

H1 HIGHLIGHTS

(six months to 31 December 2010)



- Order book up 16% to £117m, following strong intake (June 10: £101m)
- Multi-year engineering, assembly and defence vehicle programmes secured
- Revenue up 11% to £90.2m (Dec 09: £81m)
- Profit before tax up 32% to £5m (Dec 09: £3.8m)
- Earnings per share up to 9.4p (Dec 09: 6.3p)
- Low gearing maintained – net debt £7.5m (June 10: £7.8m; Dec 09: £6.7m)
- Interim dividend up to 3.4p per share (Dec 09: 3.2p)
- Positive market momentum being carried into the second half with a return of business from some passenger car companies

KEY INDICATORS



	Half years ended 31 December		Year ended 30 June
	2010	2009	2010
Order book	£117m	£99m	£101m
Gross profit %	34.1%	34.6%	36.3%
Operating profit %	7.1%	5.9%	7.7%
Tax rate	4%	16%	5%
EPS (basic)	9.4p	6.3p	20.1p
Dividend	3.4p	3.2p	10.7p
Net debt	£7.5m	£6.7m	£7.8m
Pension deficit (pre-tax)	£25.0m	£30.2m	£34.4m
Average headcount (excl. subcontractors)	1,479	1,522	1,530

INCOME STATEMENT



£ m	Half years ended 31 December		Year ended 30 June
	2010	2009	2010
Revenue	90.2	81.0	162.8
Gross profit	30.8	28.0	59.1
Administration expenses*	(24.4)	(23.2)	(46.5)
Operating profit	6.4	4.8	12.6
Net finance (costs)/income	(1.4)	(1.0)	(1.8)
Profit before tax	5.0	3.8	10.8
Taxation charge	(0.2)	(0.6)	(0.5)
Profit after tax – continuing operations	4.8	3.2	10.3
Discontinued operations	(0.2)	(0.2)	(2.7)
Profit for the year	4.6	3.0	7.6

* Net of 'other income' of £0.1m in the half year ended 31 December 2010

REVENUE BY CUSTOMER LOCATION



External Revenue £m	Half years ended 31 December		Year ended 30 June
	2010	2009	2010
UK	32.1	29.5	42.7
Germany	12.7	10.7	21.6
Rest of Europe	6.3	9.8	27.5
Europe Total	51.1	50.0	91.8
US	21.4	15.6	40.6
China	5.3	4.8	10.2
Japan	6.9	4.3	9.8
Rest of Asia	5.2	5.9	9.7
Asia Total	17.4	15.0	29.7
Rest of the World	0.3	0.4	0.7
Total	90.2	81.0	162.8

SEGMENTAL RESULTS



Half years ended 31 December

£m	Revenue earned		Operating profit/(loss)	
	2010	2009	2010	2009
UK	39.4	45.6	1.4	3.8
Germany	9.9	7.1	(0.3)	(0.7)
US	16.0	10.9	0.9	(0.1)
Technical Consulting	65.3	63.6	2.0	3.0
Strategic Consulting	5.5	4.5	1.0	0.6
Performance Products	19.4	12.9	3.2	1.0
Head office & consolidation adjustments	n/a	n/a	0.2	0.2
Total	90.2	81.0	6.4	4.8

£m	Half years ended 31 December		Year ended 30 June
	2010	2009	2010
Operating profit	6.4	4.8	12.6
Depreciation and amortisation	4.1	4.1	8.2
Working capital decrease/(increase)	1.0	(2.6)	(7.4)
Dividends	(3.9)	(3.8)	(5.5)
Net finance costs	(1.4)	(1.1)	(2.0)
Tax paid	(1.4)	(0.8)	(1.8)
Capital expenditure	(4.6)	(2.6)	(7.5)
Pension payments in excess of pension costs	(1.0)	(1.0)	(2.2)
Forex movements	(0.5)	(0.5)	0.5
Other	1.9	0.4	1.2
Cash inflow/(outflow) from continuing operations	0.6	(3.1)	(3.9)
Cash outflow from discontinued operations	(0.3)	(0.1)	(0.4)
Cash inflow/(outflow)	0.3	(3.2)	(4.3)

