



14 January 2013

**Ricardo plc
Trading Update**

Ricardo plc ('Ricardo' or 'the Group'), a market leading engineering, automotive and environmental consultancy, is today providing a trading update for the six month period ending 31 December 2012. Ricardo will announce its interim results on 28 February 2013.

Since our Interim Management Statement issued in November 2012, business performance has tracked to plan, with order intake across multiple geographies and business segments.

Within Technical Consulting, the UK operations have continued to secure a good stream of business and we continue to work on existing multiyear programmes with key UK clients. In addition, further work has been secured in Japan and the pipeline of activity continues to build in China where starter programmes have been won which should lead to multiyear programmes. Mainland Europe remains benign although work from a large engine client and a Chinese motorcycle manufacturer is offsetting the reduction in test bed revenue in our German division. Our US division has maintained its strong order book position built earlier in the financial year.

The recent acquisition of AEA Europe, announced in November 2012, is delivering to plan, both in terms of expected trading performance and the integration into the wider Ricardo business. Clients and employees have received Ricardo's ownership extremely well.

The Performance Products business continues to be busy with high levels of motorsport activity including further Bugatti transmission orders, continued assembly of super car engines and defence vehicles and the Malaysian rail programme entering the production phase.

We continue to manage our working capital very well and despite the recent acquisition, we closed the end of December with only marginal net debt balance and a strong balance sheet.

Dave Shemmans, CEO, commented: "We are encouraged by our solid orderbook and pipeline, as well as the continued progress in implementing our strategic growth plans, including diversification into neighbouring market sectors. We remain confident of further progress both in the half and full year."

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