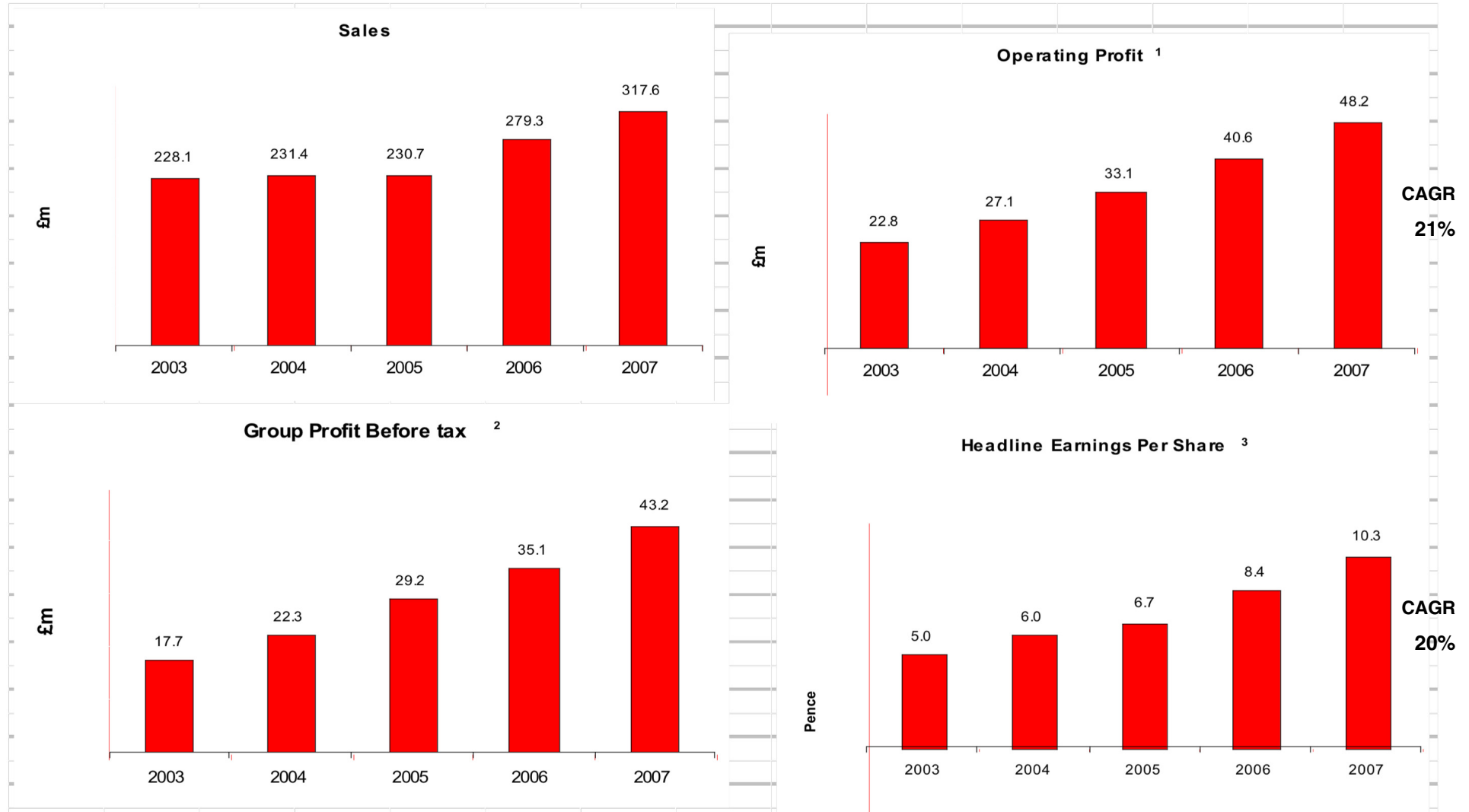




2007 INTERIM RESULTS

Financial Highlights H1



2 2007 Interim results

1 Pre exceptional items and interest and tax on associates.
 2 Pre exceptional items and tax on associates.
 3 Pre exceptional items and tax settlements in respect of prior year.

Highlights



•	Revenue ¹	£332m	+19%
•	Organic Sales Growth ¹	£23m	+8%
•	Headline Operating Profit ²	£50m	+23%
•	ROCE ²	11.1%	+0.6%
•	Testing Sales Growth ¹	£23m	+33%
•	6 bolt - on Acquisitions (Forecast 2007 Sales)	£6.1m	
•	Outsourcing Revenues 118 new agreements	+£16.2m	

Key Performance Indicators



	H1 2007	H1 2006	Target
Financial			
Return on capital employed ¹	11.1%	10.5%	Mid teens %
Return on sales ²	15.2%	14.5%	Mid teens %
Organic sales growth ³	8.3%	7.0%	Mid to high single digit %
People costs as a percentage of sales ⁴			
Thermal Processing	39.1%	40.8%	40%
Testing	52.7%	50.9%	50%
Capital expenditure/depreciation ratio ⁵	1.3x	1.1x	0.8 - 1.3x
Non Financial			
Utilisation (Heat Treatment only) ⁶	74%	72%	>80%
ISO 14001/17025 compliant facilities ⁷	227	165	All facilities
Accident frequency ⁸	1.7	2.6	Zero

