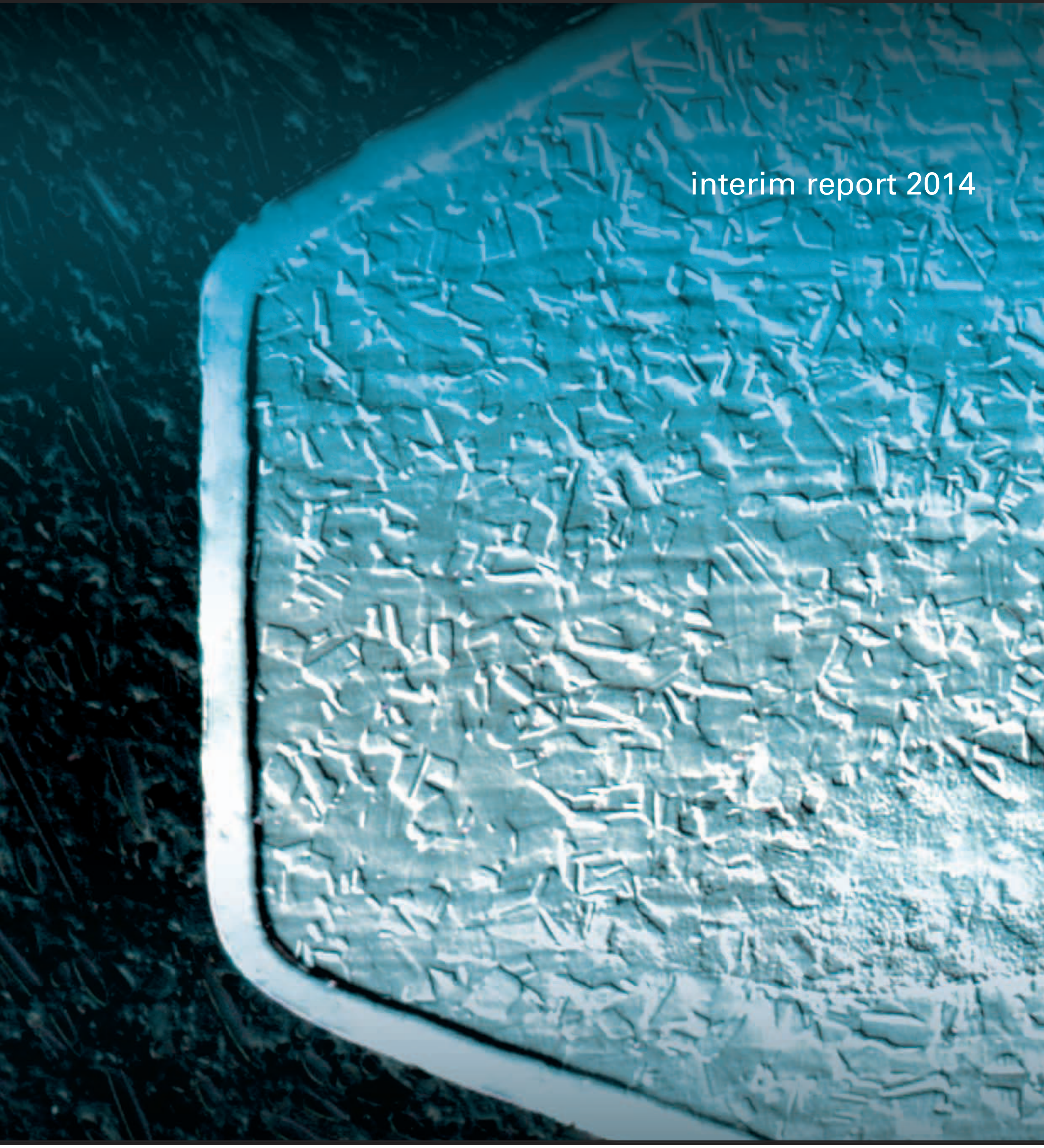

www.bodycote.com | Stock code: BOY

www.bodycote.com/audiocast

Bodycote continually improves the website offerings for both customers and investors. The most recent is the addition of an audio webcast of Bodycote's 2014 Interim Results presentation in the Investor Relations section of the website. We invite you to view and to listen by visiting www.bodycote.com/audiocast

Cover image

This photo-micrograph shows an austenitic stainless steel microstructure having been treated by Bodycote's proprietary S^3P process. The S^3P process provides a unique surface hardening solution for stainless steel, nickel-based and cobalt-chromium alloys and produces improved mechanical and wear properties without adversely affecting corrosion resistance.

Financial highlights

	Half year to 30 June 2014	Half year to 30 June 2013
Revenue	**£312.3m**	£316.5m
Headline operating profit[1]	**£56.1m**	£52.4m
Return on sales[2]	**18.0%**	16.6%
Operating profit	**£54.2m**	£50.3m
Headline profit before taxation[1]	**£54.5m**	£50.6m
Profit before taxation	**£52.6m**	£48.5m
Headline operating cash flow[3]	**£44.0m**	£46.5m
Operating cash flow[4]	**£42.8m**	£43.5m
Net cash / (debt)	**£5.5m**	£(27.1)m
Basic headline earnings per share[5]	**22.1p**	20.0p
Basic earnings per share[5]	**21.1p**	18.9p
Interim dividend per share[6]	**4.6p**	4.4p

Contents

1 Headline operating profit and headline profit before taxation are before amortisation of acquired intangibles of £1.9m (2013: £2.1m).
2 Return on sales is defined as headline operating profit as a percentage of revenue.
3 Headline operating cash flow is defined as operating cash flow before cash flow relating to restructuring of £1.2m (2013: £3.0m).
4 Operating cash flow is defined as cash generated by operations of £74.3m (2013: £72.1m) less net capital expenditure of £31.5m (2013: £28.6m).
5 A detailed reconciliation is provided in note 5 on page 16.
6 See note 6 on page 17.

Interim management report

Overview

Bodycote made encouraging progress in the first half of 2014. Revenues increased by 4.6% at constant exchange rates although adverse foreign exchange movements led reported revenues to decline by 1.3%. Headline operating profit grew by 7.1% to £56.1m and operating profit grew by 7.8% to £54.2m, despite a £3.2m impact due to the effect of adverse exchange movements.

The new technologies of S^3P (Specialty Stainless Steel Processes) and HIP PF (Hot Isostatic Pressing Product Fabrication) both performed strongly. Together with mix improvements particularly in emerging markets these factors led to a further headline operating margin[1] expansion of 140 basis points to 18.0% (2013: 16.6%). There were no acquisitions completed in the period, but the Group continues to seek to acquire value-adding business to add to its portfolio.

