Bodycote plc
Interim results for the six months ended 30 June 2015

Financial highlights

	Half year to 30 June 2015	Half year to 30 June 2014	*% change*
Revenue	**£299.8m**	£312.3m	*(4.0)%*
Headline operating profit[1]	**£54.1m**	£56.1m	*(3.6)%*
Return on sales[2]	**18.0%**	18.0%	-
Headline profit before taxation[1]	**£52.6m**	£54.5m	*(3.5)%*
Headline operating cash flow[3]	**£40.2m**	£44.0m	*(8.6)%*
Net (debt)/cash	**£(7.0)m**	£5.5m	-
Basic headline earnings per share[4]	**21.1p**	22.1p	*(4.5)%*
Interim dividend per share[5]	**4.8p**	4.6p	*4.3%*

Statutory results

Operating profit	**£32.1m**	£54.2m
Profit before taxation	**£30.6m**	£52.6m
Basic earnings per share[4]	**10.6p**	21.1p

Highlights

- Revenues down 1.1% at constant exchange rates
- Business improvements mitigated sharp reduction in oil and gas activities
- Headline operating margin maintained at 18.0%
- Continued growth in specialist technologies
- Exceptional restructuring charge of £19.9m – Brazil exit and further business improvements in AGI
- Net debt of £7.0m
- Interim dividend of 4.8p, up 4.3%

Commenting, Stephen Harris, Group Chief Executive said:

"The Group's performance was resilient in the first half, with business improvements mitigating the sharp cutback in oil & gas activities.

No upturn is anticipated in the second half in oil & gas and general industrial demand is expected to remain soft. However, the second half will benefit from the early results of restructuring and further progress in aerospace and automotive together with continued growth from the Group's specialist technologies.

The Board is confident that management's continued focus on business improvement will generate good returns throughout the cycle."

A live webcast of the analysts' meeting will be available at 9.30am at www.bodycote.com. For further information, please contact:

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[1] Headline operating profit and headline profit before taxation are before reorganisation costs of £19.9m (2014: £nil) and amortisation of acquired intangibles of £2.1m (2014: £1.9m).
[2] Return on sales is defined as headline operating profit as a percentage of revenue.
[3] Headline operating cash flow is defined as operating cash flow[6] before cash flow relating to restructuring of £3.5m (2014: £1.2m).
[4] A detailed reconciliation is provided in note 5.
[5] See note 6.
[6] Operating cash flow is defined as cash generated by operations of £65.9m (2014: £74.3m) less net capital expenditure of £29.2m (2014: £31.5m).

Interim management report

Overview

The macro-economic environment in the first half of 2015 was challenging, including a significant downturn in the global oil & gas markets, which sharply reduced demand from this sector in the second quarter. This has had a knock-on effect in a number of the general industrial sectors, in particular the agricultural equipment market, and added to the challenge. However, this environment has provided an opportunity to demonstrate Bodycote's resilience. Revenues decreased by only 1.1% at constant exchange rates, although adverse foreign exchange movements led reported revenues to decline by 4.0%, and headline margins[1] remained steady at 18.0%. Headline operating profit declined by 1.4%, at constant exchange rates, and by 3.6% to £54.1m, after the impact of a £1.2m adverse exchange translation effect.

Mitigating the declines in oil & gas and related general industrial demand was the continued strong revenue growth (at constant exchange rates) in car & light truck (+7%), aerospace (+4%) and much of the specialist technologies businesses. However, oil & gas weakness adversely impacted parts of the specialist technologies businesses, particularly Surface Technology.

Margin stability was achieved despite a 250 basis points contraction overall in Aerospace, Defence & Energy (ADE). Offsetting this was an improvement in Automotive & General Industrial (AGI) margins, coming both from an expansion of margins in classical heat treatment and the continued growth of the specialist technologies. This was particularly the case in Europe, where there has been a sustained business improvement effort to drive margins up towards those already achieved in North America AGI. The growth in Europe AGI classical heat treatment margins contributed some 90 basis points to the Group margin.

With the marked economic decline in Brazil and any pickup in opportunities in oil & gas markets in the region looking quite distant, the decision was taken to close our business in Brazil. It is anticipated that the exit will be complete by the end of the year. An exceptional charge of £11.0m has been taken at the half year to cover these exit costs. In the first half, the Brazilian business reported an operating loss of £1.8m.

In addition to the exit from Brazil, an additional £8.9m restructuring charge was taken to reduce fixed costs and to rightsize operations elsewhere in the Group. The cash cost of all restructuring actions is expected to be £12m. The annualised benefit of all of the restructuring is expected to be £10m, with the full impact in 2016. Operating profit, after deducting reorganisation costs of £19.9m, declined by 41% to £32.1m.

Capital expenditure of £29.2m in the first half was 1.1 times depreciation (2014: 1.2 times). Some 60% of the capital expenditure expands our capacity, predominantly in the specialist technologies, China and Eastern Europe. Net debt at the half year was £7.0m (31 December 2014: net cash £35.7m), after payment of the 2014 final and special dividends, totalling £57m, with the Group generating £20.6m (2014: £32.1m) of free cash in the first half.

The Group's strategy remains unaltered. The drive for operational efficiency in the more mature parts of the business, expansion of the Group's footprint in rapid growth countries and the focus on growth in the higher value-added businesses, particularly the specialist technologies, are all designed to increase the quality of the Group's earnings and create significant value.

[1] Headline operating profit as a percentage of revenue

Markets
Revenues from the civil aviation markets increased 3.7% (at constant exchange rates). The Group had strong growth in North America and France, notably related to the new narrow body programmes. In the UK, however, demand was down 4.4% as a result of continued weakness in customer production rates. Revenues in the defence sector saw some improvement and were 0.6% ahead of the same period last year (at constant exchange rates).

As expected after a very strong first quarter in the energy sector, driven by some large shipments from the Hot Isostatic Pressing Product Fabrication (HIP PF) business, the effect of the substantial slow-down in the oil & gas market was felt in the second quarter. This resulted in a significant decline in demand for Heat Treatment and Surface Technology services. The impact was lessened by robust subsea revenues in HIP PF and a stable situation in the industrial gas turbine and power generation markets. In total, revenue in the energy sectors was down 13.6% (at constant exchange rates) compared to the first six months of 2014.

