

20 April 2012

Rotork p.l.c

Interim Management Statement

Rotork p.l.c (“Rotork”), the market leading actuator manufacturer and flow control company, today issues its Interim Management Statement covering the period from 1 January to 19 April 2012. All figures relating to trading are for the period 1 January to the 30 March 2012.

The strong end to 2011 has continued into 2012 and we are pleased to report record order intake in the first quarter of £132m, 21% (14% OCC) ahead of the prior year. Last year we experienced a positive second half in terms of order intake and revenue growth and therefore year-on-year comparisons will become more challenging as the year progresses. However, the year has started well and revenue in the first quarter was 26% (18% OCC) ahead of the prior year. The order book now stands at £169m, 7.2% higher than at the year end. The visibility of upcoming projects remains good and all regions have shown order intake at higher levels than last year.

Inflationary cost pressures remain and, as previously indicated, we are anticipating slightly higher costs in the first half related to new product launches. Overall, we anticipate Group margins for the full year will be similar to 2011.

Rotork Controls

We have seen positive growth from most regions and order intake in our electric actuator division was 8% higher than the prior year. Whilst China has experienced a slight slowdown, this has been more than offset by increased business in other geographies and the long-term prospects for China remain good. This year will see a number of product launches, including the latest version of the IQ series of electric actuators. We will also launch a new actuator in the Rotork Process Control family of products and these products should start to benefit the division in the second half of the year. Costs have increased in the division due to inflationary pressures and to support the new product introductions, offsetting some of the benefit of operational gearing from the increased revenue.

Rotork Fluid Systems

The pneumatic and hydraulic actuator division has started well, continuing the strong end to the prior year. Order intake for the first quarter is 32% ahead of last year. Orders from Europe and North America for domestic and international projects continue to drive the performance of this division, although we have seen increased activity from Asia, including China, albeit from a relatively low base. Whilst we are pleased with the development of order intake, the phasing of the conversion of orders to sales means at this stage we anticipate that revenues and margins will be higher in the second half than in the first half of the year. Our target margin for this division remains 15%.

Rotork Gears

Our gears business continues to make good progress and has seen order intake grow by 36% over the first quarter of 2011. Asia, and especially China, has demonstrated the fastest growth rates. As with the other divisions, Gears has a number of new product launches and sales initiatives that will benefit the business this year and thereafter.

Rotork Instruments

The integration of Fairchild, the first company in the newly-created Rotork Instruments division, is proceeding well and business levels are as expected. The majority of the business is focused on North America but we continue to look for opportunities to strengthen the international sales network using our existing global footprint. Progress has already been made in Singapore, China, India, Russia, Mexico and Brazil.

Financial Position

The Group continues to be highly cash generative and maintains a strong balance sheet with a sector leading ROCE. Net cash balances at the end of the quarter were £57m.

There have been no material events or transactions affecting the Group in the period.

Outlook

The Group is performing in line with the Board's expectations and the order intake in the first quarter, current backlog and project visibility give us confidence in making further progress in 2012.

Notes

1. First quarter refers to the period 1 January to 30 March 2012.
2. 2012 figures quoted are at actual exchange rates and 2011 are as previously reported.
3. Rotork will be announcing its half year results for the period to 30 June 2012 on 31 July 2012.
4. OCC (organic constant currency) growth rates remove the results of the businesses acquired during 2011 and restate the 2012 results at 2011 exchange rates.

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