Interim Results



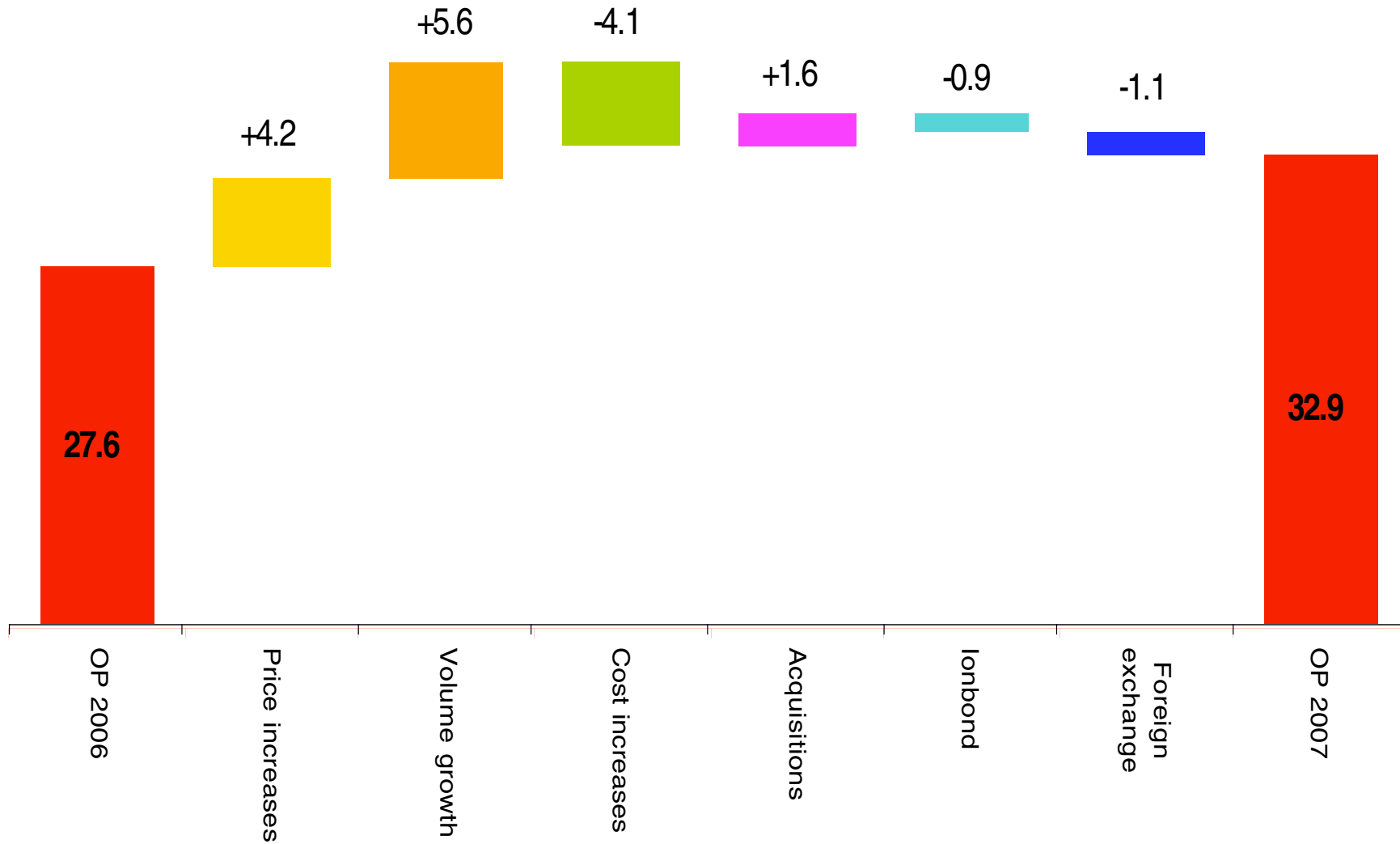
	H1 2007	H1 2006	Change
	£m	£m	%
Revenue	317.6	279.3	+14%
EBITDA ¹	72.8	63.2	+15%
Headline Operating Profit ¹	48.2	40.6	+19%
Headline Profit Before Tax ²	43.2	35.1	+23%
Headline EPS ³	10.3p	8.4p	+23%
Dividends/Share	2.75p	2.50p	+10%

1 Pre exceptional items and interest and tax on associates.

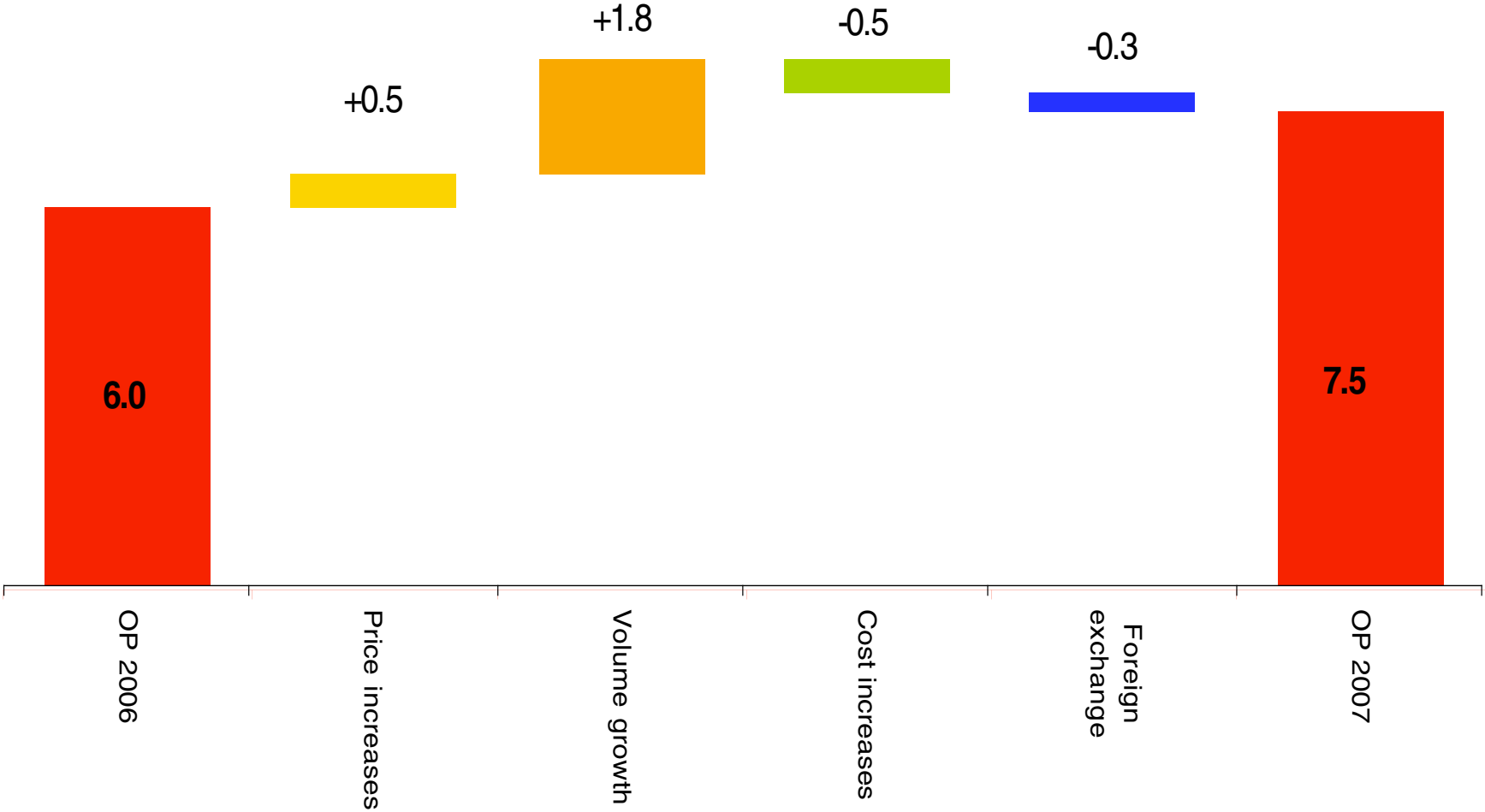
2 Pre exceptional items and tax on associates.