Demand from the car & light truck sector was buoyant in all geographies which, together with a number of programme wins, helped drive solid growth. Revenue growth was 7.5% (at constant exchange rates) when compared to the first half of last year.

Revenue performance in the heavy truck market was mixed, held back by some specific programme changes in Western Europe. Overall revenues in the heavy truck sector were down 6.1% year on year (at constant exchange rates).

There has been some softness in demand from general industrial customers in North America and Western Europe. This is considered to be largely a second-order effect arising from the substantial fall in oil prices and other commodity price weakness. The impact has been felt most in demand for a variety of industrial machinery, particularly for agricultural equipment.

Growth in the emerging markets, excluding Brazil, was generally good, due to increasing revenues from the automotive and general industrial sectors. Overall, Group revenues in these territories were up 5.5% (at constant exchange rates).

Business review

	Half year to 30 June					
	Revenue		**Headline operating profit**		**Headline operating margin**	
	2015 £m	2014 £m	**2015 £m**	2014 £m	**2015 %**	2014 %
ADE	**128.8**	133.5	**31.5**	36.0	**24.5**	27.0
AGI	**171.0**	178.8	**27.6**	25.3	**16.1**	14.1
	299.8	312.3	**59.1**	61.3	**19.7**	19.6
Central costs	**–**	–	**(5.0)**	(5.2)	**–**	–
Total	**299.8**	312.3	**54.1**	56.1	**18.0**	18.0

Aerospace, Defence & Energy (ADE)

Revenues for the ADE business were £128.8m in the six months to June 2015 compared with £133.5m in 2014, a decrease of 3.5%. At constant exchange rates revenues decreased by 4.4%, with gains in aerospace more than offset by weakness in demand from the oil & gas sector.

Headline operating profit[1] was £31.5m (2014: £36.0m), a decrease of 12.5%, comprising an organic decline of 14.3% and a 1.8% increase resulting from favourable foreign currency movements. The headline operating margin fell from 27.0% to 24.5%.

Net capital expenditure was £6.3m (2014: £9.8m), representing a spend rate of 0.7 times depreciation (2014: 1.0 times). Notable projects include expansion of aerospace heat treatment capacity in France and additional high pressure HIP capability in the US.

Average capital employed for the period was £231.1m (2014: £233.7m).

Automotive & General Industrial (AGI)

Revenues for the AGI business were £171.0m in the first half of 2015, compared with £178.8m in 2014, a decrease of 4.4%. Revenues increased by 1.3% at constant exchange rates, with soft conditions in a number of general industrial markets more than compensated for by continued growth from automotive customers.

Headline operating profit[1] was £27.6m (2014: £25.3m), an increase of 9.1%, made up of organic growth of 16.0% and a 6.9% decrease due to adverse foreign currency movements. Headline operating margin improved from 14.1% to 16.1%.

Net capital expenditure was £20.5m (2014: £19.9m) representing a spend rate of 1.3 times depreciation (2014: 1.2 times). The Group continues to invest in its specialist technologies and other high value-added processes in developed markets and in additional greenfield capacity in Mexico, Eastern Europe and China.

Average capital employed for the period was £296.3m (2014: £299.3m).

[1] Headline operating profit is reconciled to operating profit in note 2. Bodycote plants do not exclusively supply services to customers of a given market sector (see note 2).

Financial overview

	Half year to 30 June	
	2015	2014
	£m	£m
Revenue	**299.8**	312.3
Headline operating profit	**54.1**	56.1
Amortisation of acquired intangible fixed assets	**(2.1)**	(1.9)
Operating profit prior to exceptional items	**52.0**	54.2
Reorganisation costs	**(19.9)**	-
Operating profit	**32.1**	54.2

Revenue for the half year was £299.8m (2014: £312.3m), a decrease of 4.0% compared to the same period last year. At constant exchange rates, revenue decreased by 1.1% (£3.5m). Adverse foreign exchange rate movements resulted in a £9.0m negative exchange rate effect.

Headline operating profit decreased to £54.1m (2014: £56.1m) and headline operating margin remained constant at 18.0% (2014: 18.0%). The decrease in headline operating profit of £2.0m is largely a result of a negative exchange rate effect of £1.2m.

The amortisation of acquired intangible assets arises from acquisitions in prior years. The charge has increased to £2.1m (2014: £1.9m).

Operating profit decreased to £32.1m (2014: £54.2m) and operating margin was 10.7% (2014: 17.4%), primarily due to reorganisation costs of £19.9m incurred in the first six months of 2015.

Exceptional costs

Exceptional costs for the first six months of 2015 amounted to £19.9m (2014: £nil). The charge comprises reorganisation costs relating to the closure of the business in Brazil and restructuring initiatives in Europe. The decision to exit the Group's activities in Brazil is the consequence of a prolonged and substantial reduction in demand in the business's core markets. The commencement of restructuring programmes in Europe is driven by the fall in global oil prices along with widespread soft economic conditions, both of which have coincided to cause a notable fall in demand for many types of industrial equipment and machinery, affecting a number of European AGI plants.

Profit before taxation

	Half year to 30 June	
	2015	2014
	£m	£m
Headline operating profit	**54.1**	56.1
Net finance charge	**(1.5)**	(1.6)
Headline profit before taxation	**52.6**	54.5
Amortisation of acquired intangible fixed assets	**(2.1)**	(1.9)
Headline profit before taxation prior to exceptional items	**50.5**	52.6
Reorganisation costs	**(19.9)**	-
Profit before taxation	**30.6**	52.6

Finance charge

The net finance charge for the Group was £1.5m compared to £1.6m in 2014 with the movement relating to lower pension finance charges.