BALANCE SHEET SUMMARY



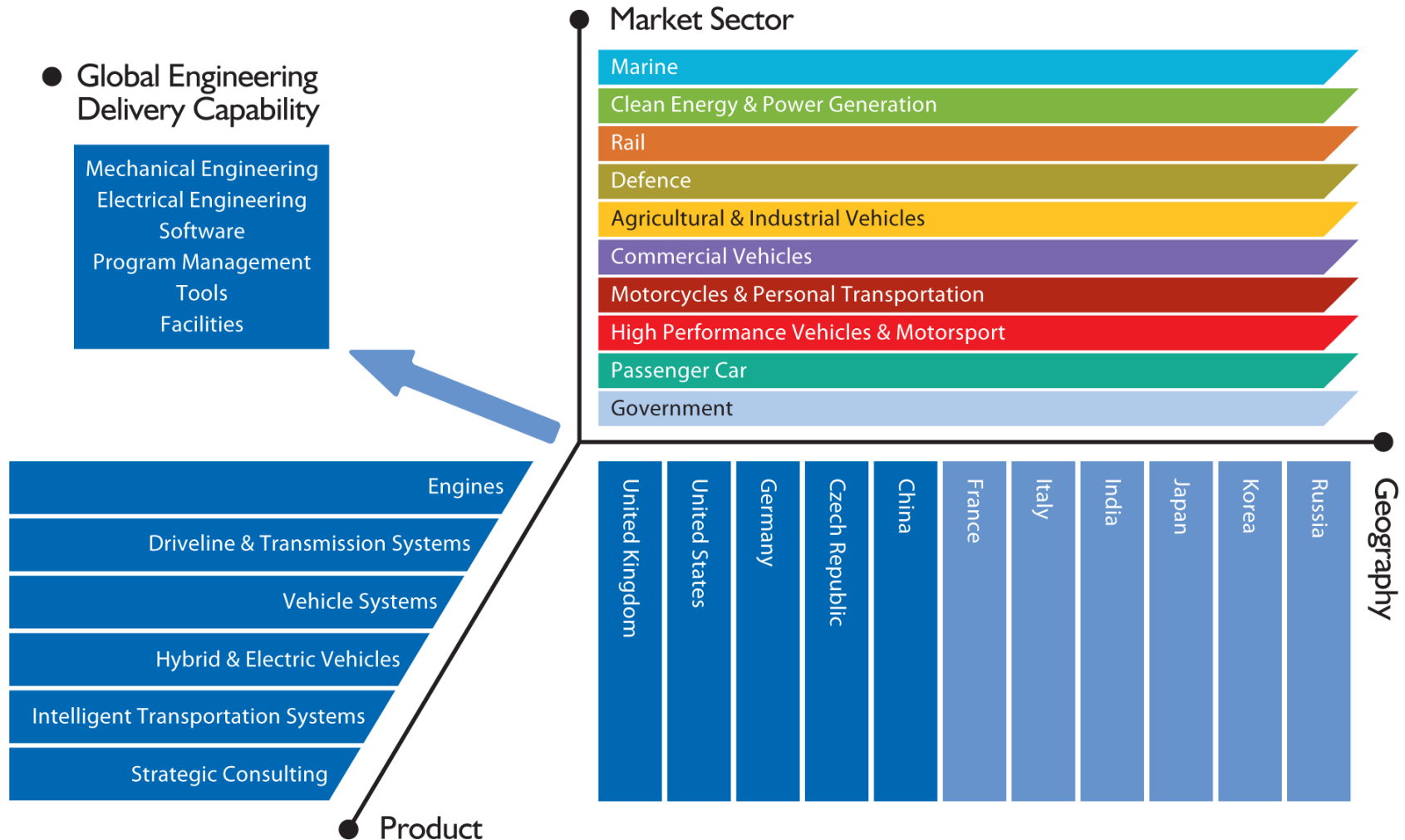
£m	Half years ended 31 December		Year ended 30 June
	2010	2009	2010
Tangible assets	47.7	46.3	47.7
Intangible assets	20.9	19.6	19.1
Inventory and receivables	69.3	54.5	63.2
Net debt	(7.5)	(6.7)	(7.8)
Trade and other payables	(47.5)	(37.0)	(40.0)
Tax & other	7.7	3.7	6.0
Pensions deficit (net of tax)	(18.0)	(21.7)	(24.8)
Net assets held for sale	-	7.0	1.4
Net assets	72.6	65.7	64.8