3 Pre exceptional items and tax settlements in respect of prior year.

Profit Bridge – Heat Treatment (In £m)

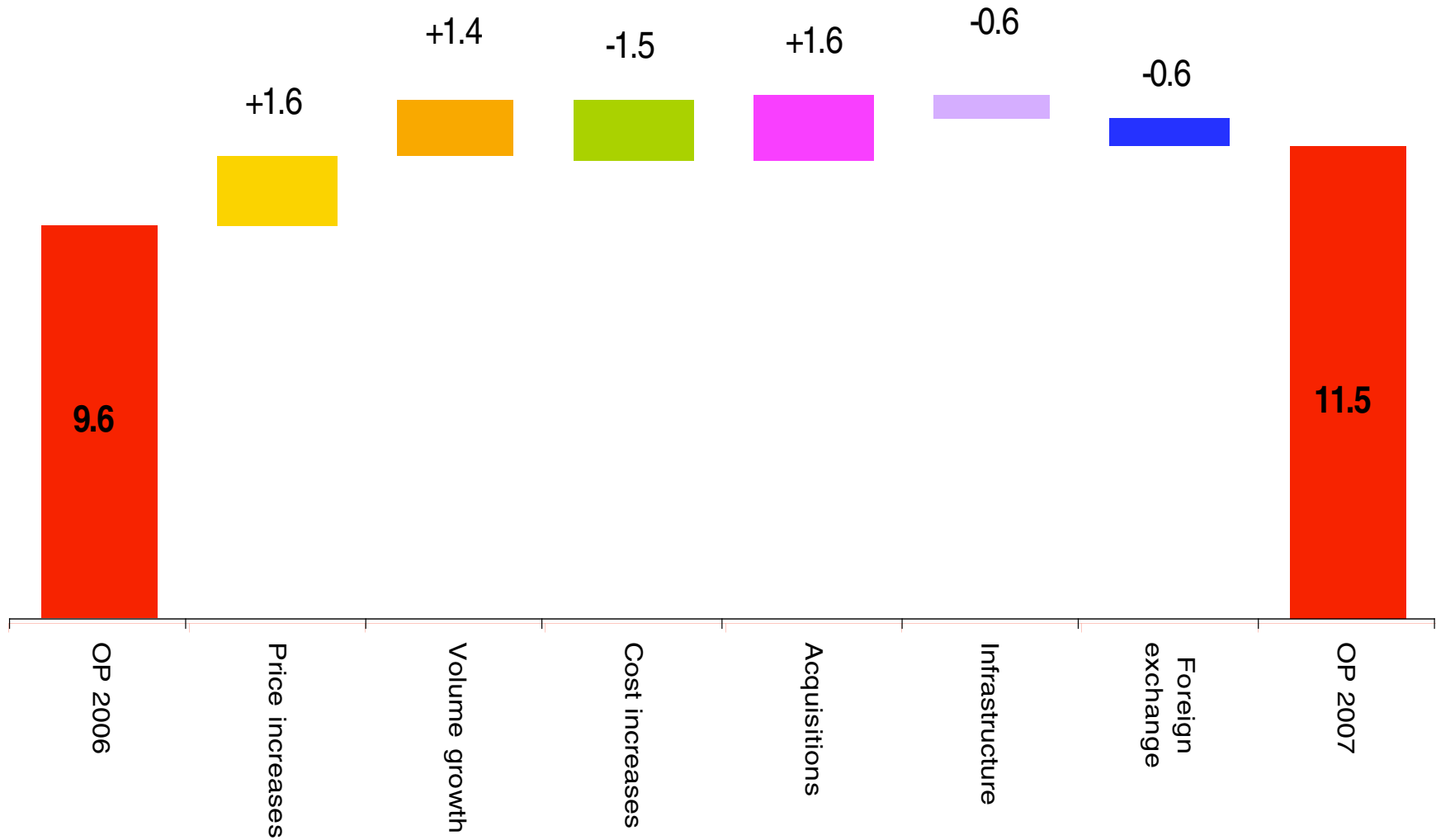


Profit Bridge - HIP (In £m)