	Half year to 30 June	
	2015	2014
	£m	£m
Net interest payable	**0.1**	0.1
Financing costs	**0.8**	0.8
Other charges	**0.4**	0.4
Pension finance charge	**0.2**	0.3
Net finance charge	**1.5**	1.6

Cash flow

	Half year to 30 June	
	2015 **£m**	2014 £m
Headline operating profit	**54.1**	56.1
Add back non-cash items:		
Depreciation and amortisation	**26.0**	26.4
Share-based payments	**0.8**	1.9
Headline EBITDA[1]	**80.9**	84.4
Net capital expenditure	**(29.2)**	(31.5)
Net working capital movement	**(11.5)**	(8.9)
Headline operating cash flow	**40.2**	44.0
Cash cost of restructuring	**(3.5)**	(1.2)
Operating cash flow	**36.7**	42.8
Interest	**(1.2)**	(1.3)
Taxation	**(14.9)**	(9.4)
Free cash flow	**20.6**	32.1

[1] Earnings before interest, tax, depreciation, amortisation, impairment, profit or loss on disposal of property, plant and equipment and share-based payments.

Free cash flow for the period was £20.6m compared to £32.1m in the first six months of 2014. The decrease is mainly as a result of increased net working capital outflows and higher tax payments.

The net working capital outflow for the six month period amounted to £11.5m (2014: £8.9m). Receivables increased by £6.7m (2014: £8.7m) as a result of the normal seasonally higher revenues in May and June in comparison to November and December. Receivable days at 30 June 2015 are 61 days (31 December 2014: 60 days and 30 June 2014: 58 days). Payables decreased by £5.6m (2014: £2.5m) and inventory decreased by £0.9m (2014: £nil).

The utilisation of environmental and restructuring provisions resulted in a cash outflow of £3.5m (2014: £1.2m), £3.0m of which related to existing provisions, with £0.5m reflecting cash flows in respect of new restructuring programmes.

The Group has continued to manage carefully its capital expenditure programme and is focused on growing the Group's new technology offerings and expanding capacity in emerging markets. Net capital expenditure for the first half was £29.2m (2014: £31.5m) and the ratio to depreciation was 1.1 times (2014: 1.2 times). Major capital projects that were in progress during the first half of 2015 included expansion of our production facilities in Mexico, continued investment in the implementation of a new ERP system, increased aerospace heat treatment capacity in France and ongoing expansion of our specialist technologies capability.

Income taxes paid during the first six months at £14.9m were £5.5m greater than the same period last year. In 2014, a refund of £4.9m was received relating to tax overpaid in previous years.

Taxation
The tax charge in the first half of 2015 was £10.4m, compared to a charge of £12.4m for the same period of 2014. The effective tax rate of 34.1% (2014: 23.5%) results from the impact of differing tax rates in each of the numerous jurisdictions in which the Group operates and from the impact and phasing of the reorganisation costs, particularly in respect of Brazil, which do not give rise to a corresponding tax credit in the territories to which they relate. Consequently this has raised the interim effective rate of tax for the six months to 30 June 2015.

The headline tax rate, excluding the impact of reorganisation costs, is 23.7% in the first six months of 2015 (2014: 22.8%). The Group expects that this headline tax rate will not differ significantly in the second half of 2015.

Earnings per share
Basic headline earnings per share from operations for the half year were 21.1p (2014: 22.1p). Basic earnings per share from operations for the half year were 10.6p (2014: 21.1p). Diluted earnings per share were 10.6p (2014: 21.1p).

Dividend
The Board has declared an interim dividend of 4.8p (2014: 4.6p) which represents an increase of 4.3% over the prior year. The interim dividend will be paid on 6 November 2015 to all shareholders on the register at the close of business on 2 October 2015.

Net (debt)/cash
Group net debt at 30 June 2015 was £7.0m (31 December 2014 net cash: £35.7m and 30 June 2014 net cash: £5.5m). Loans and letters of credit drawn under the committed facilities at 30 June 2015 totalled £13.8m, compared to £1.7m at 31 December 2014 and £4.6m at 30 June 2014. The Group continues to be able to borrow at competitive rates and therefore currently deems this to be the most effective means of funding.

Borrowing facilities
The Group is financed by a mix of cash flows from operations, short-term borrowings, longer-term loans and finance leases. The Group's funding policy aims to ensure continuity of finance at reasonable cost, based on committed and uncommitted facilities and loans from several sources over a spread of maturities. At 30 June 2015, the Group had the following committed facilities:

Facility	Expiry Date	Facility £m	Loan and Letter of Credit Utilisation £m	**Facility Headroom £m**
£230m Revolving Credit	3 July 2019	230.0	12.1	**217.9**
$10m Letter of Credit	31 August 2016	6.4	1.7	**4.7**
		236.4	13.8	**222.6**

Defined benefit pension schemes
The Group's principal defined benefit pension obligations have been reviewed as at 30 June 2015. The deficit in the UK scheme decreased to £0.8m (31 December 2014: £1.0m). In France, the deficit in relation to the primarily unfunded cash lump sum obligation is £8.2m (31 December 2014: £8.9m). The sum of the deficits for all other Group schemes is £6.8m (31 December 2014: £7.1m). These amounts are fully provided at 30 June 2015. The principal actuarial assumptions are unchanged from those used as at 31 December 2014.

Principal risks and uncertainties
The directors do not consider that the principal risks and uncertainties of the Group have changed since the publication of the Annual Report for the year ended 31 December 2014. The risks and associated risk management processes can be found on pages 24, 25, 26, 27, 99 and 100 of the 2014 Annual Report, which is available at www.bodycote.com. The risks referred to and which could have a material impact on the Group's performance for the remainder of the current financial year relate to:

- Markets;
- Loss of key customers;
- Competitor action;
- Safety and health;
- Environment;
- Service quality;
- Major disruption at a facility;
- Information technology projects;
- Regulatory and legislative compliance;
- Liquidity;
- Interest rate fluctuation; and
- Currency exchange rate fluctuation.

Going concern
As stated in note 1 to the condensed financial statements, the directors have formed a judgement, at the time of approving the condensed financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the condensed financial statements.

Summary and outlook

The Group's performance was resilient in the first half, with business improvements mitigating the sharp cutback in oil & gas activities.

