

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