In oil & gas, and in particular subsea, market changes are moving in our favour and our investment programmes over the past few years are enabling the Group to realise significant growth, with HIP PF in particular benefiting from these changes. In the aerospace market, a combination of OEM supply chain structural changes, inventory adjustments ahead of platform changeovers, and reduced defence spending are offsetting the underlying secular growth of this segment. Work to expand the Group's footprint in the aerospace OEMs' supply chains has been stepped up in order to secure more of the latent growth available though this will take some time to come through.

Growth in the automotive segment continues its upward trajectory. Bodycote is increasingly becoming the preferred supplier of thermal processing services for many customers, particularly for car and light truck production. The Group's emphasis on very high service levels and technical proficiency is driving considerable differentiation and value accretion in what in most other respects is a difficult environment to thrive. Success in this business will be enhanced by further network development as our customers expand in the lower cost economies.

Net capital expenditure of £31.5m represents an expenditure to depreciation ratio of 1.2 times (2013: 1.0 times), as the Group increased the pace of investment over that seen in the last few years. Much of this capital expenditure is being invested in the new high growth technologies and the greenfield expansion plan for the emerging markets, with four new plants in progress during the first half. Headline operating cash flow conversion was 78%[2] (2013: 89%) yielding a headline operating cash flow of £44.0m. The Group finished the half with a net cash position of £5.5m after the payment of the 2013 final and special dividends.

The Group's strategy of focusing on services that are highly valued by our customers; targeted customer engagement; increasing our emerging market footprint; growth in selected new technologies; and the drive for operational excellence continues to deliver good results, notwithstanding the mixed macroeconomic backdrop.

1 Headline operating profit as a percentage of sales.
2 Headline operating cash flow divided by headline operating profit.

Business review

Markets

Revenues from the civil aviation and defence markets decreased 1.3% (at constant exchange rates). Inventory adjustments by some engine OEMs resulted in flat revenues (at constant exchange rates) in the civil aviation sector while the impact of lower defence spending was to reduce revenue overall.

Revenues from North American onshore oil & gas exploration and production equipment customers improved as heavy destocking, seen particularly in the first half of 2013, ended. The Group also enjoyed further strong growth for subsea applications driven by the increasing uptake of Hot Isostatic Pressing Product Fabrication (HIP PF) technology. These areas contributed to a substantial organic increase of 20.9% (at constant exchange rates) in Bodycote's global revenues to oil & gas customers compared to the same period in 2013.

Within the power generation market, revenues from industrial gas turbine customers were robust, supported by strong growth in our HIP business. This growth was partly offset by weaker demand in the nuclear sector.

Demand from the car & light truck sector was robust in all geographies. Together with continuing gradual gains for the Group's higher value-added processes, this resulted in organic growth of 7.3% (at constant exchange rates) when compared to the first half of 2013.

Revenue performance in the heavy truck market was varied. North America was much improved, following a downturn in 2013, and revenues were up 4.8% (at constant exchange rates) compared to the same period of 2013. In contrast, weak demand in Western Europe saw revenues decline 5.7% (at constant exchange rates) against the first half of 2013. Overall revenues in the heavy truck sector were flat year-on-year (at constant exchange rates).

There was a broad-based improvement in revenues from general industrial customers. The mining equipment sector remains depressed but revenues from the construction, tooling and medical markets were good. In total, revenues were up 4.2% (at constant exchange rates), driven by a 5.9% increase in Western Europe partially offset by flat sales in North America.

Growth in the emerging markets has generally been good, driven by revenues from the automotive and general industrial sectors, which were up 3.4% (at constant exchange rates).

Aerospace, Defence & Energy (ADE)

Revenues for the ADE business were £133.5m in the six months to June 2014 compared with £132.6m in 2013, an increase of 0.7%. At constant exchange rates revenues increased by 6.2%.

Headline operating profit[1] was £36.0m (2013: £34.2m), an increase of 5.3%, made up of organic growth of 11.7% and a 6.4% decline resulting from adverse foreign currency movements. The headline operating margin improved from 25.8% to 27.0%.

Net capital expenditure was £9.8m (2013: £17.4m), representing a typical spend rate of 1.0 times depreciation (2013: 1.8 times). Notable projects include additional HIP and aerospace-focused heat treatment capacity in the USA.

Average capital employed for the period was £233.7m (2013: £241.3m), with the decline a consequence of movements in foreign exchange rates.

Automotive & General Industrial (AGI)

Revenues for the AGI business were £178.8m in the first half of 2014, compared with £183.9m in 2013, a decrease of 2.8%. Revenues increased by 3.4% at constant exchange rates.

Headline operating profit[1] was £25.3m (2013: £25.4m), a fall of 0.4%, made up of a 5.5% decline resulting from foreign currency movements and organic growth of 5.1%. Headline operating margin improved from 13.8% to 14.1%.

Net capital expenditure was £19.9m (2013: £10.3m) representing a spend rate of 1.2 times depreciation (2013: 0.6 times), driven by expansion in S[3]P and emerging markets. The Group continues to target high value-added processes in developed markets and in additional greenfield capacity in Eastern Europe and China.

Average capital employed for the period was £299.3m (2013: £318.7m), with the decline a consequence of movements in foreign exchange rates.

1 Headline operating profit is reconciled to operating profit in note 2. Bodycote plants do not exclusively supply services to customers of a given market sector (see note 2).

Interim management report continued

Financial overview

Revenue and headline operating profit

	Half year to 30 June					
	Revenue		Headline operating profit		Headline operating margin	
	2014 £m	2013 £m	**2014 £m**	2013 £m	**2014 %**	2013 %
ADE	**133.5**	132.6	**36.0**	34.2	**27.0**	25.8
AGI	**178.8**	183.9	**25.3**	25.4	**14.1**	13.8
	312.3	316.5	**61.3**	59.6	**19.6**	18.8
Central costs	**–**	–	**(5.2)**	(7.2)	**–**	–
Total	**312.3**	316.5	**56.1**	52.4	**18.0**	16.6

Revenue for the half year was £312.3m (2013: £316.5m), a decrease of 1.3% compared to the same period last year, but an increase at constant exchange rates of 4.6% (£14.5m).

Headline operating profit increased to £56.1m (2013: £52.4m) and headline operating margin improved to 18.0% (2013: 16.6%). The increase in headline operating profit of £3.7m was achieved despite a negative exchange rate effect of £3.2m.

Operating profit increased to £54.2m (2013: £50.3m) and operating margin was 17.4% (2013: 15.9%).