No upturn is anticipated in the second half in oil & gas and general industrial demand is expected to remain soft. However, the second half will benefit from the early results of restructuring and further progress in aerospace and automotive together with continued growth from the Group's specialist technologies.

The Board is confident that management's continued focus on business improvement will generate good returns throughout the cycle.

S. C. Harris
Group Chief Executive
30 July 2015

D. F. Landless
Group Finance Director
30 July 2015

Responsibility statement

We confirm to the best of our knowledge:

(a) the condensed consolidated set of financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting";

(b) the Interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

(c) the Interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board,

S. C. Harris
Group Chief Executive
30 July 2015

D. F. Landless
Group Finance Director
30 July 2015

Cautionary statement

This Interim management report has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. The Interim management report should not be relied on by any other party or for any other purpose.

The Interim management report contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

Unaudited condensed consolidated income statement

Year ended 31 Dec 2014 £m		**Half year to 30 June 2015 £m**	Half year to 30 June 2014 £m	Note
609.1	**Revenue**	**299.8**	312.3	2
(501.9)	Cost of sales and overheads	**(247.8)**	(258.1)	
107.2	**Operating profit prior to exceptional items**	**52.0**	54.2	
(0.2)	Acquisition costs	–	–	
–	Reorganisation costs	**(19.9)**	–	
107.0	**Operating profit**	**32.1**	54.2	2
0.1	Investment revenue	**0.1**	0.1	
(3.4)	Finance costs	**(1.6)**	(1.7)	
103.7	**Profit before taxation**	**30.6**	52.6	
(24.4)	Taxation	**(10.4)**	(12.4)	4
79.3	**Profit for the period**	**20.2**	40.2	
	Attributable to:			
79.4	Equity holders of the parent	**20.2**	40.2	
(0.1)	Non-controlling interests	–	–	
79.3		**20.2**	40.2	
	Earnings per share			5
Pence		**Pence**	Pence	
41.7	Basic	**10.6**	21.1	
41.7	Diluted	**10.6**	21.1	

All activities have arisen from continuing operations.

Unaudited condensed consolidated statement of comprehensive income

Year ended 31 Dec 2014 £m		**Half year to 30 June 2015 £m**	Half year to 30 June 2014 £m
79.3	**Profit for the period**	**20.2**	40.2
	Items that will not be reclassified to profit or loss:		
0.5	Actuarial gains on defined benefit pension schemes	**–**	0.1
1.0	Tax on items not reclassified	**–**	(0.1)
1.5	**Total items that will not be reclassified to profit or loss**	**–**	–
	Items that may be reclassified subsequently to profit or loss:		
(7.0)	Exchange losses on translation of foreign operations	**(19.6)**	(16.0)
(7.0)	**Total items that may be reclassified subsequently to profit or loss**	**(19.6)**	(16.0)
(5.5)	**Other comprehensive expense for the period**	**(19.6)**	(16.0)
73.8	**Total comprehensive income for the period**	**0.6**	24.2
	Attributable to:		
73.9	Equity holders of the parent	**0.6**	24.2
(0.1)	Non-controlling interests	**–**	–
73.8		**0.6**	24.2

Unaudited condensed consolidated balance sheet

As at 31 Dec 2014 £m		**As at 30 June 2015 £m**	As at 30 June 2014 £m	Note
	Non-current assets			
138.4	Goodwill	**136.9**	134.0	
33.7	Other intangible assets	**33.0**	30.8	
434.6	Property, plant and equipment	**408.2**	434.5	
–	Other investments	**0.2**	0.2	
27.2	Deferred tax assets	**26.2**	28.5	
1.6	Trade and other receivables	**2.0**	2.3	
635.5		**606.5**	630.3	
	Current assets			
20.9	Inventories	**18.7**	18.0	
20.3	Current tax assets	**20.3**	16.5	
109.0	Trade and other receivables	**110.4**	114.2	
38.5	Cash and bank balances	**13.6**	11.6	
0.9	Assets held for sale	**0.9**	1.3	
189.6		**163.9**	161.6	
825.1	**Total assets**	**770.4**	791.9	
	Current liabilities			
119.3	Trade and other payables	**108.9**	126.4	
33.4	Current tax liabilities	**30.2**	31.2	
0.1	Obligations under finance leases	**0.1**	–	
2.5	Borrowings	**8.3**	5.9	
6.9	Provisions	**15.6**	7.9	3
162.2		**163.1**	171.4	
27.4	**Net current assets / (liabilities)**	**0.8**	(9.8)	
	Non-current liabilities			
–	Borrowings	**12.1**	–	
17.0	Retirement benefit obligations	**15.8**	18.0	
60.7	Deferred tax liabilities	**57.7**	59.2	
0.2	Obligations under finance leases	**0.1**	0.2	
10.4	Provisions	**9.4**	9.1	3
3.7	Other payables	**3.5**	3.5	
92.0		**98.6**	90.0	
254.2	**Total liabilities**	**261.7**	261.4	
570.9	**Net assets**	**508.7**	530.5	
	Equity			
33.1	Share capital	**33.1**	33.1	
177.1	Share premium account	**177.1**	177.1	
(7.1)	Own shares	**(9.3)**	(7.2)	
136.6	Other reserves	**135.3**	136.9	
(3.0)	Hedging and translation reserves	**(22.6)**	(11.3)	
233.7	Retained earnings	**194.6**	201.4	
570.4	**Equity attributable to equity holders of the parent**	**508.2**	530.0	
0.5	**Non-controlling interests**	**0.5**	0.5	
570.9	**Total equity**	**508.7**	530.5	

