

BODYCOTE STRATEGY

**Presentation to the Shareholders
AGM 25 May 2005**

- Our Goal is to consistently deliver to our shareholders an attractive return on capital.
- Carefully focussed development of all Strategic Business Units

Growing Testing

- **New Outsource Projects**
- Middle East
 - 6 permanent laboratories
 - 9 site laboratories
 - New Projects e.g. Burj Tower Dubai



Growing Testing

- **Extending Strategic Partnerships**
 - Additional Engine Test Facilities in Tennessee and Mexico



- **CSM Acquisition, Sweden**



- **New Services**

- Detroit Lab – specialist testing of vehicle interiors
- Bodycote Plastic Piping Group: technology transfer –e.g. Chlorine test
- Entry to Food Testing Market
 - Lawlabs



- **New Markets**

- Caspian Region – Bodycote brand drives business to our regional labs
- New agents in Libya and Turkey



Growing Heat Treatment



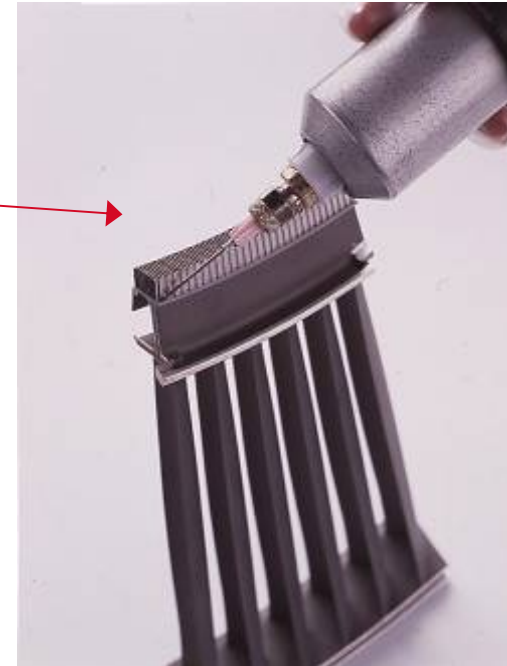
- **Geographically**
- **Poland**
 - Five plants
 - Organic and acquisitional expansion
- **CEG**
 - Eastern European expansion
- **China**
 - SP in Wuxi,



Growing Heat Treatment

- **Penetration of Growth Markets**

- Aerospace – Development of metal joining specialities, Vacuum Brazing and Electron Beam Welding
- Low Pressure Carburising of latest technology diesel injector parts



Growing Heat Treatment

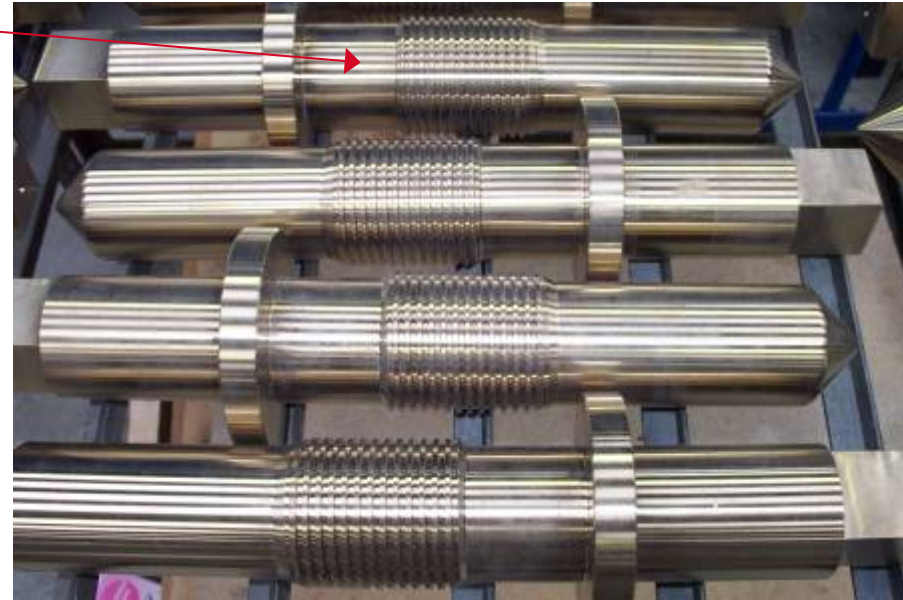


- **'Swap-out' of Facilities**
 - Portfolio management
 - Disposal for market strategy or profit improvement
 - Sale of Grand Rapids
 - Replacement with better business



- **Niche market developments**

- K-Tech – Thin film ceramic diffusion coatings
- CoatAlloy – metallic diffusion coatings
- Sherardizing
- Anodising



Physical Vapour Deposition (PVD)

IonBond

- Extends our geographical reach
- Expands the variety of PVD coatings
- Enlarges our technical expertise
- 41 Coating Centres in 15 Countries
- 700 Employees

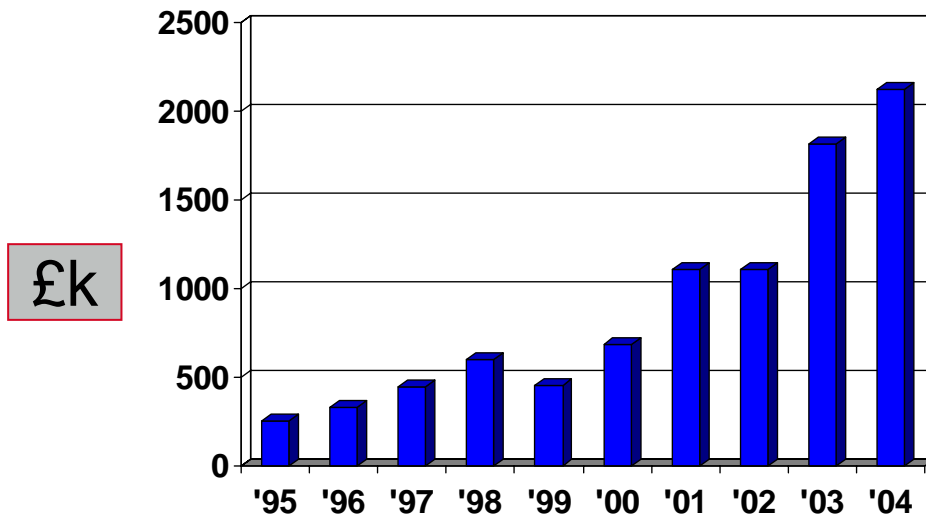


Growing HIP

- **Densal® II**

- Volume automotive sector
- Now attractive for volume production of cast aluminium automotive components
- Additional capacity for Germany to support new model and engine programmes

Global Sales Growth



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