Headline operating margins for the first six months improved in both ADE and AGI. ADE reported a headline operating margin of 27.0% (2013: 25.8%) and AGI reported a headline operating margin of 14.1% (2013: 13.8%).

Profit before taxation

	Half year to 30 June	
	2014 £m	2013 £m
Headline operating profit	**56.1**	52.4
Net finance charge	**(1.6)**	(1.8)
Headline profit before taxation	**54.5**	50.6
Amortisation of acquired intangible fixed assets	**(1.9)**	(2.1)
Profit before taxation	**52.6**	48.5

Finance charge

The net finance charge for the Group was £1.6m compared to £1.8m in 2013 with £0.3m of the movement relating to lower average net debt, offset by higher undrawn committed facility costs of £0.1m.

	Half year to 30 June	
	2014 £m	2013 £m
Net interest payable	**0.1**	0.4
Financing costs	**0.8**	0.7
Other charges	**0.4**	0.4
Pension finance charge	**0.3**	0.3
Net finance charge	**1.6**	1.8

Cash flow

	Half year to 30 June	
	2014 £m	2013 £m
Headline operating profit	**56.1**	52.4
Add back non-cash items:		
Depreciation and amortisation	**26.4**	28.2
Share-based payments	**1.9**	3.0
Headline EBITDA[1]	**84.4**	83.6
Net capital expenditure	**(31.5)**	(28.6)
Net working capital movement	**(8.9)**	(8.5)
Headline operating cash flow	**44.0**	46.5
Cash cost of restructuring	**(1.2)**	(3.0)
Operating cash flow	**42.8**	43.5
Interest	**(1.3)**	(1.7)
Taxation	**(9.4)**	(14.3)
Free cash flow	**32.1**	27.5

Free cash flow for the period was £32.1m compared to £27.5m in the first six months of 2013. The increase is mainly as a result of increased profits and lower tax payments.

The net working capital outflow for the six month period amounted to £8.9m (2013: £8.5m). Receivables increased by £8.7m (2013: £12.8m) as a result of the normal seasonally higher revenues in May and June in comparison to November and December. The increase in 2013 was higher than usual, as 30 June 2013 fell on a weekend, which resulted in some cash receipts being delayed into July. Debtor days outstanding at 30 June 2014 showed a modest improvement compared to 30 June 2013 at 58 days (30 June 2013 and 31 December 2013: 59 days). Payables decreased by £2.5m (2013: £4.4m increase). Inventory was unchanged in the six months to 30 June 2014 (2013: increase of £0.3m).

The continuing utilisation of environmental and restructuring provisions resulted in a cash outflow of £1.2m (2013: £3.0m). Expenditure has reduced as the Group's restructuring programme nears completion.

The Group has continued to manage carefully its capital expenditure programme and is focused on growing the Group's new technology offerings and expanding capacity in emerging markets. Net capital expenditure for the first half was £31.5m (2013: £28.6m) and the ratio to depreciation was 1.2 times (2013: 1.0 times). Major capital projects that were in progress during the first half of 2014 included ongoing work to establish two greenfield facilities in China as well as new Eastern European facilities in Poland and Turkey. Additional aerospace heat treatment capacity has been added in the USA as well as further expansion of S^{3}P capacity in Germany.

Income taxes paid during the first six months at £9.4m were £4.9m lower than in 2013, reflecting a refund of tax overpaid in the prior year.

Taxation

The tax charge in the first half of 2014 was £12.4m, compared to a charge of £12.5m for the same period of 2013. The effective tax rate of 23.5% (2013: 25.7%) results from the impact of differing tax rates in each of the numerous jurisdictions in which the Group operates. The interim tax rate is lower primarily due to agreements reached with tax authorities in respect of previously open tax positions. Provisions against these matters have therefore been released and are included in the adjustments in respect of prior

1 Earnings before interest, tax, depreciation, amortisation, impairment, profit or loss on disposal of property, plant and equipment and share-based payments.

periods. The rate represents the weighted average of corporation tax charges expected for the full financial year.

Earnings per share

Basic headline earnings per share from operations for the half year were 22.1p (2013: 20.0p). Basic earnings per share from operations for the half year were 21.1p (2013: 18.9p). Diluted earnings per share were 21.1p (2013: 18.9p).

Dividend

The Board has declared an interim dividend of 4.6p (2013: 4.4p) which represents an increase of 4.5% over the prior year. The interim dividend will be paid on 7 November 2014 to all shareholders on the register at the close of business on 3 October 2014.

Net cash/(debt)

Group net cash at 30 June 2014 was £5.5m (31 December 2013 net cash: £15.0m and 30 June 2013 net debt: £27.1m). Loans and letters of credit drawn under the committed facilities at 30 June 2014 totalled £4.6m, compared to £4.8m at 31 December 2013 and £22.6m at 30 June 2013. The Group continues to be able to borrow at competitive rates and therefore currently deems this to be the most effective means of funding.

Liquidity and investments

The Group is financed by a mix of cash flows from operations, short-term borrowings, longer-term loans and finance leases. The Group's funding policy aims to ensure continuity of finance at reasonable cost, based on committed facilities from several sources over a spread of maturities. At 30 June 2014, the Group had the following committed facilities:

Facility	Expiry Date	Facility £m	Loan and Letter of Credit Utilisation £m	**Facility Headroom £m**
£125m Revolving Credit	31 August 2016	125.0	–	**125.0**
€125m Revolving Credit	1 March 2018	100.1	–	**100.1**
		225.1	–	**225.1**
$10m Letter of Credit	31 August 2016	5.8	4.6	**1.2**
		230.9	4.6	**226.3**

On 3 July 2014, the £125m and €125m revolving credit facilities were replaced by a single committed revolving credit facility for £230m, maturing on 3 July 2019. This amendment and maturity profile extension gives rise to a reduction in both the drawn margin and undrawn commitment fees.

Defined benefit pension schemes

The Group's principal defined benefit pension obligations have been reviewed as at 30 June 2014. The deficit in the UK scheme decreased to £4.6m (31 December 2013: £4.8m). In France, for its primarily unfunded cash lump sum obligation, the deficit is £8.1m (31 December 2013: £8.2m). The sum of the deficits for all other Group schemes is £5.3m (31 December 2013: £5.5m). These amounts are fully provided at 30 June 2014. The principal actuarial assumptions are unchanged from those used as at 31 December 2013.