Unaudited condensed consolidated cash flow statement

Year ended 31 Dec 2014 £m		**Half year to 30 June 2015 £m**	Half year to 30 June 2014 £m	Note
131.6	**Net cash from operating activities**	**51.0**	64.9	7
	Investing activities			
(55.3)	Purchases of property, plant and equipment	**(27.7)**	(31.8)	
5.6	Proceeds on disposal of property, plant and equipment and intangible assets	**0.8**	2.1	
(4.1)	Purchases of intangible fixed assets	**(2.3)**	(1.8)	
(2.7)	Acquisition of businesses	**–**	–	
(0.1)	Purchase of sundry investments	**(0.2)**	–	
1.8	Disposal of sundry investments	**–**	1.5	
(54.8)	**Net cash used in investing activities**	**(29.4)**	(30.0)	
	Financing activities			
0.1	Interest received	**0.1**	–	
(2.8)	Interest paid	**(1.3)**	(1.3)	
(45.2)	Dividends paid	**(56.9)**	(36.5)	
(0.5)	Repayments of bank loans	**–**	–	
(0.1)	Payments of obligations under finance leases	**–**	–	
–	New bank loans raised	**12.7**	–	
(7.0)	Own shares purchased / settlement of share options	**(6.7)**	(6.4)	
(55.5)	**Net cash used in financing activities**	**(52.1)**	(44.2)	
21.3	**Net (decrease) / increase in cash and cash equivalents**	**(30.5)**	(9.3)	
15.3	**Cash and cash equivalents at beginning of period**	**36.0**	15.3	
(0.6)	Effect of foreign exchange rate changes	**(0.2)**	(0.3)	
36.0	**Cash and cash equivalents at end of period**	**5.3**	5.7	

Unaudited condensed consolidated statement of changes in equity

	Share capital £m	Share premium account £m	Own shares £m	Other reserves £m	Hedging and translation reserves £m	Retained earnings £m	**Equity attributable to equity holders of the parent £m**	Non-controlling interests £m	**Total equity £m**
Half year to 30 June 2015									
1 January 2015	**33.1**	**177.1**	**(7.1)**	**136.6**	**(3.0)**	**233.7**	**570.4**	**0.5**	**570.9**
Net profit for the period	**–**	**–**	**–**	**–**	**–**	**20.2**	**20.2**	**–**	**20.2**
Exchange differences on translation of overseas operations	**–**	**–**	**–**	**–**	**(19.6)**	**–**	**(19.6)**	**–**	**(19.6)**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**(19.6)**	**20.2**	**0.6**	**–**	**0.6**
Acquired in the period/settlement of share options	**–**	**–**	**(2.2)**	**(2.1)**	**–**	**(2.4)**	**(6.7)**	**–**	**(6.7)**
Share-based payments	**–**	**–**	**–**	**0.8**	**–**	**–**	**0.8**	**–**	**0.8**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**(56.9)**	**(56.9)**	**–**	**(56.9)**
30 June 2015	**33.1**	**177.1**	**(9.3)**	**135.3**	**(22.6)**	**194.6**	**508.2**	**0.5**	**508.7**
Half year to 30 June 2014									
1 January 2014	33.1	177.1	(5.5)	140.1	4.7	197.3	546.8	0.6	547.4
Net profit for the period	–	–	–	–	–	40.2	40.2	–	40.2
Exchange differences on translation of overseas operations	–	–	–	–	(16.0)	–	(16.0)	–	(16.0)
Total comprehensive income for the period	–	–	–	–	(16.0)	40.2	24.2	–	24.2
Acquired in the period/settlement of share options	–	–	(1.7)	(5.1)	–	0.4	(6.4)	–	(6.4)
Share-based payments	–	–	–	1.9	–	–	1.9	–	1.9
Dividends paid	–	–	–	–	–	(36.5)	(36.5)	–	(36.5)
Disposed with subsidiary	–	–	–	–	–	–	–	(0.1)	(0.1)
30 June 2014	33.1	177.1	(7.2)	136.9	(11.3)	201.4	530.0	0.5	530.5
Year ended 31 December 2014									
1 January 2014	33.1	177.1	(5.5)	140.1	4.7	197.3	546.8	0.6	547.4
Net profit for the year	–	–	–	–	–	79.4	79.4	(0.1)	79.3
Exchange differences on translation of overseas operations	–	–	–	–	(7.0)	–	(7.0)	–	(7.0)
Actuarial gains on defined benefit pension schemes net of deferred tax	–	–	–	–	–	1.5	1.5	–	1.5
Total comprehensive income for the year	–	–	–	–	(7.0)	80.9	73.9	(0.1)	73.8
Acquired in the year/settlement of share options	–	–	(1.6)	(5.4)	–	–	(7.0)	–	(7.0)
Share-based payments	–	–	–	1.9	–	–	1.9	–	1.9
Dividends paid	–	–	–	–	–	(45.2)	(45.2)	–	(45.2)
Disposal/dissolution of subsidiary	–	–	–	–	(0.7)	0.7	–	–	–
31 December 2014	33.1	177.1	(7.1)	136.6	(3.0)	233.7	570.4	0.5	570.9

Included in other reserves is the capital redemption reserve arising on redemption of the Group's B shares of £129.8m (2014: £129.8m) and the share-based payment reserve of £4.6m (2014: £6.2m).

Notes to the condensed consolidated financial information

1. Accounting policies

Basis of preparation
This condensed set of financial statements for the half year ended 30 June 2015 has been prepared in accordance with IAS 34 “Interim Financial Reporting”.

The Interim management report has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRSs) as adopted by the European Union and in accordance with those disclosed in the Annual Report for the year ended 31 December 2014, which was filed with the Registrar of Companies on 30 April 2015.

Going concern
In determining the basis of preparation for the Interim management report, the directors have considered the Group’s business activities, together with the factors likely to affect its future development, performance and position which are set out in the Financial overview. This includes an overview of the Group’s financial position, cash flows, liquidity position and borrowing facilities.

The Group meets its working capital requirements through a combination of committed and uncommitted facilities and overdrafts. The overdrafts and uncommitted facilities are repayable on demand but the committed facilities are due for renewal as set out below. There is sufficient headroom in the committed facility covenants to assume that these facilities can be operated as contracted for the foreseeable future.