The Ricardo strategy – providing a platform for growth and risk mitigation

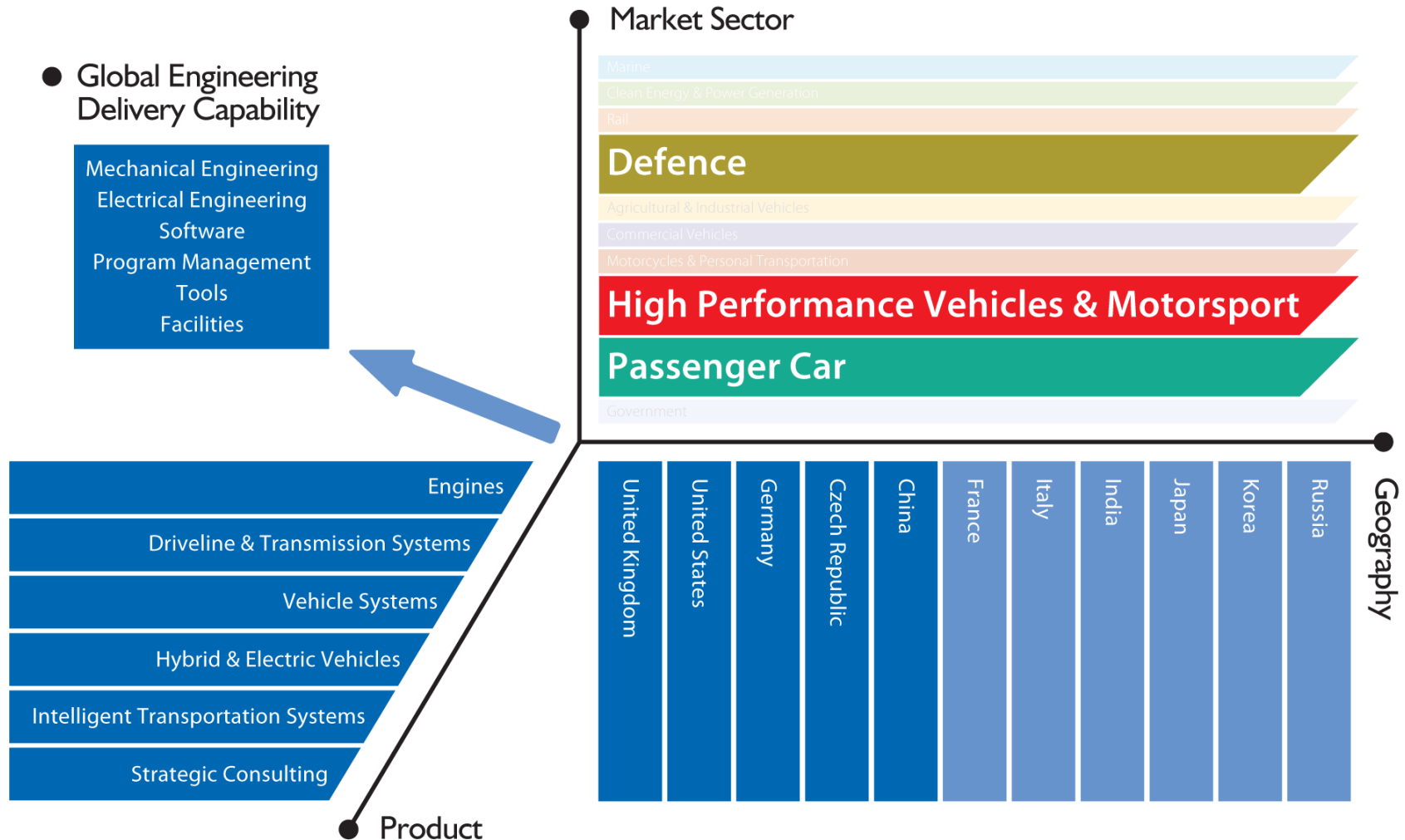
- No dependence on any one sector, product or geography
- Tight diversity around a common competence (eng. & mgt consulting)
- Expansion into neighbouring markets which can use our expertise
- Maximisation of engineering pool
- Assembly programmes are considered when they augment and bring benefit to the technical consulting business
- Ideally markets with enduring drivers – legislation, structural change



The core business model of Ricardo is three dimensional, feeding a common flexible resource pool



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Key themes for the half



- Selection and award of Ocelot/Foxhound UK MOD contract for 200 vehicles
- Defence WMIK vehicles peaked in H1 and will ramp down in H2
- Engineering development and entry into production of Supercar engine
- Global automotive market returning to outsourced development spend and multiyear programme placement
- Order intake built through H1, leading to strong order book and pipeline

