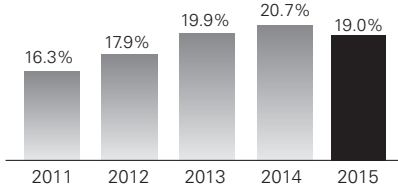


Measuring progress

Return on capital employed

(%)



Performance

Return on capital employed decreased by 1.7 percentage points during the year, from 20.7% to 19.0%.

Headline operating profit decreased by 8.1% from £111.1m to £102.1m, while average capital employed increased by 0.1% to £538.4m.

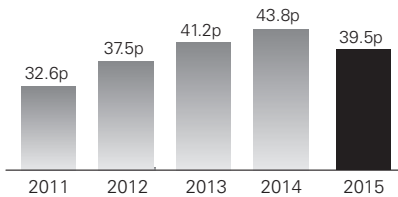
Definition

Headline operating profit as a percentage of the average of opening and closing capital employed as adjusted for certain items of goodwill written off.

Capital employed is defined as net assets adjusted for net cash / (debt).

Headline earnings per share

(pence)



Performance

Headline earnings per share decreased by 4.3 pence during the year, from 43.8 pence to 39.5 pence.

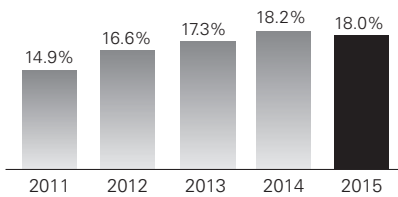
Headline earnings decreased by 10.1% from £83.4m to £75.0m, while the average number of shares in issue remained static.

Definition

Headline earnings per share is defined in note 10 to the Group financial statements.

Return on sales

(%)



Performance

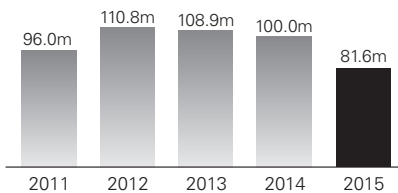
Return on sales decreased by 0.2 percentage points during the year, from 18.2% to 18.0%. Headline operating profit decreased by 8.1% from £111.1m to £102.1m, while revenue decreased by 6.9% from £609.1m to £567.2m.

Definition

Headline operating profit as a percentage of revenue.

Headline operating cash flow

(£m)



Performance

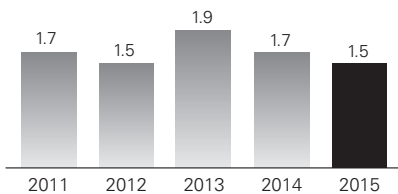
Headline operating cash flow for the Group was £81.6m (2014: £100.0m). This was 80% of headline operating profit (2014: 90%).

Definition

Operating cash flow stated before cash flow relating to restructuring of £8.4m (2014: £3.0m) and acquisition costs of £nil (2014: £0.2m).

Accident frequency

(number)



Performance

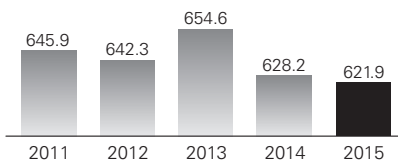
Bodycote works tirelessly to reduce workplace accidents and is committed to providing a safe environment for everyone who works at or visits our locations. The accident frequency rate has decreased to 1.5 in the year (2014: 1.7). Further details are included in the Corporate responsibility and sustainability section on page 32.

Definition

Accident frequency is defined as the number of lost time accidents × 200,000 hours (approximately 100 man years), divided by the total number of employee hours worked.

Carbon footprint

(tonne CO₂e/£m sales)



Performance

On a normalised basis, the carbon footprint decreased by 1.0% from 628.2 tonnes per £m sales to 621.9 tonnes per £m sales. Further details are included in the Corporate responsibility and sustainability section on page 34.

Definition

Carbon footprint is defined as tonnes of CO₂ equivalent emissions divided by £m revenue.

CO₂ equivalent emissions are calculated by taking electricity and gas usage in kilowatt hours and multiplying by country specific conversion factors provided by DEFRA (Department for Environment, Food & Rural Affairs). Normalised emissions statistics restate prior year figures using current year country specific conversion factors and current year average exchange rates.