Profit Bridge - Testing

In £m



Sales and Operating Profit - By Region



H1 2006 £m	Sales	H1 2007 £m	EMEA £m	Americas £m	Asia Pacific £m
192.2	Heat Treatment	210.8	147.5	63.2	0.1
19.7	Hot Isostatic Pressing	21.3	10.8	10.5	-
211.9	Thermal Processing	232.1	158.3	73.7	0.1
46.7	Testing MEM *	61.9	39.7	21.4	0.8
20.7	Testing HSE **	23.6	12.3	11.3	-
67.4	Testing	85.5	52.0	32.7	0.8
279.3	Group	317.6	210.3	106.4	0.9
	<u>Operating Profit</u> ¹				
27.6	Heat Treatment	32.9	26.7	6.7	(0.5)
6.0	Hot Isostatic Pressing	7.5	3.6	3.9	-
33.6	Thermal Processing	40.4	30.3	10.6	(0.5)
7.0	Testing MEM *	10.3	6.5	3.8	-
2.6	Testing HSE **	1.2	1.1	0.1	-
9.6	Testing	11.5	7.6	3.9	-
(2.6)	Head Office	(3.7)			
40.6	Group	48.2	37.9	14.5	(0.5)

¹ Pre exceptional items and interest and tax on associates.

* MEM: Materials Testing / Engineering Technology / Measurement Technology.

** HSE: Health Sciences and Environmental.

YoY Change in Sales / Operating Margins



YoY Change in Sales ¹	TOTAL	Organic	EMEA	Organic	Americas	Organic	Asia Pacific	Organic
	%	%	%	%	%	%	%	%
Heat Treatment	14	8	15	10	12	3	-	-
Hot Isostatic Pressing	15	15	27	27	4	4	-	-
Thermal Processing	14	8	16	11	11	3	-	-
Testing MEM	39	13	39	14	38	11	142	35
Testing HSE	20	(2)	38	1	6	(4)	-	-
Testing	33	8	39	11	23	4	142	35
GROUP	19	8	21	11	15	3	162	55
	TOTAL%		EMEA%		Americas%			
<u>Operating Margins ²</u>	2007	2006	2007	2006	2007	2006		
Heat Treatment	15.6	14.4	18.1	15.1	10.6	11.4		
Hot Isostatic Pressing	35.2	30.5	33.3	26.6	37.1	36.2		
Thermal Processing	17.4	15.9	19.1	15.8	14.4	15.2		
Testing MEM	16.6	15.0	16.4	16.0	17.8	13.5		
Testing HSE	5.1	12.6	8.9	13.5	0.9	11.9		
Testing	13.5	14.2	14.6	15.0	11.9	12.5		
Head Office								
GROUP	15.2	14.5	18.0	14.5	13.6	14.5		

1 At constant currencies.

2 Pre exceptional items and interest and tax on associates.

Sales By Market



		H1 2007	H1 2006	YoY Change
	Sector	%	%	in Sales ¹ %
•	Automotive			
	- Cars & Light Truck	19	20	+16
	- Heavy Truck & Bus	5	5	+23
•	Aerospace/Defence	20	18	+28
•	Construction, Agricultural, Railways & Marine	15	16	+11
•	Oil & Gas	8	7	+40
•	Tooling	7	8	+2
•	Medical/Health Science & Environmental	7	7	+15
•	Power Generation	6	6	+15
•	Consumer Products	6	5	+41
•	Electronics & Telecoms	3	3	+35
•	Miscellaneous(e.g pulp & paper, nuclear)	4	5	-7
		100	100	+19

Profit Reconciliation



	H1 2007		H1 2006		Change
	£m		£m		%
Headline Profit Before Tax ¹	43.2		35.1		+23
Amortisation of acquired intangibles	(0.8)		(0.3)		
Impairment of goodwill	(1.8)		-		
Change to pension scheme rules	4.1		-		
Bid response costs	(2.1)		-		
Profit Before Tax	42.6		34.8		+22
Tax	(9.5)		2.7		
Profit After Tax	33.1		37.5		-12

Summary Cash Flow and Financial Ratios

	H1 2007	H1 2006
	£m	£m
EBITDA ¹	72.8	63.2
Non-cash movements	1.6	0.1
Working capital movement	(16.5)	(12.4)
Net capital expenditure	(33.9)	(25.3)
Derivative financial instruments	1.0	-
Interest	(5.0)	(4.9)
Tax	(10.3)	(3.2)
Free Cash Flow	9.7	17.5
Net debt/EBITDA ²	1.2x	1.2x
Interest cover ¹	10.7x	8.8x
Gearing	34%	31%
Free cash flow	3%	6%
Capex/depreciation	1.3x	1.1x