- CO₂ legislation firm, increasingly wide ranging with governmental financial support
- Oil prices rising, focus on energy security

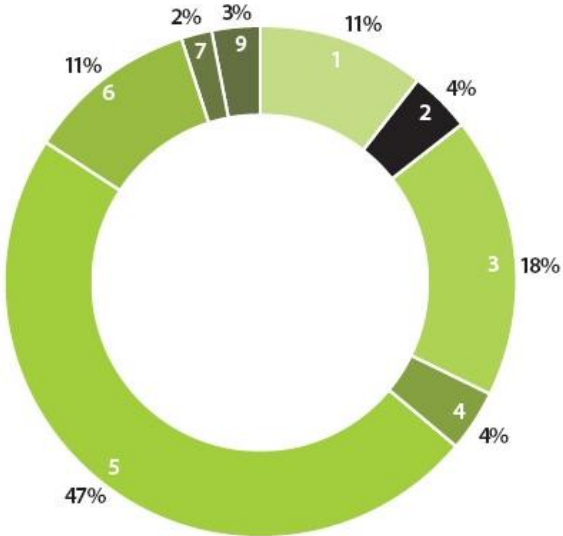
- Recruitment of key personnel to populate strategy leadership & growth
- US business delivering increasing profits
- UK hampered by cost over run on a major engineering programme but underlying trading positive
- Germany progressing and building order book to critical mass



A continued spread of geographical & market sector orders in the half

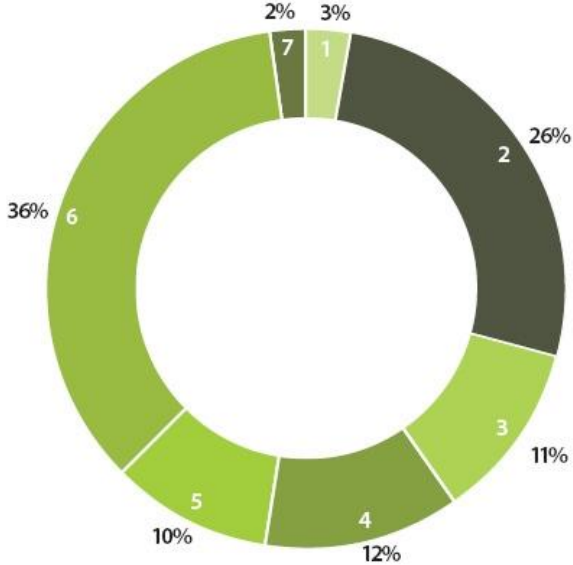


Ricardo plc External Order Intake by Geography
1st Half FY 2010-2011



- 1. Rest of Asia
- 2. Japan
- 3. USA
- 4. Rest of Europe
- 5. UK
- 6. Germany
- 7. India
- 8. Russia (<1%)
- 9. China
- 10. Korea (<1%)

Ricardo plc Market Sector External Order Intake
1st Half FY 2010-2011

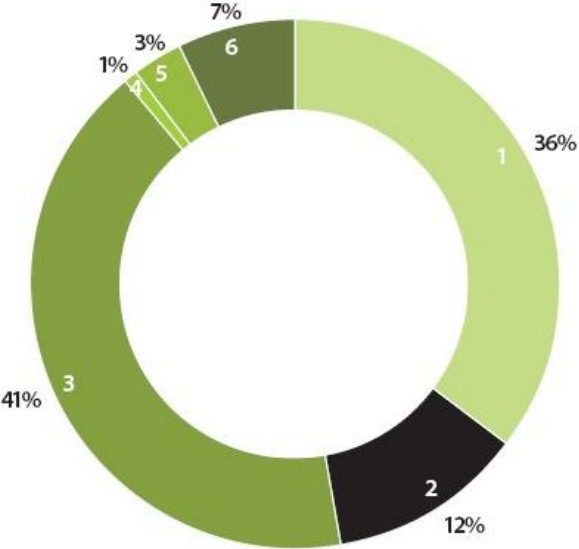


- 1. Clean Energy & Power Generation
- 2. Defence
- 3. Agricultural & Industrial Vehicles
- 4. Commercial Vehicle
- 5. High Performance Vehicles & Motorsport
- 6. Passenger Car
- 7. Motorcycles & Personal Transportation
- 8. Government (<1%)
- 9. Rail (<1%)
- 10. Marine (<1%)

