

**EMBARGOED UNTIL 0700 HOURS, 27 APRIL 2011**

INTERIM MANAGEMENT STATEMENT

27 APRIL 2011

Bodycote is issuing its interim management statement covering the period from 1 January to 26 April 2011 to coincide with the company's 58<sup>th</sup> Annual General Meeting. The financial and operational data set out below is in respect of the Group's first quarter (1 January to 31 March 2011) unless otherwise stated.

**CURRENT TRADING**

Revenues for the three months to 31 March 2011 were 19.2% higher than in the same period last year (19.6% at constant exchange rates).

The trends seen in the second half of 2010 have broadly continued in the first quarter of 2011.

In Automotive & General Industrial, car and light truck sales have continued to grow, albeit at a slower rate than last year. Heavy truck revenues have continued to increase strongly and sales to general industrial customers have continued the robust performance seen in the latter part of 2010.

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 demand has stabilised, but remains weak.

Margins have improved further, 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 March was £49.9m, compared to £51.3m at 31 December 2010, reflecting the trading performance outlined above and normal seasonal cashflows.

**OUTLOOK**

Bodycote has delivered a strong performance in the first quarter, although year on year comparisons will become increasingly challenging as 2011 progresses. Nevertheless, the Board currently expects that headline operating profit for the year to 31 December 2011 will be towards the top end of the range of analysts' forecasts.<sup>1</sup>

<sup>1</sup> Range of analysts' forecasts for full year headline operating profit (Reuters) = £55.5m to £76.6m, with an average of £65.4m.

## **Investor Conference Call**

Stephen Harris and David Landless will be hosting a conference call for analysts and investors at 0830 hours today (27 April 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.