The committed facilities as at 30 June 2015 were as follows:

- £230m Revolving Credit Facility maturing 3 July 2019
- $10m Letter of Credit Facility maturing 31 August 2016

The Group’s forecasts and projections, which cover a period of at least 12 months from the date of approval of this Interim management report, taking account of reasonable potential changes in trading performance, show that the Group should be able to operate within the level of its current committed facilities.

The directors have reviewed forecasts and projections for the Group’s markets and services, assessing the committed facility and financial covenant headroom, central liquidity and the Group’s ability to access further funding. The directors also reviewed downside sensitivity analysis over the forecast period, thereby taking into account the uncertainties arising from the current economic environment. Following this review, the directors have formed a judgement, at the time of approving the condensed financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the condensed financial statements.

Changes in accounting policies
The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest annual audited financial statements.

The adoption of the following standards or amendments, at 1 January 2015, has had no material impact on the Group's financial statements:

- IFRIC 21 – Levies is effective for periods commencing on or after 1 January 2014 and was endorsed by the EU on 17 June 2014.
- Annual improvements to IFRSs: 2011-13 Cycle (Dec 2013), is effective for periods commencing on or after 1 July 2014 and was endorsed by the EU on 1 January 2015.

2. Business and geographical segments

The Group has 187 locations across the world serving a range of market sectors with various thermal processing services. The range and type of services offered is common to all market sectors.

In accordance with IFRS 8 "Operating Segments", the segmentation of Group activity reflects the way the Group is managed by the chief operating decision maker, being the Group Chief Executive, who on a monthly basis reviews the operating performance of six operating segments, split between the Aerospace, Defence & Energy (ADE) and Automotive & General Industrial (AGI) business areas, as follows:

- ADE – Western Europe;
- ADE – North America;
- ADE – Emerging markets;
- AGI – Western Europe;
- AGI – North America; and
- AGI – Emerging markets.

The split of operating segments by geography reflects the divisional reporting structure of the Group.

In accordance with the aggregation criteria of IFRS 8, the operating segments are aggregated into the Group's two key business areas, ADE and AGI, the split being driven by customer behaviour and requirements. Customers in the ADE segment tend to operate and purchase more globally and have long supply chains, whilst customers in the AGI segment tend to purchase more locally and have shorter supply chains.

Bodycote plants do not exclusively supply services to customers of a given market sector. Allocations of plants between ADE and AGI is therefore derived by reference to the preponderance of markets served.

	Half year to 30 June 2015			
Group	**ADE £m**	**AGI £m**	**Central costs and eliminations £m**	**Consol-idated £m**
Revenue				
Total revenue	**128.8**	**171.0**	**–**	**299.8**
Result				
Headline operating profit prior to share-based payments and unallocated central costs	**31.6**	**28.1**	**–**	**59.7**
Share-based payments	**(0.1)**	**(0.5)**	**(0.3)**	**(0.9)**
Unallocated central costs	**–**	**–**	**(4.7)**	**(4.7)**
Headline operating profit/(loss)	**31.5**	**27.6**	**(5.0)**	**54.1**
Amortisation of acquired intangible fixed assets	**(0.7)**	**(1.4)**	**–**	**(2.1)**
Operating profit / (loss) prior to exceptional items	**30.8**	**26.2**	**(5.0)**	**52.0**
Reorganisation costs	**(0.7)**	**(19.2)**	**–**	**(19.9)**
Segment result	**30.1**	**7.0**	**(5.0)**	**32.1**
Investment revenue				**0.1**
Finance costs				**(1.6)**
Profit before taxation				**30.6**
Taxation				**(10.4)**
Profit for the period				**20.2**

Inter-segment sales are not material.

The Group does not rely on any individual major customers.

2. Business and geographical segments (continued)

Aerospace, Defence & Energy	Half year to 30 June 2015 Western Europe £m	North America £m	Emerging markets £m	Total ADE £m
Revenue				
Total revenue	**58.5**	**69.2**	**1.1**	**128.8**
Result				
Headline operating profit prior to share-based payments	**12.3**	**19.2**	**0.1**	**31.6**
Share-based payments	**–**	**(0.1)**	**–**	**(0.1)**
Headline operating profit	**12.3**	**19.1**	**0.1**	**31.5**
Amortisation of acquired intangible fixed assets	**(0.1)**	**(0.6)**	**–**	**(0.7)**
Reorganisation costs	**(0.4)**	**(0.3)**	**–**	**(0.7)**
Segment result	**11.8**	**18.2**	**0.1**	**30.1**

Automotive & General Industrial	Half year to 30 June 2015 Western Europe £m	North America £m	Emerging markets £m	Total AGI £m
Revenue				
Total revenue	**104.0**	**46.3**	**20.7**	**171.0**
Result				
Headline operating profit prior to share-based payments	**18.7**	**8.6**	**0.8**	**28.1**
Share-based payments	**(0.4)**	**(0.1)**	**–**	**(0.5)**
Headline operating profit	**18.3**	**8.5**	**0.8**	**27.6**
Amortisation of acquired intangible fixed assets	**(0.1)**	**(1.2)**	**(0.1)**	**(1.4)**
Reorganisation costs	**(6.5)**	**(0.3)**	**(12.4)**	**(19.2)**
Segment result	**11.7**	**7.0**	**(11.7)**	**7.0**

Group	Half year to 30 June 2014 ADE £m	AGI £m	Central costs and eliminations £m	Consol-idated £m
Revenue				
Total revenue	133.5	178.8	–	312.3
Result				
Headline operating profit prior to share-based payments and unallocated central costs	36.5	26.3	–	62.8
Share-based payments	(0.5)	(1.0)	(0.7)	(2.2)
Unallocated central costs	–	–	(4.5)	(4.5)
Headline operating profit/(loss)	36.0	25.3	(5.2)	56.1
Amortisation of acquired intangible fixed assets	(0.6)	(1.3)	–	(1.9)
Segment result	35.4	24.0	(5.2)	54.2
Investment revenue				0.1
Finance costs				(1.7)
Profit before taxation				52.6
Taxation				(12.4)
Profit for the period				40.2