A continued spread of product and customer orders in the period

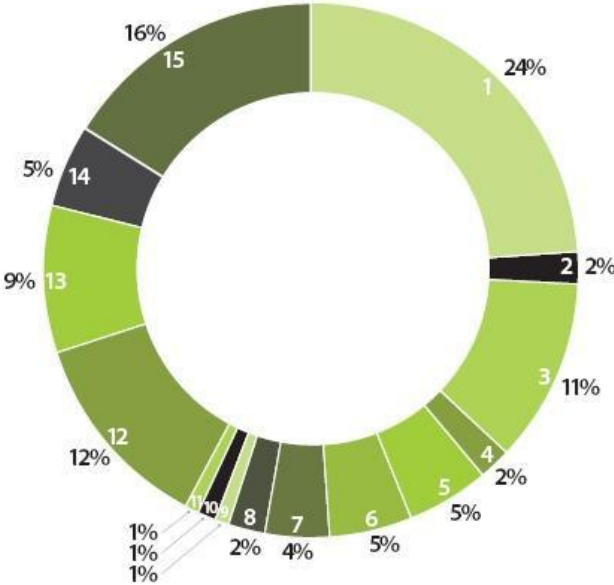


Ricardo plc External Order Intake by Product Group
1st Half FY 2010-2011



- 1. Engines
- 2. Driveline & Transmission Systems
- 3. Vehicle Systems
- 4. Hybrid Electric Vehicle
- 5. Intelligent Transportation Systems
- 6. Ricardo Strategic Consulting

Ricardo plc External Order Intake by Key Client
1st Half FY 2010-2011



- 1. UK Defence
- 2. US Defence
- 3. Global Key Client 1
- 4. Global Key Client 2
- 5. Key client 1
- 6. Key client 2
- 7. Key client 3
- 8. Key client 4
- 9. Key client 5
- 10. Key client 6
- 11. Key client 7
- 12. Rest of UK
- 13. Rest of Asia
- 14. Rest of Europe
- 15. Rest of USA

Defence sector - highlights

- Awarded contract for initial 200 Foxhound vehicles (formerly known as Ocelot) for UK MOD. Delivery of vehicles commences July 2011
- Ocelot being evaluated for the Australian Land 121 programme and being marketed to the US army
- Continued support to the UK MOD Land Rover fleet
- Completion of Fuel Economy Demonstrator vehicle for US DoD and programme awards
- First flight of Ricardo engine for Unmanned Aerial Vehicle
- Tank engine programme for Indian army



Defence sector - highlights





High Performance Vehicles & Motorcycles - highlights

- Core supercar engineering programme delivered, production facility built, production team recruited and start of production commenced
- Expected seven year supply of first model, three month call-offs reflected in order book
- Derivative programmes underway
- Ricardo motorsport expanding its global race series coverage, including Formula 1, Japanese GT, Indy Lights, Formula Nippon, Renault World Series, World Rally Car and again to the winner of the Le Mans endurance race with component design and supply
- Motorcycle engine programmes leading to scooter programmes leading to range extender engine programmes for electric vehicles

Supercar engine build and factory





Passenger car sector – highlights

- Global automotive market returning to outsourced development spend
- Return to multiyear programme placement
- Many OEMS lacking sufficient in-house resource to meet development needs
- Recovering towards pre-recessionary levels
- CO₂ remains the key driver
- US lagging Europe and Asia in terms of activity at this point
- Increasing market demand for engineering talent

Other highlights



- Emissions legislation continues to drive business from the commercial, industrial and agricultural sectors across the world
- Wind turbine transmission systems and developments in diesel generator technology have provided business from the clean energy & power generation sectors
- Early wins and acceptance by the industry's main companies & institutions have demonstrated the value available from Ricardo to the rail sector
- High levels of collaborative UK and European grant funding continues to support Ricardo's R&D programme in the government sector. Fully funded programmes are being delivered to the US Government
- Ricardo's emissions performance and fuel economy improvement activities have generated initial orders from the marine sector

