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Bodycote plc

US TAX LEGISLATION AND TRADING UPDATE

Bodycote, the world's largest provider of heat treatment and specialist thermal processing services issues the following tax and trading update for the year to 31 December 2017.

US Tax Legislation

Bodycote notes the enactment of the Tax Cuts and Jobs Act in the United States on 22 December 2017 reducing the statutory rate of US Federal corporate income tax to 21%. Whilst work is ongoing to review the full future impact of this new US tax legislation on the Group, it is expected to give rise to a significant non-cash tax credit for the Group in the year ended 31 December 2017 as a result of the revaluation of US net deferred tax liabilities.

Subject to final audit and confirmation of final tax computations, the effect of this one-off revaluation of US net deferred tax liabilities is expected to add c. 5p to EPS for 2017.

Trading Update

Bodycote also announces that trading in the final quarter of 2017 was better than anticipated and the Board now expects full year 2017 headline operating profit to be towards the upper end of market expectations (company compiled analysts' estimates range: £117 million - £126 million).

Bodycote intends to announce Full Year Results on Tuesday 6 March 2018.

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About Bodycote

With more than 180 accredited facilities in 23 countries, Bodycote is the world's largest provider of heat treating and specialist thermal processing services. Through classical heat treatment and specialist technologies including Hot Isostatic Pressing (HIP), Bodycote improves the properties of metals and alloys, extending the life of vital components for a wide range of industries, including aerospace, defence, automotive, power generation, oil & gas, construction, medical and transportation. Customers in all of these industries have entrusted their products to Bodycote's care for more than 30 years. For more information, visit www.bodycote.com.

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