Balance Sheet

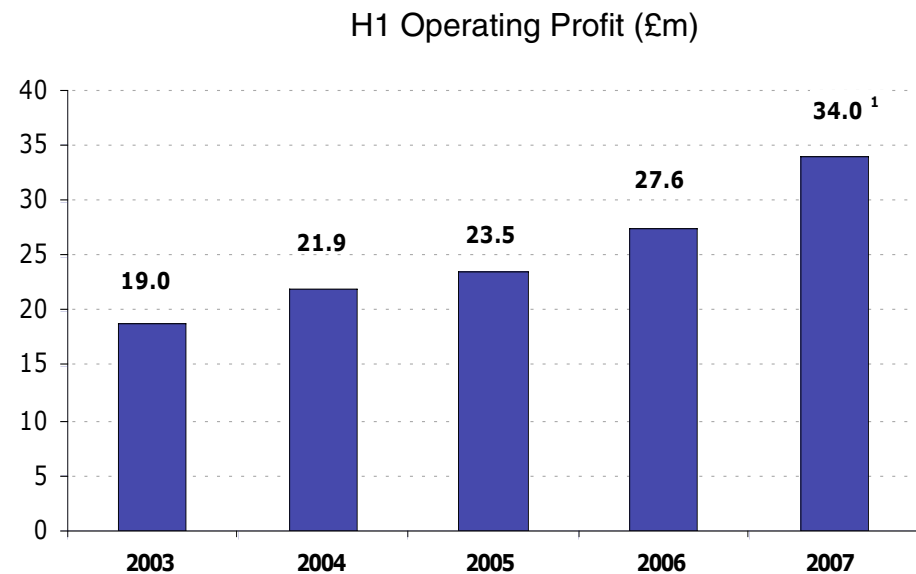
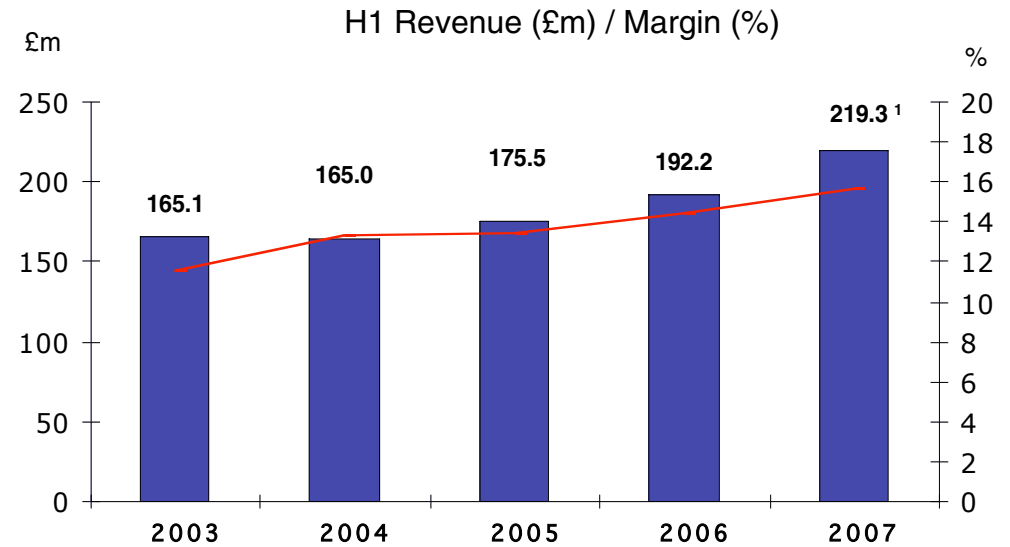


	H1 2007		H1 2006
	£m		£m
Goodwill	202.7		187.9
Tangible and intangible fixed assets	469.4		459.3
Investments	1.3		9.6
Trading working capital	94.2		90.1
Other net assets	(122.4)		(138.9)
Net assets before borrowings	645.2		608.0
Shareholders' funds	476.4		463.0
Minority interests	5.8		1.8
Net borrowings	163.0		143.2
Equity and borrowings	645.2		608.0

Heat Treatment



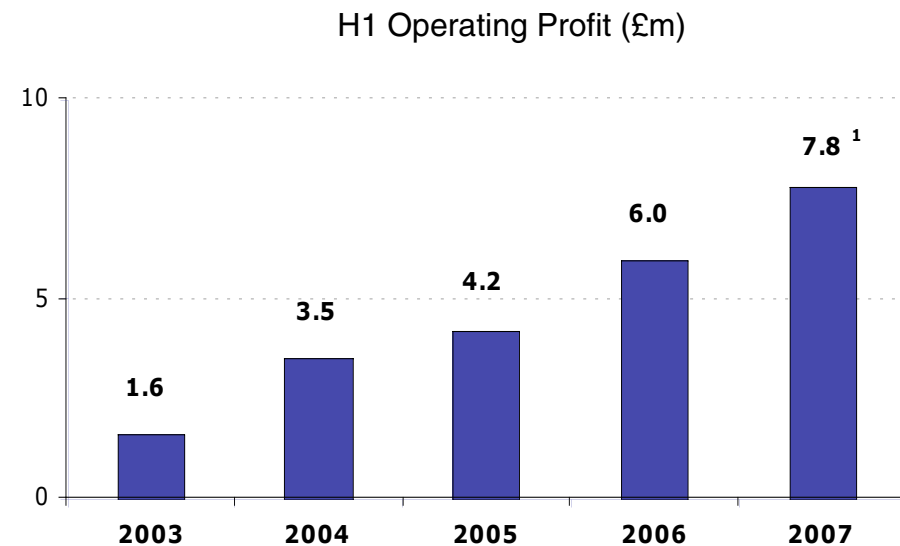
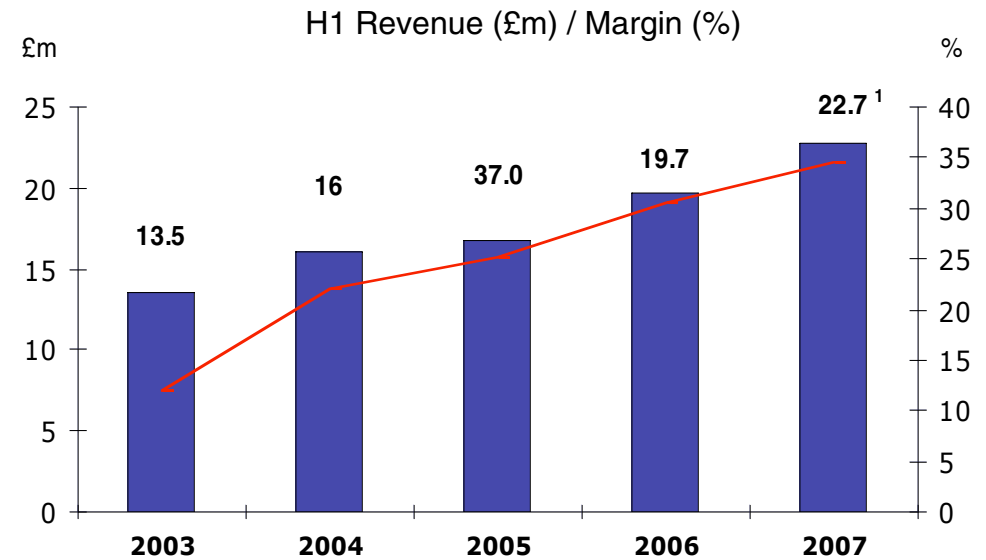
- Sales + 14% ¹
- Operating margin 15.6%
- ROCE now 9.3% (2006 8.2%)
- Energy cost increases recovered
- Outsourcing
- Technology roll-out progressive
- Developing economies



