



For immediate release

11 October 2016

RWS Holdings plc

Year End Trading Statement

RWS Holdings plc ("RWS", "the Group"), the world's leading provider of intellectual property support services (patent translations, international patent filing solutions and searches), commercial translations and linguistic validation, today provides an update on trading for the year ended 30 September 2016, ahead of the announcement of its full year results, which is expected on 6 December 2016.

Trading & Financial Update

RWS has enjoyed its best year ever and the Board expects Group revenues to be not less than £122 million compared to £95.2 million in 2015, an increase of at least 28%. This strong performance has been driven by the core translations activities, an excellent eleven-month contribution from Corporate Translations Inc. ("CTi"), the newly acquired specialist in life sciences translation and linguistic validation, and an improving currency environment.

Adjusted profit before tax (before amortisation of intangibles, share option costs and exceptional CTi acquisition costs) is expected to be not less than £30.5 million (2015: £22.7 million), an increase of 34%, reflecting the benefits of improved gross margins, the CTi acquisition and currency tailwinds. The core translation business has made significant progress; PatBase continues to perform well, growing by a further 7%; and China, Japan and Switzerland delivered strong performances.

The Group announced the acquisition of CTi, based in Connecticut, USA, on 2 November 2015. CTi is the world's leading translation company focussing entirely upon life sciences translation and linguistic validation. As highlighted at the half year, the Group's UK life sciences activities have been integrated into CTi to form a larger unit with production sites across continents to expand its market leading position with major pharmaceutical groups and contract research organisations in Europe. We were delighted to announce in early September that Sheena Dempsey had been appointed as Chief Executive Officer of CTi, following the departure of the CTi vendors after a hand-over period. Sheena brings a wealth of experience and knowledge of the life sciences space.

This year has been marked by considerable volatility in global currency markets. This was compounded in the aftermath of the EU referendum in late June and the Group has benefited from the resulting decline in Sterling given that over 80% of its revenues are non-Sterling. We have now hedged our estimated net exposure to the Euro at an average rate of 1 Euro = 83p for the year to 30 September 2017. The average rate experienced across 2015 – 16 was 78.1p.

The Group's financial position has continued to strengthen with shareholder funds expected to be approximately £107 million. The Group raised a five-year term loan of US\$45 million to part fund the CTi acquisition but, as a result of the Group's strong cash generation, net debt has been reduced to £1.5 million as at 30 September 2016. The directors anticipate that RWS' strong finances will underpin both its current acquisition strategy as well as its progressive dividend policy; the final dividend will be payable to shareholders in February 2017.

Andrew Brode, Chairman of RWS, commented on outlook:

"RWS has performed exceptionally well despite a low-growth world economic environment, and we are delighted with the performance of our latest acquisition, CTi.

"Following the CTi acquisition, we have a broader base of market leading businesses from which we intend to expand profitably, particularly in life sciences, and we are encouraged by the opportunities we are seeing across the business.

"Our strong cash generation and resultant financial position leave us well placed to continue to selectively review a healthy pipeline of potential acquisitions as well as continuing our progressive dividend policy."

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About RWS:

RWS is the world's leading provider of patent translations and one of the leading players in the provision of intellectual property support services and a market leader in Life Sciences translations and linguistic validation as well as a high level specialist language service provider in other technical areas, providing for the diverse needs of a blue-chip multinational client base from Europe, North America and Asia. RWS is based in the UK, with offices in Europe, the USA (New York, Connecticut and Chicago), China, Japan and Australia, and is listed on AIM, the London Stock Exchange regulated market (RWS.L).

For further information please visit: www.rws.com