

INTERIM MANAGEMENT STATEMENT

24 April 2013

Bodycote is issuing its interim management statement covering the period from 1 January to 23 April 2013, ahead of the Company's 60th 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 2013) unless otherwise stated.

CURRENT TRADING

Group revenue for the three months ended 31 March 2013 at £156.5m was 3.9% higher than in the same period last year (2.9% at constant exchange rates) and was in line with the Board's expectations as stated in the 2012 annual results' announcement on 27 February 2013. Acquisitions made in 2012 added 8.5% (£12.8m) to Group revenue, whilst the organic revenue (at constant exchange rates) was lower by 5.6% (£8.5m) compared to the first quarter of 2012. Excluding acquisitions, however, the sales run rate for the Group at the end of the first quarter of 2013 was slightly higher than the run rate in the final quarter of 2012.

Aerospace, Defence & Energy revenue was higher than in the first quarter of 2012 by 6.5% (5.5% at constant exchange rates) although organic revenue was lower by 0.5%. Aerospace and Defence revenue was higher by 6.2%, almost all of which was attributable to acquisitions. Growth in the Group's offshore oil and gas business was good, but as anticipated at the time of the 2012 annual results' announcement, did not completely offset weaker demand for gas exploration and production in North America. Overall, organic revenue in Oil & Gas was down by 5.1% but when acquisitions are included, revenue was ahead 2.3%. The Industrial Gas Turbine market continued the improvement seen in 2012 and revenue was ahead of the same period last year by 17.5%, of which 11.2% was organic.

The Automotive & General Industrial business saw revenue increase by 2.4% (1.4% at constant exchange rates). Organic revenue was lower than in the same period of 2012 by 6.9% but this was more than offset by the benefit of acquisitions completed in 2012. Within this, organic revenue growth from the Car and Light Truck sector specifically was good in nearly all geographies, with 5.8% growth compared to the first quarter of 2012. The growth was helped by further gains in market share. The anticipated weak demand from the Heavy Truck sector together with some softness in General Industrial, however, more than offset the gains from Car and Light Truck.

FINANCIAL POSITION

Net debt as at 31 March 2013 was £35.6m, compared to net debt of £34.2m at 31 December 2012 and is in line with the usual seasonal pattern.

OUTLOOK

Given the Group's performance in the first quarter of 2013, the Board's expectation for modest progress in 2013 is unchanged from the time of the 2012 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 (24 April 2013).

Participant's Dial In Number: +44 (0) 203 426 2886

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.