Hot Isostatic Pressing



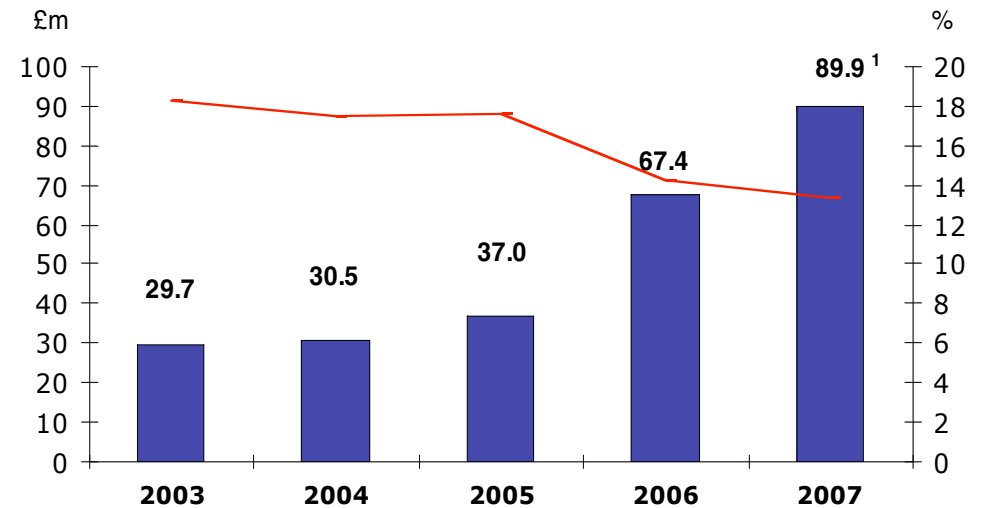
- Sales + 15.2% ¹
- Operating margin 35.2%
- ROCE > 20% (2006 >20%)
- Additional capacity planned



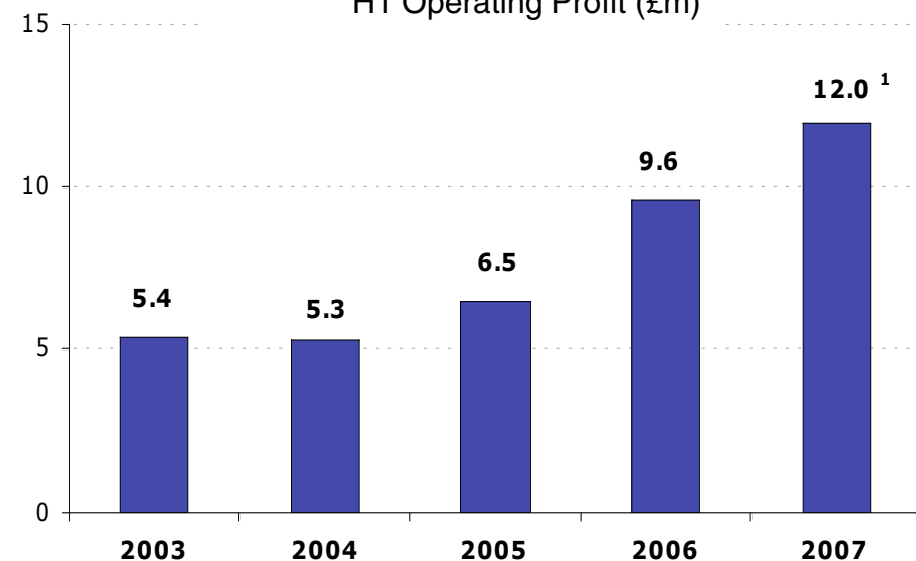
Testing

- Sales ¹ £89.9m (+ 33.4%)
- Operating margin 13.5%
- ROCE now 17% (2006 20%)
- Integrating acquisitions
- Outsourcing wins
- Full acquisition pipeline

H1 Revenue (£m) / Margin (%)



H1 Operating Profit (£m)



Delivering the Strategy

- Increase importance of Testing
- Expand the Group into developing manufacturing geographies
- Intensify outsourcing initiatives

Current Trading and Prospects



- Aerospace, power generation, oil & gas continue to grow
- Automotive gaining share
- Energy costs steady
- Outsourcing initiatives continue to deliver growth
- Pipeline of bolt-on acquisitions c.40 prospects/c.£160m sales
- Confident in prospects for rest of 2007 and beyond



2007 PRELIMINARY RESULTS

Appendix

Analysis Of Organic/Acquisition Growth



Sales	HT £m	HIP £m	Testing		Head Office £m	Total £m
			MEM £m	HSE £m		
2006	192.2	19.7	46.7	20.7		279.3
Organic	14.8	3.0	5.9	(0.4)		23.3
Acquisition	17.9		11.9	5.1		34.9
Closed facilities	(5.7)					(5.7)
Currency	(8.4)	(1.4)	(2.6)	(1.8)		(14.2)
2007	210.8	21.3	61.9	23.6		317.6
Operating Profit ¹						
2006	27.6	6.0	7.0	2.6	(2.6)	40.6
Organic	4.5	1.8	2.3	(1.4)	(1.1)	6.1
Acquisition	1.6		1.3	0.3		3.2
Closed facilities	0.3					0.3
Currency	(1.1)	(0.3)	(0.3)	(0.3)		(2.0)
2007	32.9	7.5	10.3	1.2	(3.7)	48.2
% on sales						
2007	15.6%	35.2%	16.6%	5.1%		15.2%
2006	14.4%	30.5%	15.0%	12.6%		14.5%

