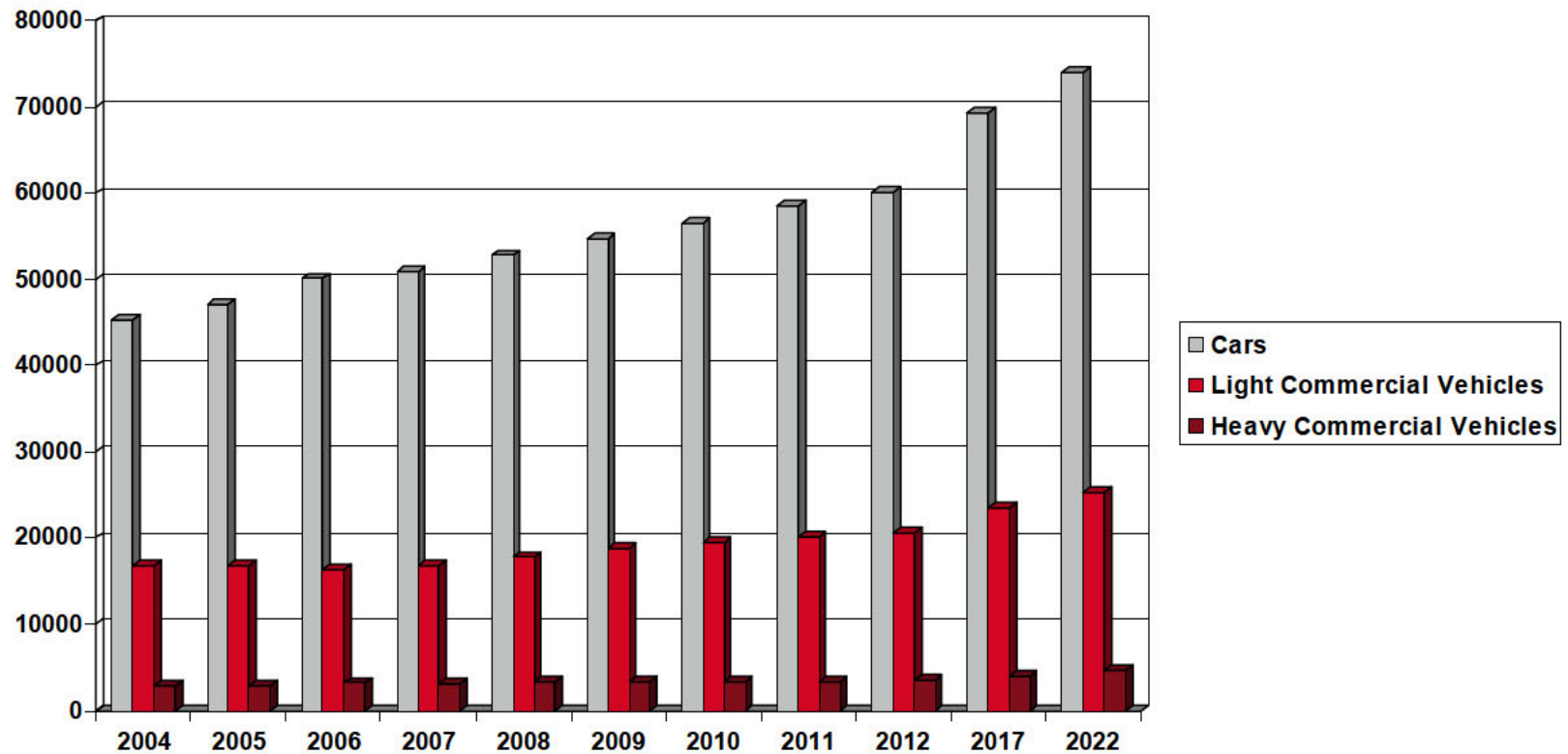


Conclusions

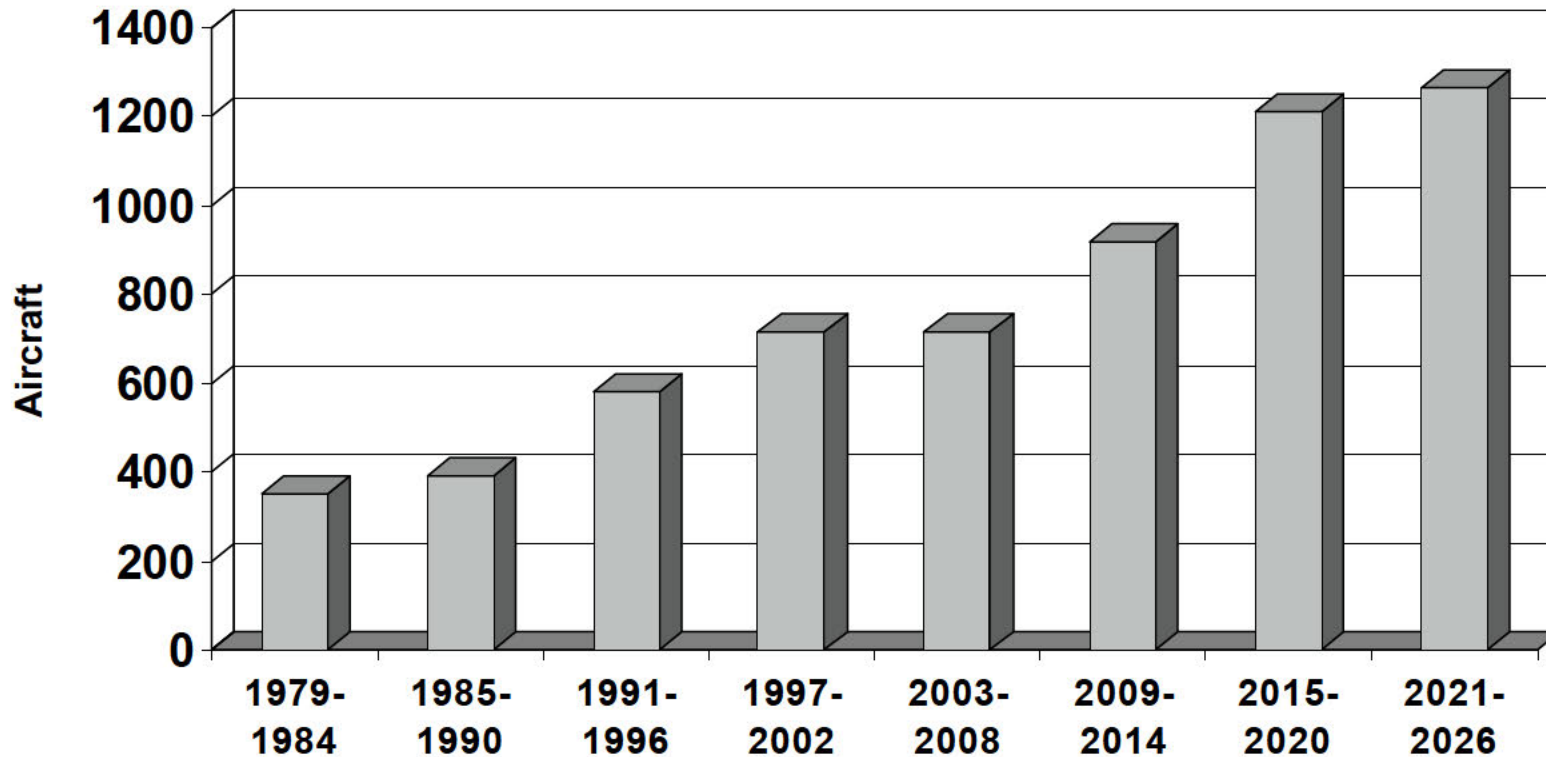
24th October 2007

World Automotive Demand Forecast



Source: J.D. Power Automotive Forecasting 2007/08