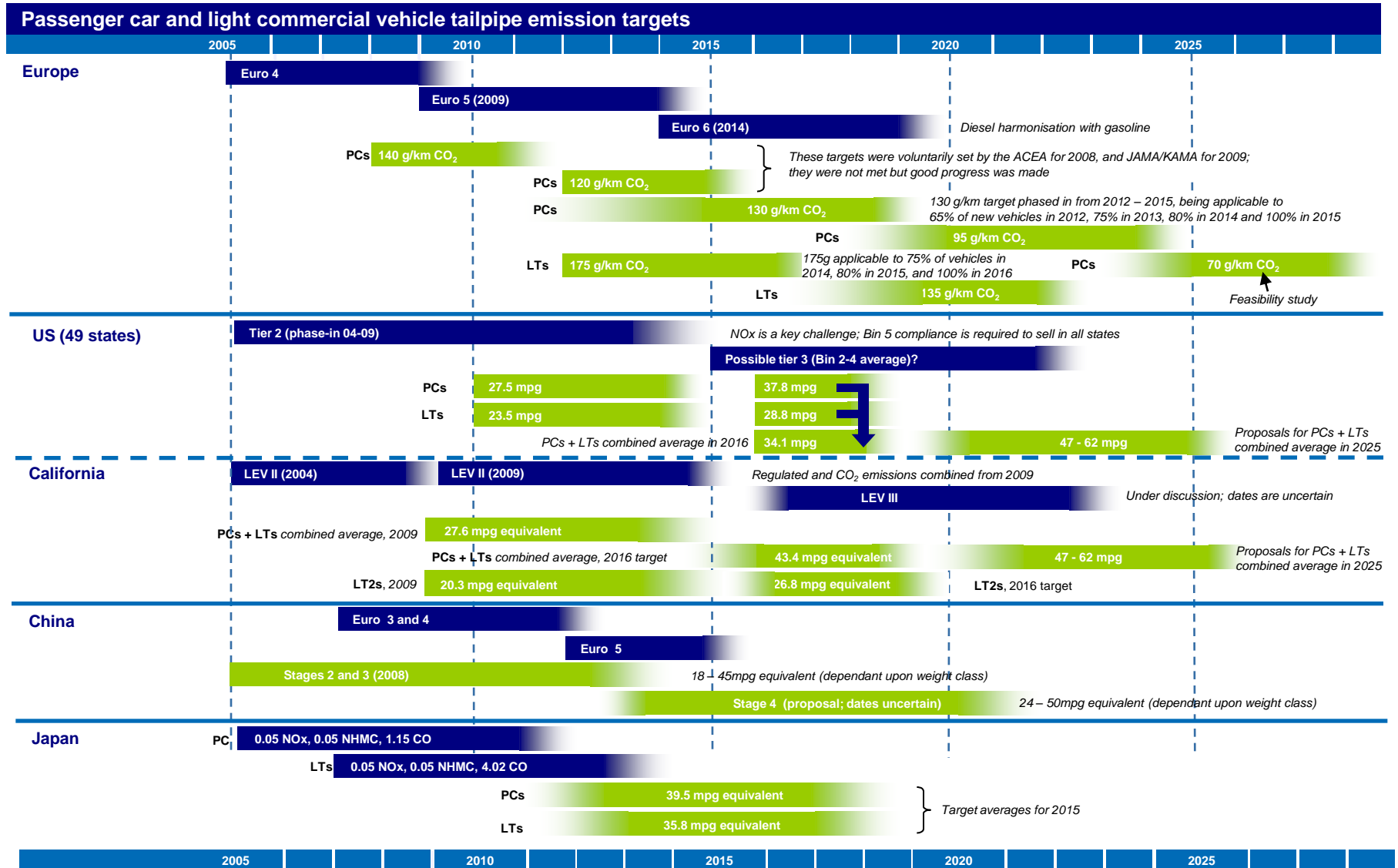




Summary for the period and outlook

- Global economies and our markets have stabilised with early signs of recovery
- Order intake improved through H1, resulting in a good order book and pipeline
- Passenger car business returning with multiyear programmes driven by CO2 improvement, new product offensives and emerging market growth
- Ocelot/Foxhound award and start of production for supercar engine provides longer term business visibility
- Market outlook is more positive with the return of the passenger car OEMs and opportunities for diversification
- We are pleased with both the results for the first half and the growth of the order book. We are confident of further progress for the full year

