



INTERIM MANAGEMENT STATEMENT

29 April 2014

Bodycote is issuing its Interim Management Statement covering the period from 1 January to 28 April 2014, ahead of the Company's 61st Annual General Meeting, which will be held at 12.00pm today. The financial and operational data set out below are in respect of the Group's first quarter (1 January to 31 March 2014) unless otherwise stated.

CURRENT TRADING

Group revenue for the three months ended 31 March 2014, at £153m, was 2.8% higher at constant exchange rates but 2.2% lower at actual exchange rates than in the first quarter of 2013. This performance was in line with the Board's expectations as stated in the 2013 annual results' announcement on 27 February 2014.

The Aerospace, Defence & Energy business reported constant currency revenue higher by 1.4% compared to the first quarter of 2013. At constant exchange rates, Aerospace and Defence revenue was lower by 0.7%. Civil aviation demand was unchanged year on year but defence revenue fell by 2.3%, reflecting the continued reduction in military budgets. Revenues in Oil & Gas were up by 1.9% on a constant currency basis. Demand from the North American onshore sector has continued to be flat but revenues for subsea applications, particularly for the Group's HIP PF offering, have continued to grow steadily. Sales in the Industrial Gas Turbine sector continued the improvement seen in 2013 and constant currency revenues were ahead of the same period last year by 9.3%.

The Automotive & General Industrial business saw revenue increase by 3.9%, at constant exchange rates. In Western Europe, sales at constant exchange rates were ahead by 5.6%. North American revenues declined 1.2% at constant exchange rates. Car & light truck revenues have grown well in all territories. Heavy truck demand continues to be weak. General industrial demand has improved but with stronger growth in Western Europe than in North America. Emerging Market revenues grew by 4.5% at constant exchange rates.

FINANCIAL POSITION

Net cash as at 31 March 2014 was £12.4m, compared to net cash of £15.0m at 31 December 2013 and is in line with the usual seasonal pattern. The final dividend for 2013 of 9.1p per share and a special dividend of 10p per share will be paid on 2 May 2014, at a total cost of £36.5m.

OUTLOOK

Noting that the Group has limited forward visibility, the Board's expectation for further progress in 2014 on a constant currency basis is unchanged from the time of the 2013 annual results' announcement in February.



Investor Conference Call

Stephen Harris and David Landless will be hosting a conference call for analysts and investors at 0800 hours today (29 April 2014).

Participant's Dial In Number: +44 (0) 20 3426 2845

Participants will be asked for names only, no PIN required

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