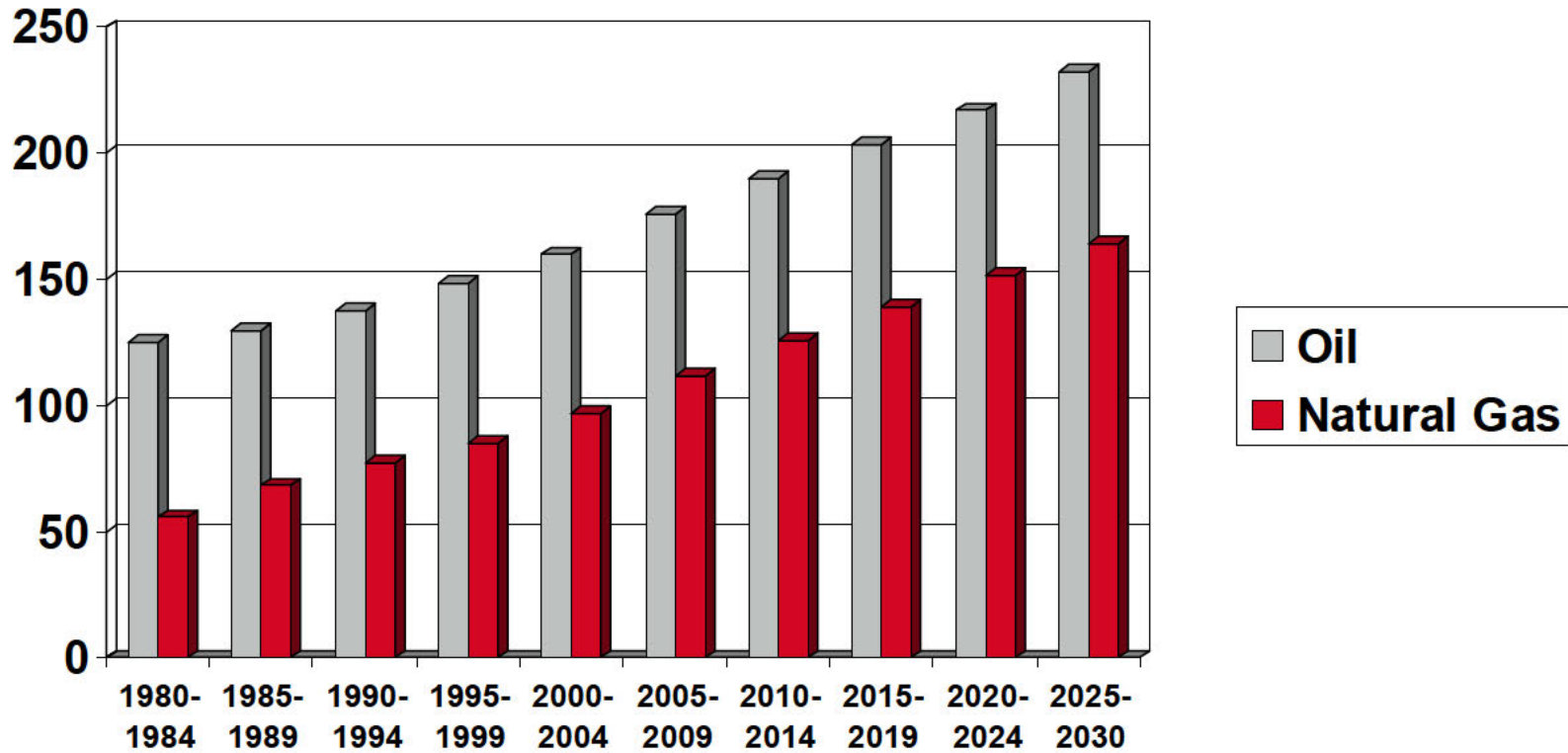
World Aerospace Demand Forecast (Aircraft Delivery)



Presenter note: replacement (aircraft) demand is a growing proportion of total demand due to long-term nature of product. Growth rates are 2.5% p.a., with recessions every 10 years – aerospace cycle downturns therefore also repeat every 10 years.