Taxation



	H1 2007	H1 2006	FY 2006
	£m	£m	£m
Profit before taxation and exceptional items	43.2	35.1	70.0
Exceptional items	(0.6)	(0.3)	(23.4)
Profit after exceptional items	42.6	34.8	46.6
Current year tax charge ¹	10.1	7.9	16.6
Tax effect of exceptional items	(0.6)	-	(2.7)
Tax settlements in respect of prior years	-	(10.6)	(11.2)
Total tax charge (credit)	9.5	(2.7)	2.7
Pre exceptional and prior period items	23.4%	22.5%	23.7%
Post exceptional and prior period items	22.3%	(7.8%)	5.8%

Operational Locations



	Heat Treatment	HIP	Testing	Total
UK	19	3	38	60
USA	36	4	17	57
France	35	1	0	36
Sweden	12	1	11	24
Canada	2	0	20	22
Germany	17	1	1	19
Brazil	8	0	0	8
Czech Republic	6	0	1	7
Netherlands	5	0	2	7
Finland	5	0	2	7
Poland	6	0	0	6
Turkey	6	0	0	6
Italy	4	0	2	6
UAE	1	0	5	6
China /Hong Kong	3	0	1	4
Belgium	2	1	1	4
Denmark	2	0	2	4
Austria	3	0	0	3
Switzerland	2	0	0	2
Romania	2	0	0	2
India	2	0	0	2
Singapore	1	0	1	2
Liechtenstein	1	0	0	1
Hungary	1	0	0	1
Argentina	1	0	0	1
Ireland	0	0	1	1
Oman	0	0	1	1
Norway	0	0	1	1
Qatar	0	0	1	1
Australia	0	0	1	1
Total	182	11	109	302




Impact Of Exchange Rates

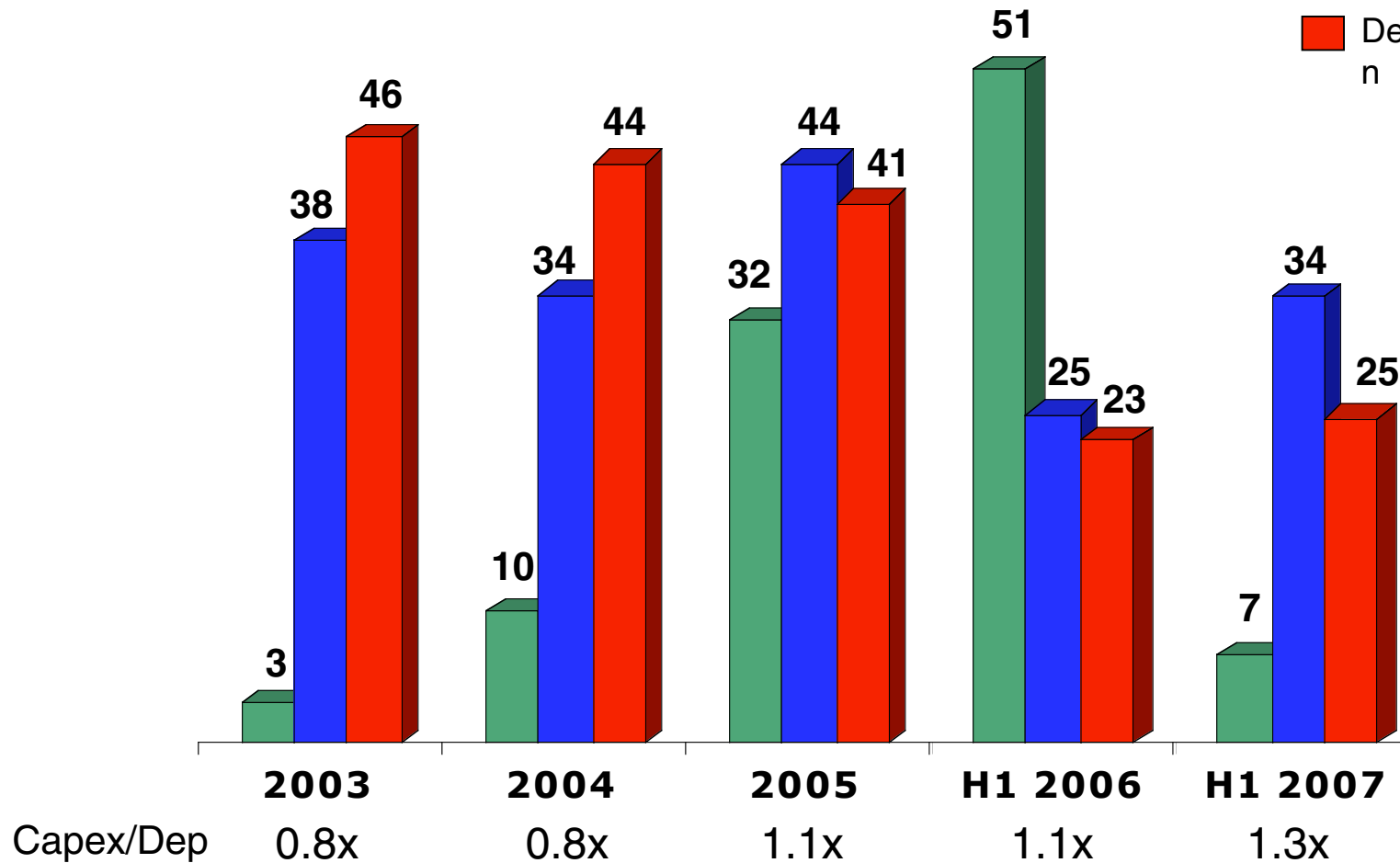


	Sales £m	Operating Profit ¹ £m
2007 As Reported	317.6	48.2
2007 Using 2006 Rates	331.8	50.1
Impact	(14.2)	(1.9)