2. Business and geographical segments (continued)

Aerospace, Defence & Energy	Half year to 30 June 2014			
	Western Europe £m	North America £m	Emerging markets £m	Total ADE £m
Revenue				
Total revenue	67.4	64.9	1.2	133.5
Result				
Headline operating profit prior to share-based payments	16.7	19.5	0.3	36.5
Share-based payments	(0.1)	(0.4)	–	(0.5)
Headline operating profit	16.6	19.1	0.3	36.0
Amortisation of acquired intangible fixed assets	(0.1)	(0.5)	–	(0.6)
Segment result	16.5	18.6	0.3	35.4

Automotive & General Industrial	Half year to 30 June 2014			
	Western Europe £m	North America £m	Emerging markets £m	Total AGI £m
Revenue				
Total revenue	116.1	41.8	20.9	178.8
Result				
Headline operating profit prior to share-based payments	18.3	7.0	1.0	26.3
Share-based payments	(0.7)	(0.2)	(0.1)	(1.0)
Headline operating profit	17.6	6.8	0.9	25.3
Amortisation of acquired intangible fixed assets	(0.1)	(1.1)	(0.1)	(1.3)
Segment result	17.5	5.7	0.8	24.0

Group	Year ended 31 December 2014			
	ADE £m	AGI £m	Central costs and eliminations £m	Consol-idated £m
Revenue				
Total revenue	263.0	346.1	–	609.1
Result				
Headline operating profit prior to share-based payments and unallocated central costs	70.7	55.1	–	125.8
Share-based payments	(0.1)	(1.0)	(1.1)	(2.2)
Unallocated central costs	–	–	(12.5)	(12.5)
Headline operating profit/(loss)	70.6	54.1	(13.6)	111.1
Amortisation of acquired intangible fixed assets	(1.3)	(2.6)	–	(3.9)
Operating profit/(loss) prior to exceptional items	69.3	51.5	(13.6)	107.2
Acquisition costs	–	(0.2)	–	(0.2)
Segment result	69.3	51.3	(13.6)	107.0
Investment revenue				0.1
Finance costs				(3.4)
Profit before taxation				103.7
Taxation				(24.4)
Profit for the year				79.3

2. Business and geographical segments (continued)

	Year ended 31 December 2014			
Aerospace, Defence & Energy	Western Europe £m	North America £m	Emerging markets £m	Total ADE £m
Revenue				
Total revenue	129.7	130.8	2.5	263.0
Result				
Headline operating profit prior to share-based payments	30.4	39.8	0.5	70.7
Share-based payments	(0.1)	–	–	(0.1)
Headline operating profit	30.3	39.8	0.5	70.6
Amortisation of acquired intangible fixed assets	(0.3)	(1.0)	–	(1.3)
Segment result	30.0	38.8	0.5	69.3

	Year ended 31 December 2014			
Automotive & General Industrial	Western Europe £m	North America £m	Emerging markets £m	Total AGI £m
Revenue				
Total revenue	220.1	84.6	41.4	346.1
Result				
Headline operating profit prior to share-based payments	37.6	15.5	2.0	55.1
Share-based payments	(1.0)	–	–	(1.0)
Headline operating profit	36.6	15.5	2.0	54.1
Amortisation of acquired intangible fixed assets	(0.2)	(2.2)	(0.2)	(2.6)
Operating profit prior to exceptional items	36.4	13.3	1.8	51.5
Acquisition costs	(0.2)	–	–	(0.2)
Segment result	36.2	13.3	1.8	51.3

3. Provisions

	Restructuring £m	**Restructuring Environmental £m**	**Environmental £m**	**Total £m**
1 January 2015	**3.3**	**6.1**	**7.9**	**17.3**
Increase in provision	**11.3**	**0.4**	**0.1**	**11.8**
Utilisation of provision	**(2.3)**	**(1.2)**	**(0.2)**	**(3.7)**
Exchange difference	**(0.2)**	**–**	**(0.2)**	**(0.4)**
30 June 2015	**12.1**	**5.3**	**7.6**	**25.0**
Included in current liabilities				**15.6**
Included in non-current liabilities				**9.4**
				25.0

The restructuring provision primarily relates to the costs associated with the closure of a number of Heat Treatment sites. The increase in restructuring and restructuring environmental provisions of £11.7m relates to the Group's decision to exit activities in Brazil, together with new restructuring initiatives announced primarily in Europe. Asset impairments of £8.2m have also been recognised, bringing the total exceptional reorganisation cost to £19.9m. Further details are noted in the Financial overview section of this report.

The Group provides for the costs of environmental remediation that have been identified, either as part of acquisition due diligence, or in other circumstances where remediation by the Group is required. This provision is reviewed annually and is separated into Restructuring Environmental and Environmental to separately identify environmental provisions relating to the restructuring programme from those arising in the ordinary course of business.

The majority of cash outflows in respect of these liabilities are expected to occur within five years.

Whilst the Group's use of chlorinated solvents and other hazardous chemicals continues to reduce, the Group remains exposed to contingent liabilities in respect of environmental remediation liabilities. In particular, the Group could be subjected to regulatory or legislative requirements to remediate sites in the future. However, it is not possible at this time to determine whether and to what extent any liabilities exist, other than for those recognised above. Therefore no provision is recognised in relation to these items.

4. Taxation

Year ended 31 Dec 2014 £m		**Half year to 30 June 2015 £m**	Half year to 30 June 2014 £m
30.4	Current tax – charge for the period	**10.6**	17.3
(7.1)	Current tax – adjustments in respect of prior periods	**0.1**	(4.9)
1.1	Deferred tax	**(0.3)**	–
24.4		**10.4**	12.4

The rate of tax for the interim period is 34.1% (2014: 23.5%) of the profit before tax. The tax rate results from the impact of differing tax rates in each of the numerous jurisdictions in which the Group operates and from the impact and phasing of the reorganisation costs, particularly in respect of Brazil, which do not give rise to a corresponding tax credit in the territories to which they relate. Consequently this has raised the interim effective rate of tax for the six months to 30 June 2015. The tax rate includes the impact of the reduction in the UK's corporation tax rate from 21% to 20% with effect from 1 April 2015.

5. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

Year ended 31 Dec 2014 £m		**Half year to 30 June 2015 £m**	Half year to 30 June 2014 £m
	Earnings		
79.4	Earnings for the purpose of basic earnings per share being net profit attributable to equity holders of the parent	**20.2**	40.2
	Number of shares		
Number		**Number**	Number
190,243,625	Weighted average number of ordinary shares for the purposes of basic earnings per share	**189,991,657**	190,235,073
	Effect of dilutive potential ordinary shares:		
–	Share options	**–**	–
190,243,625	Weighted average number of ordinary shares for the purposes of diluted earnings per share	**189,991,657**	190,235,073
	Earnings per share		
Pence		**Pence**	Pence
41.7	Basic	**10.6**	21.1
41.7	Diluted	**10.6**	21.1
	Headline earnings		
£m		**£m**	£m
79.4	Net profit attributable to equity holders of the parent	**20.2**	40.2
	Add back:		
3.8	Amortisation of acquired intangible fixed assets (net of tax)	**2.0**	1.8
0.2	Acquisition costs (net of tax)	**–**	–
–	Reorganisation costs (net of tax)	**17.9**	–
83.4	**Headline earnings**	**40.1**	42.0
	Headline earnings per share		
Pence		**Pence**	Pence
43.8	Basic	**21.1**	22.1
43.8	Diluted	**21.1**	22.1

6. Dividends

Amounts recognised as distributions to equity holders in the period:

Year ended 31 Dec 2014 £m		**Half year to 30 June 2015 £m**	Half year to 30 June 2014 £m
17.4	Final dividend for the year ended 31 December 2013 of 9.1p per share	**–**	17.4
19.1	Special dividend for the year ended 31 December 2013 of 10.0p per share	**–**	19.1
8.7	Interim dividend for the year ended 31 December 2014 of 4.6p per share	**–**	–
–	Final dividend for the year ended 31 December 2014 of 9.8p per share	**18.7**	–
–	Special dividend for the year ended 31 December 2014 of 20.0p per share	**38.2**	–
45.2		**56.9**	36.5
	Proposed interim dividend for the year ended 31 December 2015 of 4.8p (2014: 4.6p) per share	**9.1**	8.7

The proposed interim dividend was approved by the Board on 30 July 2015 and has not been included as a liability in these condensed financial statements.

7. Notes to the cash flow statement

Year ended 31 Dec 2014 £m		**Half year to 30 June 2015 £m**	Half year to 30 June 2014 £m
79.3	Profit for the period	**20.2**	40.2
	Adjustments for:		
(0.1)	Investment revenue	**(0.1)**	(0.1)
3.4	Finance costs	**1.6**	1.7
24.4	Taxation	**10.4**	12.4
50.3	Depreciation of property, plant and equipment	**25.0**	25.3
4.8	Amortisation of intangible assets	**2.5**	2.4
(1.4)	Loss / (profit) on disposal of property, plant and equipment	**0.6**	(0.2)
1.9	Share-based payments	**0.8**	1.9
2.7	Impairment of fixed assets	**7.7**	0.8
–	Impairment of other assets	**0.5**	–
165.3	EBITDA*	**69.2**	84.4
(3.4)	Decrease / (increase) in inventories	**0.9**	–
(2.2)	Increase in receivables	**(6.7)**	(8.7)
(9.6)	Decrease in payables	**(5.6)**	(2.5)
0.5	Increase in provisions	**8.1**	1.1
150.6	Cash generated by operations	**65.9**	74.3
(19.0)	Income taxes paid	**(14.9)**	(9.4)
131.6	Net cash from operating activities	**51.0**	64.9

* Earnings before interest, tax, depreciation, amortisation, impairment, profit or loss on disposal of property, plant and equipment and share-based payments.

Cash and cash equivalents comprise:

38.5	Cash and bank balances	**13.6**	11.6
(2.5)	Bank overdrafts (included in borrowings)	**(8.3)**	(5.9)
36.0		**5.3**	5.7

8. Related party transactions

Transactions between the Company and its wholly owned subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed.

9. General information

The comparative information for the year ended 31 December 2014 contained within these condensed financial statements does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. Those accounts have been reported on by the Group's auditor and delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

Copies of this report and the last Annual Report are available from the Secretary, Bodycote plc, Springwood Court, Springwood Close, Tytherington Business Park, Macclesfield, Cheshire SK10 2XF, and can each be downloaded or viewed via the Group’s website at www.bodycote.com. Copies of this report have also been submitted to the UK Listing Authority, and will shortly be available at the UK Listing Authority’s Document Viewing Facility at 25 The North Colonnade, Canary Wharf, London E14 5HS (Telephone +44 (0)207 676 1000).

Independent review report to Bodycote plc

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2015 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated cash flow statement, the condensed consolidated statement of changes in equity and related notes 1 to 9. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities
The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”, as adopted by the European Union.

Our responsibility
Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom
30 July 2015

Company information
Financial calendar

Interim dividend for 2015	6 November 2015
Results for 2015	February 2016
Annual General Meeting	May 2016
Final dividend for 2015	May 2016
Interim results for 2016	July 2016
Interim dividend for 2016	November 2016

Shareholder enquiries
Enquiries on the following administrative matters can be addressed to the Company's registrars at Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Telephone: 0871 664 0300 (calls to 0871 numbers cost 10p per minute plus network extras - lines are open 9.00am until 5.30pm, Monday to Friday) or +44 (0)203 728 5000; Fax: +44 (0)1484 600 911; and email (shareholderenquiries@capita.co.uk).

- Change of address
- Stock transfer form including guidance notes
- Dividend mandates
- ShareGift donation coupon

Forms for these matters can be downloaded from the registrars' website at www.capitaassetservices.com, where shareholders can also check their holdings and details.

Shareholder dealing service
Information on a low cost share dealing service offered by our registrars is available from Capita on 0371 664 0445 or at www.capitadeal.com. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The service is open between 8.00am and 4.30pm Monday to Friday excluding public holidays in England and Wales.