Principal risks and uncertainties

The directors do not consider that the principal risks and uncertainties of the Group have changed since the publication of the annual report for the year ended 31 December 2013. The risks and associated risk management processes can be found on pages 24, 25, 95 and 96 of the 2013 Annual Report, which is available at www.bodycote.com. The risks referred to and which could have a material impact on the Group's performance for the remainder of the current financial year relate to:

- Markets;
- Loss of key customers;
- Human resources;
- Safety and health;
- Environment;
- Service quality;
- Major disruption at a facility;
- Information technology systems;
- Regulatory and legislative compliance;
- Liquidity;
- Interest rate fluctuation; and
- Currency exchange rate fluctuation.

Going concern

As stated in note 1 to the condensed financial statements, the directors have formed a judgement, at the time of approving the condensed financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the condensed financial statements.

Summary and outlook

The Group delivered a strong first half performance. Organic growth and margin improvement were affected by currency headwinds, which at current exchange rates will have a greater impact in the second half.

Noting that the Group has limited forward visibility, the Board continues to expect further progress in 2014 on a constant currency basis.

S.C. Harris
Group Chief Executive
31 July 2014

D.F. Landless
Group Finance Director
31 July 2014

Interim management report continued

Responsibility statement

We confirm to the best of our knowledge that:

a. the condensed consolidated set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting';

b. the Interim Management Report includes a fair review of the information required by DTR 4.2.7R (indication of important events that have occurred during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

c. the Interim Management Report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board,

S.C. Harris
Group Chief Executive
31 July 2014

D.F. Landless
Group Finance Director
31 July 2014

Cautionary statement

This Interim management report has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. The Interim management report should not be relied on by any other party or for any other purpose.

The Interim management report contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

Unaudited condensed consolidated income statement

Year ended 31 Dec 2013 £m		Note	**Half year to 30 June 2014 £m**	Half year to 30 June 2013 £m
619.6	**Revenue**	2	**312.3**	316.5
(516.7)	Cost of sales and overheads		**(258.1)**	(266.2)
102.9	**Operating profit prior to exceptional items**		**54.2**	50.3
(0.8)	Reorganisation costs		**–**	–
102.1	**Operating profit**	2	**54.2**	50.3
0.1	Investment revenue		**0.1**	0.1
(3.8)	Finance costs		**(1.7)**	(1.9)
98.4	**Profit before taxation**		**52.6**	48.5
(25.3)	Taxation	4	**(12.4)**	(12.5)
73.1	**Profit for the period**		**40.2**	36.0
	Attributable to:			
73.0	Equity holders of the parent		**40.2**	35.8
0.1	Non-controlling interests		**–**	0.2
73.1			**40.2**	36.0
	Earnings per share	5		
Pence			**Pence**	Pence
38.5	Basic		**21.1**	18.9
38.5	Diluted		**21.1**	18.9

All activities have arisen from continuing operations.

Unaudited condensed consolidated statement of comprehensive income

Year ended 31 Dec 2013 £m		**Half year to 30 June 2014 £m**	Half year to 30 June 2013 £m
73.1	**Profit for the period**	**40.2**	36.0
	Items that will not be reclassified to profit or loss:		
(0.3)	Actuarial gains / (losses) on defined benefit pension schemes	**0.1**	(0.4)
(0.1)	Tax on items not reclassified	**(0.1)**	–
(0.4)	**Total items that will not be reclassified to profit or loss**	**–**	(0.4)
	Items that may be reclassified subsequently to profit or loss:		
(3.1)	Exchange (losses) / gains on translation of foreign operations	**(16.0)**	22.6
(1.3)	Movements on hedges of net investments	**–**	–
(4.4)	**Total items that may be reclassified subsequently to profit or loss**	**(16.0)**	22.6
(4.8)	**Other comprehensive (expense) / income for the period**	**(16.0)**	22.2
68.3	**Total comprehensive income for the period**	**24.2**	58.2
	Attributable to:		
68.3	Equity holders of the parent	**24.2**	58.0
–	Non-controlling interests	**–**	0.2
68.3		**24.2**	58.2

Unaudited condensed consolidated balance sheet

As at 31 Dec 2013 £m		Note	**As at 30 June 2014 £m**	As at 30 June 2013 £m
	Non-current assets			
135.7	Goodwill		**134.0**	136.5
32.2	Other intangible assets		**30.8**	35.7
444.6	Property, plant and equipment		**434.5**	470.0
1.7	Other investments		**0.2**	1.6
29.4	Deferred tax assets		**28.5**	36.1
1.7	Trade and other receivables		**2.3**	2.2
645.3			**630.3**	682.1
	Current assets			
18.7	Inventories		**18.0**	19.5
16.5	Current tax assets		**16.5**	0.6
108.9	Trade and other receivables		**114.2**	127.0
16.9	Cash and bank balances		**11.6**	8.2
2.3	Assets held for sale		**1.3**	2.7
163.3			**161.6**	158.0
808.6	**Total assets**		**791.9**	840.1
	Current liabilities			
132.1	Trade and other payables		**126.4**	144.5
27.1	Current tax liabilities		**31.2**	12.1
0.1	Obligations under finance leases		**–**	0.1
1.6	Borrowings		**5.9**	17.5
6.9	Provisions	3	**7.9**	6.3
167.8			**171.4**	180.5
(4.5)	**Net current liabilities**		**(9.8)**	(22.5)
	Non-current liabilities			
–	Borrowings		**–**	17.4
18.5	Retirement benefit obligations		**18.0**	19.8
61.6	Deferred tax liabilities		**59.2**	62.2
0.2	Obligations under finance leases		**0.2**	0.3
9.5	Provisions	3	**9.1**	10.3
3.6	Other payables		**3.5**	3.5
93.4			**90.0**	113.5
261.2	**Total liabilities**		**261.4**	294.0
547.4	**Net assets**		**530.5**	546.1
	Equity			
33.1	Share capital		**33.1**	33.1
177.1	Share premium account		**177.1**	177.1
(5.5)	Own shares		**(7.2)**	(6.0)
140.1	Other reserves		**136.9**	139.8
4.7	Hedging and translation reserves		**(11.3)**	33.1
197.3	Retained earnings		**201.4**	167.4
546.8	**Equity attributable to equity holders of the parent**		**530.0**	544.5
0.6	Non-controlling interests		**0.5**	1.6
547.4	**Total equity**		**530.5**	546.1