Acquisitions, Capital Expenditure & Depreciation

£ million

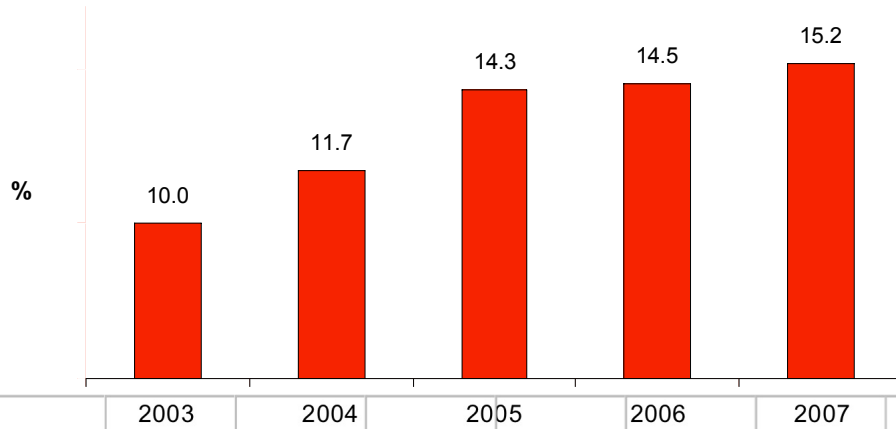
-  Acquisitions
-  Capital Expenditure
-  Depreciation



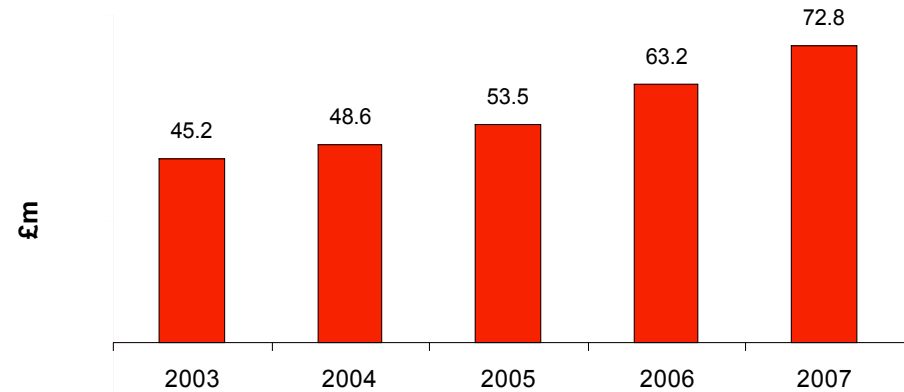
Financial Highlights H1



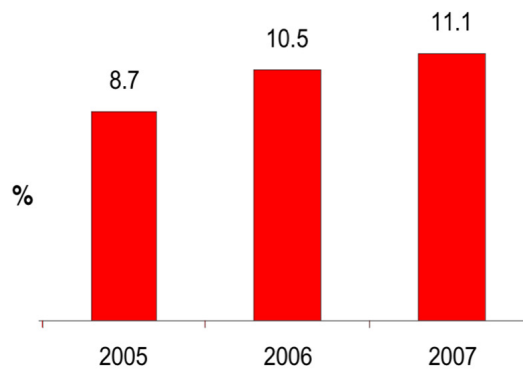
Operating margins ¹



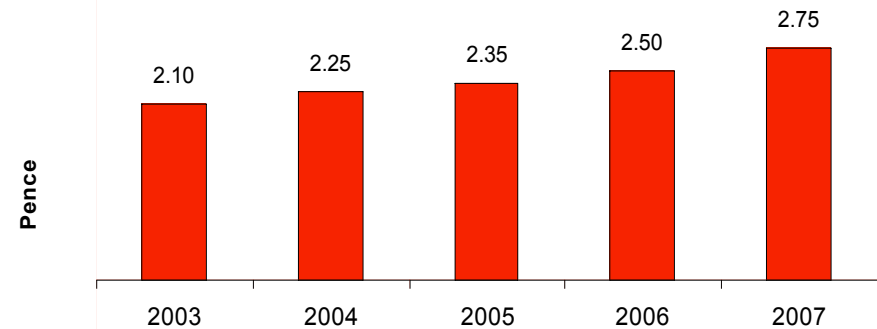
EBITDA ¹



ROCE ³



Dividend Per Share ²



- 1 Pre exceptional items and interest and tax on associates.
- 2 As restated for the 1 to 4 rights issue in March 2004.
- 3 Based on 12 months ending on 30 June.

Key performance indicators definitions

1. Headline operating profit as a percentage of average capital employed. Capital employed includes tangibles and intangibles assets including all previously amortised/impaired goodwill and all non interests bearing assets and liabilities. Operating profit is stated pre exceptional items and interest and tax on associates.
2. Headline operating profit as percentage of revenue from continuing operations. Operating profit is stated pre exceptional items and interest and tax on associates.
3. Year on year increase in revenue, at constant currencies from continuing operations excluding revenue from acquisitions made within the prior six months.
4. The salary and benefit costs of all employees a percentage of revenue from continuing operations.
5. Net capital expenditure divided by depreciation.
6. Actual revenues expressed as a percentage of theoretical maximum revenue assuming that heat treatment facilities operate 24 hours per day, 365 days per year.
7. The number of facilities holding registrations for ISO 14001 or ISO 17025.
8. Accident frequency - the number of accidents x 200,000 (approximating 100 man years), divided by the total hours worked.



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