

**Renishaw plc**  
**Interim Management Statement**  
**15 May 2009**

As indicated in our trading update in March, trading conditions remain weak. We are however focussed on client service, continuing investment in our existing portfolio of products, research & development, and on newer markets such as spectroscopy, dental, neuro and advanced metrology equipment. The launch of our new dental product range took place at the International Dental Exhibition at the end of March and a portfolio of new products for the Neurosurgical market is to be launched at the fifteenth Quadrennial Meeting of the World Society of Stereotactic and Functional Neurosurgery, being held in Toronto at the end of this month. Early interest from prospective customers is encouraging.

The Group's order book visibility still remains short. However, the Group's cost base has been stream-lined as a result of the cost saving measures initiated by the Group earlier in the financial year and this will mitigate the impact of the ongoing difficult market conditions on the level of profitability. The Group still expects to record an operating loss (before exceptional, one-off items) in the second half of the year, although it is now expected to be somewhat lower than the £10 million previously indicated.

The Group has a strong balance sheet and management action has resulted in an overall reduction in the level of the working capital requirement. Net cash balances at the end of April were £14m.

The Group's strength in its key markets and its continued investment in the business ensures that it is well-positioned to benefit from the eventual improvement in demand and the Board remains confident of the Group's long-term prospects.

Sir David R McMurtry, CBE, RDI, CEng, FIMechE, FREng  
Chairman & Chief Executive

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|------------|---------------|--------------|
| Enquiries: | B R Taylor    | 01453 524445 |
|            | A C G Roberts | 01453 524445 |

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| Registered number: | 1106260   |
| Registered office: | New Mills, Wotton-under-Edge, Gloucestershire. GL12 8JR |
| Telephone:         | 01453 524524  |
| Website:           | <a href="http://www.renishaw.com">www.renishaw.com</a>  |