Unaudited condensed consolidated cash flow statement

Year ended 31 Dec 2013 £m		Note	**Half year to 30 June 2014 £m**	Half year to 30 June 2013 £m
139.4	**Net cash from operating activities**	7	**64.9**	57.9
	Investing activities			
(56.2)	Purchases of property, plant and equipment		**(31.8)**	(28.2)
1.9	Proceeds on disposal of property, plant and equipment and intangible assets		**2.1**	0.6
(3.0)	Purchases of intangible fixed assets		**(1.8)**	(1.0)
(0.9)	Purchase of sundry investments		**–**	–
–	Disposal of sundry investments		**1.5**	–
(58.2)	**Net cash used in investing activities**		**(30.0)**	(28.6)
	Financing activities			
0.1	Interest received		**–**	0.2
(3.4)	Interest paid		**(1.3)**	(1.9)
(24.0)	Dividends paid		**(36.5)**	(15.7)
(36.6)	Repayments of bank loans		**–**	(34.5)
(0.1)	Payments of obligations under finance leases		**–**	(0.1)
–	New bank loans raised		**–**	21.6
(3.5)	Own shares purchased / settlement of share options		**(6.4)**	(3.5)
(67.5)	**Net cash used in financing activities**		**(44.2)**	(33.9)
13.7	**Net (decrease) / increase in cash and cash equivalents**		**(9.3)**	(4.6)
1.6	**Cash and cash equivalents at beginning of period**		**15.3**	1.6
–	Effect of foreign exchange rate changes		**(0.3)**	0.1
15.3	**Cash and cash equivalents at end of period**	7	**5.7**	(2.9)

Unaudited condensed consolidated statement of changes in equity

	Share capital £m	Share premium account £m	Own shares £m	Other reserves £m	Hedging and translation reserves £m	Retained earnings £m	**Equity attributable to equity holders of the parent £m**	Non-controlling interests £m	**Total equity £m**
Half year to 30 June 2014									
1 January 2014	**33.1**	**177.1**	**(5.5)**	**140.1**	**4.7**	**197.3**	**546.8**	**0.6**	**547.4**
Net profit for the period	**–**	**–**	**–**	**–**	**–**	**40.2**	**40.2**	**–**	**40.2**
Exchange differences on translation of overseas operations	**–**	**–**	**–**	**–**	**(16.0)**	**–**	**(16.0)**	**–**	**(16.0)**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**(16.0)**	**40.2**	**24.2**	**–**	**24.2**
Acquired in the period / settlement of share options	**–**	**–**	**(1.7)**	**(5.1)**	**–**	**0.4**	**(6.4)**	**–**	**(6.4)**
Share-based payments	**–**	**–**	**–**	**1.9**	**–**	**–**	**1.9**	**–**	**1.9**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**(36.5)**	**(36.5)**	**–**	**(36.5)**
Disposed with subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(0.1)**	**(0.1)**
30 June 2014	**33.1**	**177.1**	**(7.2)**	**136.9**	**(11.3)**	**201.4**	**530.0**	**0.5**	**530.5**
Half year to 30 June 2013									
1 January 2013 (as previously reported)	33.1	177.1	(11.3)	141.6	10.5	152.0	503.0	1.4	504.4
Impact of IAS 19 (revised)	–	–	–	–	–	(0.3)	(0.3)	–	(0.3)
1 January 2013 (as restated)	33.1	177.1	(11.3)	141.6	10.5	151.7	502.7	1.4	504.1
Net profit for the period	–	–	–	–	–	35.8	35.8	0.2	36.0
Exchange differences on translation of overseas operations	–	–	–	–	22.6	–	22.6	–	22.6
Actuarial losses on defined benefit pension schemes net of deferred tax	–	–	–	–	–	(0.4)	(0.4)	–	(0.4)
Total comprehensive income for the period	–	–	–	–	22.6	35.4	58.0	0.2	58.2
Acquired in the period / settlement of share options	–	–	5.3	(4.8)	–	(4.0)	(3.5)	–	(3.5)
Share-based payments	–	–	–	3.0	–	–	3.0	–	3.0
Dividends paid	–	–	–	–	–	(15.7)	(15.7)	–	(15.7)
30 June 2013	33.1	177.1	(6.0)	139.8	33.1	167.4	544.5	1.6	546.1
Year ended 31 December 2013									
1 January 2013 (as previously reported)	33.1	177.1	(11.3)	141.6	10.5	152.0	503.0	1.4	504.4
Impact of IAS 19 (revised)	–	–	–	–	–	(0.3)	(0.3)	–	(0.3)
1 January 2013 (as restated)	33.1	177.1	(11.3)	141.6	10.5	151.7	502.7	1.4	504.1
Net profit for the year	–	–	–	–	–	73.0	73.0	0.1	73.1
Exchange differences on translation of overseas operations	–	–	–	–	(3.0)	–	(3.0)	(0.1)	(3.1)
Movements on hedges of net investments	–	–	–	–	(1.3)	–	(1.3)	–	(1.3)
Actuarial losses on defined benefit pension schemes net of deferred tax	–	–	–	–	–	(0.4)	(0.4)	–	(0.4)
Total comprehensive income for the year	–	–	–	–	(4.3)	72.6	68.3	–	68.3
Acquired in the year / settlement of share options	–	–	5.8	(5.1)	–	(4.2)	(3.5)	–	(3.5)
Share-based payments	–	–	–	3.6	–	–	3.6	–	3.6
Deferred tax on share-based payment transactions	–	–	–	–	–	(0.3)	(0.3)	–	(0.3)
Dividends paid	–	–	–	–	–	(24.0)	(24.0)	–	(24.0)
Disposed with subsidiary	–	–	–	–	(1.5)	1.5	–	–	–
Purchase of non-controlling interests	–	–	–	–	–	–	–	(0.8)	(0.8)
31 December 2013	33.1	177.1	(5.5)	140.1	4.7	197.3	546.8	0.6	547.4

Included in other reserves is the capital redemption reserve arising on redemption of the Group's B shares of £129.4m (2013: £129.4m) and the share-based payment reserve of £6.2m (2013: £9.1m).

Notes to the condensed consolidated financial information

1. Accounting policies

Basis of preparation

This condensed set of financial statements for the half year ended 30 June 2014 has been prepared in accordance with IAS 34 'Interim Financial Reporting'.

The Interim management report has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRSs) as adopted by the European Union and in accordance with those disclosed in the annual report for the year ended 31 December 2013, which was filed with the Registrar of Companies on 6 May 2014.

Going concern

In determining the basis of preparation for the Interim management report, the directors have considered the Group's business activities, together with the factors likely to affect its future development, performance and position which are set out in the Financial Overview. This includes an overview of the Group's financial position, cash flows, liquidity position and borrowing facilities.