Source: Credit Suisse Annual Aerospace & Defense Forecast 2007

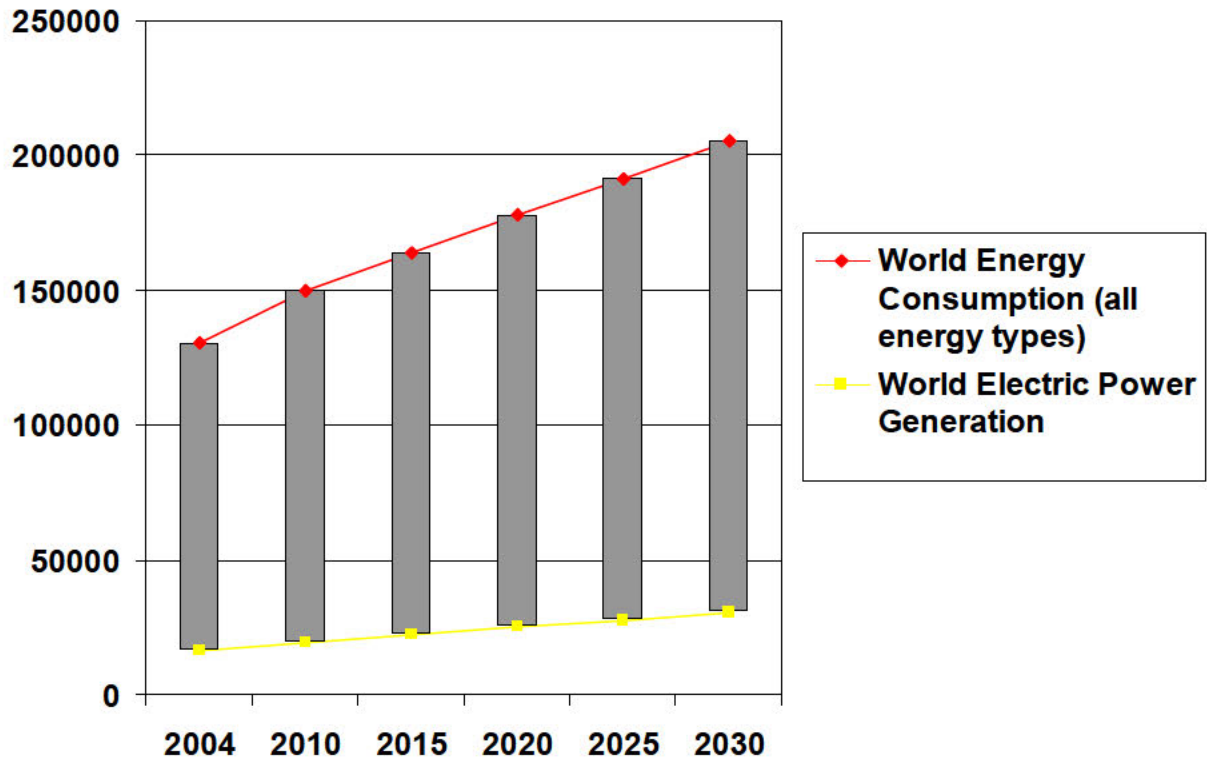
Oil & Gas Demand Forecast



Source: Energy Information Administration (EIA), May 2007

Power Generation Forecast

(World Marketed Energy Consumption & World Electric Power Generation)



Source: Energy Information Administration (EIA), May 2007

Acquisition Pipeline – Thermal Processing



<u>TARGET</u>	<u>SECTOR</u>	<u>REGION</u>	<u>SALES £m</u>
1	Oil & Gas	North America	12.0
2	Automotive	South East Asia	6.6
3	Automotive	North America	6.0
4	Engineering	North America	1.4
5	HIP	Europe	2.8
Items 1 – 5 are expected to complete in Q4 2007			<hr/> <u>28.8</u>
6	Engineering	Europe	8.7
7	Surface Engineering	South East Asia	1.4
8	Engineering	Europe	3.0
9	Surface Coating	Europe	3.7
10	Surface Coating	Europe	4.0
Items 6 – 10 are under active discussion			<hr/> <u>20.8</u>
Total			<hr/> <u>49.6</u>

Acquisition Pipeline - Testing



<u>TARGET</u>	<u>SECTOR</u>	<u>REGION</u>	<u>SALES £m</u>
1	Construction	Europe	2.0
2	Fire Testing	South East Asia	0.6
3	Environmental	North America	2.6
4	Aerospace	North America	3.7
5	Engineering	Europe	0.7
6	Materials Testing	Europe	1.2
Items 1 – 6 are expected to complete in Q4 2007			<hr/> 10.8 <hr/>
7	Fire Testing	Europe	1.4
8	Aerospace	Europe	2.4
9	Fire Testing	Europe	1.0
10	Materials Testing	South East Asia	8.3
11	Engineering	Europe	3.3
Items 7 – 11 are under active discussion			<hr/> 16.4 <hr/>
Total			<hr/> 27.0 <hr/>

Our Strategic Plan



- 15% CAGR
 - Organic
 - Outsourcing
 - Bolt-on Acquisitions
- Mid teens ROCE
- Balance SBUs
- Increase presence in developing geographies



Bodycote



A strategy for growth and resilience in times of change has always placed us in front of the competition

This strategic approach will continue to ensure we grow on track whilst being prepared for whatever twists and turns may lie ahead