Cars & light commercial vehicles

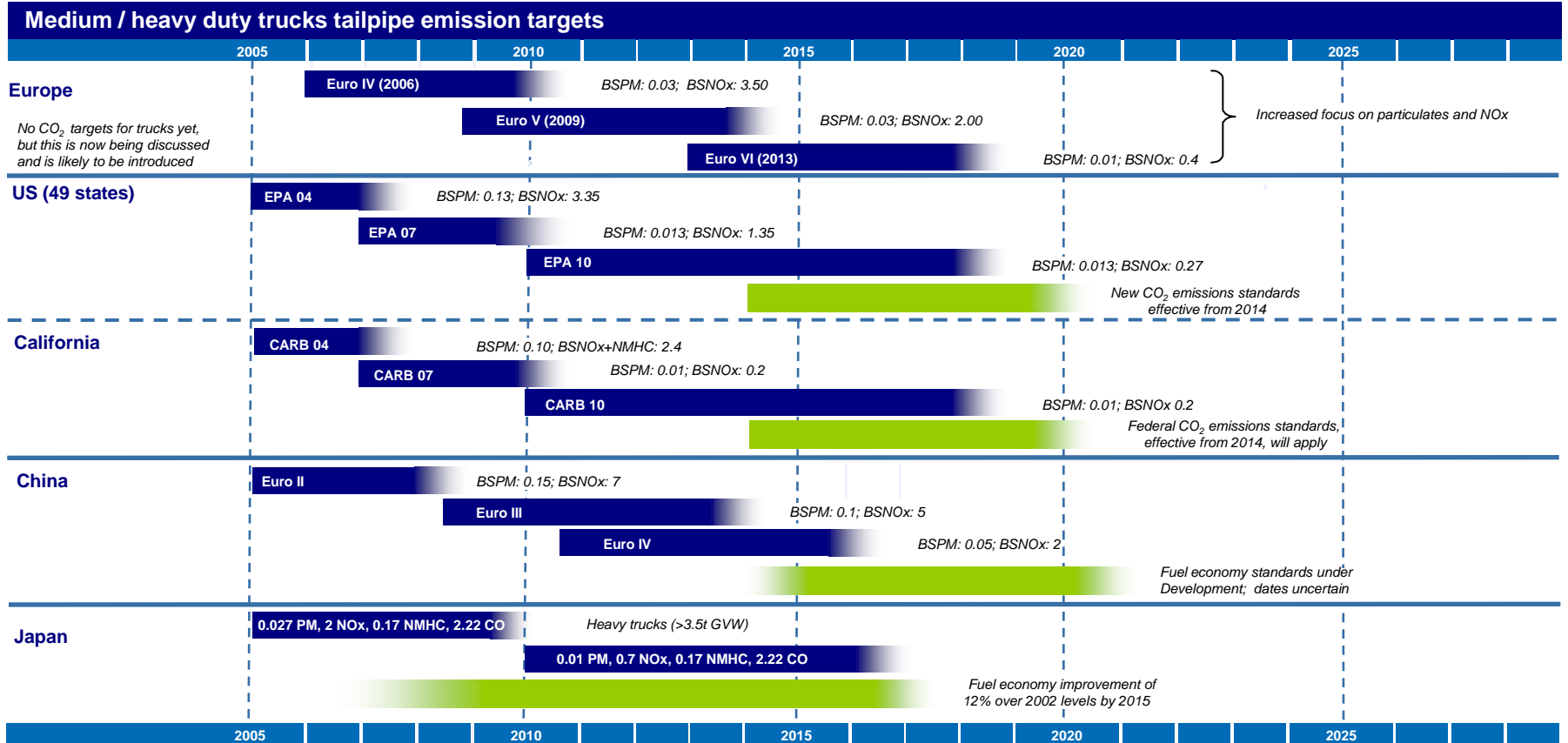


Key: tailpipe emission target

CO₂ emissions / fuel economy target

PC = Passenger Car LT = Light Truck LT2 = Light Truck over 3,750 lbs GVW

Source: Ricardo, National government sources, Arbuthnot Securities estimates



Source: Ricardo, National government sources, Arbuthnot Securities estimates

Key: tailpipe emission target CO₂ emissions / fuel economy target

APPENDIX 1 - SEGMENTAL INFORMATION



£m	Year ended 30 June 2010	
	Revenue earned	Operating profit/(loss)
UK	79.8	5.4
Germany	15.1	(0.8)
US	29.6	3.1
Technical Consulting	124.5	7.7
Strategic Consulting	9.4	1.8
Performance Products	28.9	3.3
Head office & consolidation adjustments	n/a	(0.2)
Total	162.8	12.6