The Group meets its working capital requirements through a combination of committed and uncommitted facilities and overdrafts. The overdrafts and uncommitted facilities are repayable on demand but the committed facilities are due for renewal as set out below. There is sufficient headroom in the committed facility covenants to assume that these facilities can be operated as contracted for the foreseeable future.

The committed facilities as at 30 June 2014 were as follows:

- £125m Revolving Credit Facility maturing 31 August 2016
- €125m Revolving Credit Facility maturing 1 March 2018
- $10m Letter of Credit Facility maturing 31 August 2016

On 3 July 2014, the £125m and €125m revolving credit facilities were replaced by a single committed revolving credit facility for £230m, maturing on 3 July 2019.

The Group's forecasts and projections, which cover a period of at least 12 months from the date of approval of this Interim management report, taking account of reasonable potential changes in trading performance, show that the Group should be able to operate within the level of its current committed facilities.

The directors have reviewed forecasts and projections for the Group's markets and services, assessing the committed facility and financial covenant headroom, central liquidity and the Group's ability to access further funding. The directors also reviewed downside sensitivity analysis over the forecast period, thereby taking into account the uncertainties arising from the current economic environment. Following this review, the directors have formed a judgement, at the time of approving the condensed financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the condensed financial statements.

Changes in accounting policies

The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest annual audited financial statements.

The adoption of the following standards, at 1 January 2014, has had no material impact on the Group's financial statements:

- IFRS 10 'Consolidated Financial Statements' was issued in May 2011, is effective for periods commencing on or after 1 January 2013 and was endorsed by the EU on 1 January 2014.
- IFRS 11 'Joint Arrangements' was issued in May 2011, is effective for periods commencing on or after 1 January 2013 and was endorsed by the EU on 1 January 2014.
- IFRS 12 'Disclosure of Interests in Other Entities' was issued in May 2011, is effective for periods commencing on or after 1 January 2013 and was endorsed by the EU on 1 January 2014.
- IAS 27 (revised) 'Separate Financial Statements' was issued in May 2011, is effective for periods commencing on or after 1 January 2013 and was endorsed by the EU on 1 January 2014.
- IAS 28 (revised) 'Investments in Associates and Joint Ventures' was issued in May 2011, is effective for periods commencing on or after 1 January 2013 and was endorsed by the EU on 1 January 2014.
- Amendments to IAS 32 'Offsetting Financial Assets and Financial Liabilities' was issued in December 2011, is effective for periods commencing on or after 1 January 2014 and was endorsed by the EU on 1 January 2014.
- Amendments to IAS 36 'Recoverable Amount Disclosures for Non-Financial Assets' was issued in May 2013, is effective for periods commencing on or after 1 January 2014 and was endorsed by the EU on 1 January 2014.
- Amendments to IAS 39 'Novation of Derivatives and Continuation of Hedge Accounting' was issued in June 2013, is effective for periods commencing on or after 1 January 2014 and was endorsed by the EU on 1 January 2014.

Notes to the condensed consolidated financial information continued

2. Business and geographical segments

The Group has in excess of 190 locations across the world serving a range of market sectors with various thermal processing services. The range and type of services offered is common to all market sectors.

In accordance with IFRS 8 'Operating Segments', the segmentation of Group activity reflects the way the Group is managed by the chief operating decision maker, being the Group Chief Executive, who on a monthly basis reviews the operating performance of six operating segments, split between the Aerospace, Defence & Energy (ADE) and Automotive & General Industrial (AGI) business areas, as follows:

- ADE – Western Europe;
- ADE – North America;
- ADE – Emerging markets;
- AGI – Western Europe;
- AGI – North America; and
- AGI – Emerging markets.

The split of operating segments by geography reflects the divisional reporting structure of the Group.

In accordance with the aggregation criteria of IFRS 8, the operating segments are aggregated into the Group's two key business areas, ADE and AGI, the split being driven by customer behaviour and requirements. Customers in the ADE segment tend to operate and purchase more globally and have long supply chains, whilst customers in the AGI segment tend to purchase more locally and have shorter supply chains.

Bodycote plants do not exclusively supply services to customers of a given market sector. Allocations of plants between ADE and AGI is therefore derived by reference to the preponderance of markets served.

	Half year to 30 June 2014			
Group	**ADE £m**	**AGI £m**	**Central costs and eliminations £m**	**Consolidated £m**
Revenue				
Total revenue	**133.5**	**178.8**	**–**	**312.3**
Result				
Headline operating profit prior to share-based payments and unallocated central costs	**36.5**	**26.3**	**–**	**62.8**
Share-based payments	**(0.5)**	**(1.0)**	**(0.7)**	**(2.2)**
Unallocated central costs	**–**	**–**	**(4.5)**	**(4.5)**
Headline operating profit / (loss)	**36.0**	**25.3**	**(5.2)**	**56.1**
Amortisation of acquired intangible fixed assets	**(0.6)**	**(1.3)**	**–**	**(1.9)**
Segment result	**35.4**	**24.0**	**(5.2)**	**54.2**
Investment revenue				**0.1**
Finance costs				**(1.7)**
Profit before taxation				**52.6**
Taxation				**(12.4)**
Profit for the period				**40.2**

Inter-segment sales are not material.

The Group does not rely on any individual major customers.

2. Business and geographical segments (continued)

Aerospace, Defence & Energy	Half year to 30 June 2014 Western Europe £m	North America £m	Emerging markets £m	Total ADE £m
Revenue				
Total revenue	**67.4**	**64.9**	**1.2**	**133.5**
Result				
Headline operating profit prior to share-based payments	**16.7**	**19.5**	**0.3**	**36.5**
Share-based payments	**(0.1)**	**(0.4)**	**–**	**(0.5)**
Headline operating profit	**16.6**	**19.1**	**0.3**	**36.0**
Amortisation of acquired intangible fixed assets	**(0.1)**	**(0.5)**	**–**	**(0.6)**
Segment result	**16.5**	**18.6**	**0.3**	**35.4**

Automotive & General Industrial	Half year to 30 June 2014 Western Europe £m	North America £m	Emerging markets £m	Total AGI £m
Revenue				
Total revenue	**116.1**	**41.8**	**20.9**	**178.8**
Result				
Headline operating profit prior to share-based payments	**18.3**	**7.0**	**1.0**	**26.3**
Share-based payments	**(0.7)**	**(0.2)**	**(0.1)**	**(1.0)**
Headline operating profit	**17.6**	**6.8**	**0.9**	**25.3**
Amortisation of acquired intangible fixed assets	**(0.1)**	**(1.1)**	**(0.1)**	**(1.3)**
Segment result	**17.5**	**5.7**	**0.8**	**24.0**

Group	Half year to 30 June 2013 (Restated*) ADE £m	AGI £m	Central costs and eliminations £m	Consolidated £m
Revenue				
Total revenue	132.6	183.9	–	316.5
Result				
Headline operating profit prior to share-based payments and unallocated central costs	35.2	26.8	–	62.0
Share-based payments	(1.0)	(1.4)	(1.2)	(3.6)
Unallocated central costs	–	–	(6.0)	(6.0)
Headline operating profit / (loss)	34.2	25.4	(7.2)	52.4
Amortisation of acquired intangible fixed assets	(0.7)	(1.4)	–	(2.1)
Segment result	33.5	24.0	(7.2)	50.3
Investment revenue				0.1
Finance costs				(1.9)
Profit before taxation				48.5
Taxation				(12.5)
Profit for the period				36.0

* Restated for the reclassification of one facility from ADE to AGI following a reassessment of its customers.

