

**EMBARGOED UNTIL 0700 HOURS, 8 NOVEMBER 2011**

INTERIM MANAGEMENT STATEMENT

8 NOVEMBER 2011

Bodycote is issuing its interim management statement covering the period from 1 July to 7 November 2011. The financial and operational data set out below is in respect of the four calendar months from 1 July to 31 October 2011 unless otherwise stated.

**CURRENT TRADING**

The trends seen in the first half of 2011 have broadly continued in the four months to 31 October 2011, although year on year comparatives have, as expected, been getting progressively more challenging throughout the second half of 2011.

Revenues for the ten months to 31 October 2011 were 15.1% higher than in the same period last year (14.4% at constant exchange rates).

In Aerospace, Defence & Energy, revenues from the commercial aerospace sector have continued to improve steadily, with both OEM and maintenance and repair requirements increasing. The Defence sector remains stable. Sales into Oil & Gas customers have continued to be strong, particularly in North America. Industrial Gas Turbine revenues have, as yet, shown only marginal improvement.

As previously anticipated, in Automotive & General Industrial, the rate of revenue growth in the car, light truck and heavy truck sectors has slowed somewhat. In the General Industrial sectors, sales remain strong, despite a modest reduction in the rate of growth.

Margins continue to be robust, reflecting the higher levels of sales, improving mix and the sustained benefit from the reduction in the Group's cost base.

**FINANCIAL POSITION**

Net borrowing at 31 October was £14.2m, compared to £33.7m at 30 June, reflecting the trading performance outlined above and normal seasonal cashflows.

**OUTLOOK**

Bodycote has continued its strong performance in the four months from 1 July to 31 October and the Board's expectation for the year to 31 December 2011 is unchanged.

## CAPITAL MARKETS DAY

Bodycote will be holding a Capital markets Day for institutional investors on 17 November 2011, which will cover the key elements of Bodycote's strategy, technologies and activities. No material new trading information will be released during the event.

### **Investor Conference Call**

Stephen Harris and David Landless will be hosting a conference call for analysts and investors at 0830 hours today (8 November 2011).

### **Participant's Dial In Number: +44 (0) 20 3140 0820**

Participants will be asked for names only, no PIN required

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The Interim Management Statement, issued in accordance with the EU Disclosure and Transparency Directive, may contain forward-looking statements which:

- Have been made by the directors in good faith based on the information available to them up to the time of their approval of this statement; and
- Should be treated with caution due to the inherent uncertainties, which are beyond the Board's ability to control or estimate precisely and include both economic and business risk factors, underlying such forward looking information.