Notes to the condensed consolidated financial information continued

2. Business and geographical segments (continued)

Aerospace, Defence & Energy	Half year to 30 June 2013 (Restated*) Western Europe £m	North America £m	Emerging markets £m	Total ADE £m
Revenue				
Total revenue	60.5	70.5	1.6	132.6
Result				
Headline operating profit prior to share-based payments	15.4	19.5	0.3	35.2
Share-based payments	(0.3)	(0.7)	–	(1.0)
Headline operating profit	15.1	18.8	0.3	34.2
Amortisation of acquired intangible fixed assets	(0.2)	(0.5)	–	(0.7)
Segment result	14.9	18.3	0.3	33.5

Automotive & General Industrial	Half year to 30 June 2013 (Restated*) Western Europe £m	North America £m	Emerging markets £m	Total AGI £m
Revenue				
Total revenue	116.1	44.8	23.0	183.9
Result				
Headline operating profit prior to share-based payments	16.9	8.4	1.5	26.8
Share-based payments	(0.9)	(0.4)	(0.1)	(1.4)
Headline operating profit	16.0	8.0	1.4	25.4
Amortisation of acquired intangible fixed assets	(0.1)	(1.2)	(0.1)	(1.4)
Segment result	15.9	6.8	1.3	24.0

Group	Year ended 31 December 2013 ADE £m	AGI £m	Central costs and eliminations £m	Consolidated £m
Revenue				
Total revenue	261.8	357.8	–	619.6
Result				
Headline operating profit prior to share-based payments and unallocated central costs	71.9	54.2	–	126.1
Share-based payments	(1.2)	(1.5)	(1.7)	(4.4)
Unallocated central costs	–	–	(14.3)	(14.3)
Headline operating profit / (loss)	70.7	52.7	(16.0)	107.4
Amortisation of acquired intangible fixed assets	(1.3)	(3.2)	–	(4.5)
Operating profit / (loss) prior to exceptional items	69.4	49.5	(16.0)	102.9
Reorganisation costs	–	–	(0.8)	(0.8)
Segment result	69.4	49.5	(16.8)	102.1
Investment revenue				0.1
Finance costs				(3.8)
Profit before taxation				98.4
Taxation				(25.3)
Profit for the year				73.1

* Restated for the reclassification of one facility from ADE to AGI following a reassessment of its customers.

2. Business and geographical segments (continued)

Aerospace, Defence & Energy	Year ended 31 December 2013 Western Europe £m	North America £m	Emerging markets £m	Total ADE £m
Revenue				
Total revenue	121.0	137.9	2.9	261.8
Result				
Headline operating profit prior to share-based payments	32.1	39.6	0.2	71.9
Share-based payments	(0.3)	(0.9)	–	(1.2)
Headline operating profit	31.8	38.7	0.2	70.7
Amortisation of acquired intangible fixed assets	(0.3)	(1.0)	–	(1.3)
Segment result	31.5	37.7	0.2	69.4

Automotive & General Industrial	Year ended 31 December 2013 Western Europe £m	North America £m	Emerging markets £m	Total AGI £m
Revenue				
Total revenue	226.9	85.9	45.0	357.8
Result				
Headline operating profit prior to share-based payments	36.1	15.6	2.5	54.2
Share-based payments	(1.0)	(0.5)	–	(1.5)
Headline operating profit	35.1	15.1	2.5	52.7
Amortisation of acquired intangible fixed assets	(0.2)	(2.8)	(0.2)	(3.2)
Segment result	34.9	12.3	2.3	49.5

3. Provisions

	Restructuring £m	**Restructuring Environmental £m**	**Environmental £m**	**Total £m**
1 January 2014	**2.6**	**6.0**	**7.8**	**16.4**
Increase in provision	**1.2**	**–**	**1.4**	**2.6**
Utilisation of provision	**(0.9)**	**(0.3)**	**(0.3)**	**(1.5)**
Exchange difference	**(0.1)**	**(0.2)**	**(0.2)**	**(0.5)**
30 June 2014	**2.8**	**5.5**	**8.7**	**17.0**
Included in current liabilities				**7.9**
Included in non-current liabilities				**9.1**
				17.0

The restructuring provision relates to the remaining costs associated with the closure of a number of Heat Treatment sites and with the establishment of an accounting Shared Service Centre in Prague. The increase in restructuring provisions is due to the ongoing implementation of the global restructuring initiatives.

The Group provides for the costs of environmental remediation that have been identified, either as part of acquisition due diligence, or in other circumstances where remediation by the Group is required. This provision is reviewed annually and is separated into Restructuring Environmental and Environmental to separately identify environmental provisions relating to the restructuring programme from those arising in the ordinary course of business.

The majority of cash outflows in respect of these liabilities are expected to occur within five years.

Whilst the Group's use of chlorinated solvents and other hazardous chemicals continues to reduce, the Group remains exposed to contingent liabilities in respect of environmental remediation liabilities. In particular, the Group could be subjected to regulatory or legislative requirements to remediate sites in the future. However, it is not possible at this time to determine whether and to what extent any liabilities exist, other than for those recognised above. Therefore no provision is recognised in relation to these items.

Notes to the condensed consolidated financial information continued

4. Taxation

Year ended 31 Dec 2013 £m		**Half year to 30 June 2014 £m**	Half year to 30 June 2013 £m
19.7	Current tax – charge for the period	**17.3**	12.8
(0.2)	Current tax – adjustments in respect of prior periods	**(4.9)**	(0.2)
5.8	Deferred tax	**–**	(0.1)
25.3		**12.4**	12.5

The rate of tax for the interim period is 23.5% (2013: 25.7%) of the profit before tax. The rate of tax is reflective of the impact of blending profits and losses from different countries and the different tax rates associated with those countries. The interim tax rate is lower primarily due to agreements reached with tax authorities in respect of previously open tax positions. Provisions against these matters have therefore been released and are included in the adjustments in respect of prior periods. The tax rate includes the impact of the reduction in the UK's corporation tax rate from 23% to 21% with effect from 1 April 2014.

5. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

Year ended 31 Dec 2013 £m		**Half year to 30 June 2014 £m**	Half year to 30 June 2013 £m
	Earnings		
73.0	Earnings for the purpose of basic earnings per share being net profit attributable to equity holders of the parent	**40.2**	35.8
	Number of shares		
Number		**Number**	Number
189,406,006	Weighted average number of ordinary shares for the purposes of basic earnings per share	**190,235,073**	189,300,639
	Effect of dilutive potential ordinary shares:		
–	Share options	**–**	11,433
189,406,006	Weighted average number of ordinary shares for the purposes of diluted earnings per share	**190,235,073**	189,312,072
	Earnings per share		
Pence		**Pence**	Pence
38.5	Basic	**21.1**	18.9
38.5	Diluted	**21.1**	18.9
	Headline earnings		
£m		**£m**	£m
73.0	Net profit attributable to equity holders of the parent	**40.2**	35.8
	Add back:		
4.4	Amortisation of acquired intangible fixed assets (net of tax)	**1.8**	2.0
0.6	Reorganisation costs (net of tax)	**–**	–
78.0	**Headline earnings**	**42.0**	37.8
	Headline earnings per share		
Pence		**Pence**	Pence
41.2	Basic	**22.1**	20.0
41.2	Diluted	**22.1**	20.0

6. Dividends

Amounts recognised as distributions to equity holders in the period:

Year ended 31 Dec 2013 £m		**Half year to 30 June 2014 £m**	Half year to 30 June 2013 £m
15.7	Final dividend for the year ended 31 December 2012 of 8.3p per share	**–**	15.7
8.3	Interim dividend for the year ended 31 December 2013 of 4.4p per share	**–**	–
–	Final dividend for the year ended 31 December 2013 of 9.1p per share	**17.4**	–
–	Special dividend for the year ended 31 December 2013 of 10.0p per share	**19.1**	–
24.0		**36.5**	15.7
	Proposed interim dividend for the year ended 31 December 2014 of 4.6p (2013: 4.4p) per share	**8.8**	8.3

The proposed interim dividend was approved by the Board on 31 July 2014 and has not been included as a liability in these condensed financial statements.

7. Notes to the cash flow statement

Year ended 31 Dec 2013 £m		**Half year to 30 June 2014 £m**	Half year to 30 June 2013 £m
73.1	Profit for the period	**40.2**	36.0
	Adjustments for:		
(0.1)	Investment revenue	**(0.1)**	(0.1)
3.8	Finance costs	**1.7**	1.9
25.3	Taxation	**12.4**	12.5
51.9	Depreciation of property, plant and equipment	**25.3**	26.1
5.5	Amortisation of intangible assets	**2.4**	2.6
(0.1)	Profit on disposal of property, plant and equipment	**(0.2)**	–
3.6	Share-based payments	**1.9**	3.0
5.1	Impairment of fixed assets	**0.8**	1.6
168.1	EBITDA*	**84.4**	83.6
(0.3)	Increase in inventories	**–**	(0.3)
0.2	(Increase) / decrease in receivables	**(8.7)**	(12.8)
(4.3)	(Decrease) / increase in payables	**(2.5)**	4.4
(1.8)	Increase / (decrease) in provisions	**1.1**	(2.8)
161.9	Cash generated by operations	**74.3**	72.1
–	Cash inflow from settlement of derivative financial instruments	**–**	0.1
(22.5)	Income taxes paid	**(9.4)**	(14.3)
139.4	Net cash from operating activities	**64.9**	57.9

* Earnings before interest, tax, depreciation, amortisation, impairment, profit or loss on disposal of property, plant and equipment and share-based payments.

Cash and cash equivalents comprise:

16.9	Cash and bank balances	**11.6**	8.2
(1.6)	Bank overdrafts (included in borrowings)	**(5.9)**	(11.1)
15.3		**5.7**	(2.9)

Notes to the condensed consolidated financial information continued

8. Related party transactions

Transactions between the Company and its wholly owned subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed.

9. General information

The comparative information for the year ended 31 December 2013 contained within these condensed financial statements does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. Those accounts have been reported on by the Group's auditor and delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

Copies of this report and the last Annual Report and Accounts are available from the Secretary, Bodycote plc, Springwood Court, Springwood Close, Tytherington Business Park, Macclesfield, Cheshire SK10 2XF, and can each be downloaded or viewed via the Group's website at www.bodycote.com. Copies of this report have also been submitted to the UK Listing Authority, and will shortly be available at the UK Listing Authority's Document Viewing Facility at 25 The North Colonnade, Canary Wharf, London E14 5HS (Telephone +44 (0)207 676 1000).

Independent review report to Bodycote plc

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2014 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated cash flow statement, the condensed consolidated statement of changes in equity and related notes 1 to 9. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2014 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom
31 July 2014

Company information

Financial calendar

Interim dividend for 2014	7 November 2014
Results for 2014	February 2015
Annual General Meeting	May 2015
Final dividend for 2014	May 2015
Interim results for 2015	July 2015
Interim dividend for 2015	November 2015

Shareholder enquiries

Enquiries on the following administrative matters can be addressed to the Company's registrars, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Telephone: 0871 664 0300 (calls to 0871 numbers cost 10p per minute plus network extras – lines are open 9.00am until 5.30pm, Monday to Friday) or +44 (0)208 639 3399; Fax: +44 (0)1484 600 911; and email (shareholderenquiries@capita.co.uk).

- Change of address
- Stock transfer form including guidance notes
- Dividend mandates
- ShareGift donation coupon

Forms for these matters can be downloaded from the registrars' website at www.capitaassetservices.com, where shareholders can also check their holdings and details.

Share dealing service

Information on a low cost share dealing service offered by our registrars is available from Capita on 0871 664 0364 (calls to 0871 numbers cost 10p per minute plus network extras) or at www.capitadeal.com.

To view the Bodycote Interim Report online visit
http://bodycote.interimreport2014.com

www.bodycote.com

Bodycote plc
Springwood Court
Springwood Close
Tytherington Business Park
Macclesfield
Cheshire
SK10 2XF

Tel: +44 (0)1625 505300
Fax: +44 (0)1625 505313
Email: info@bodycote.com

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